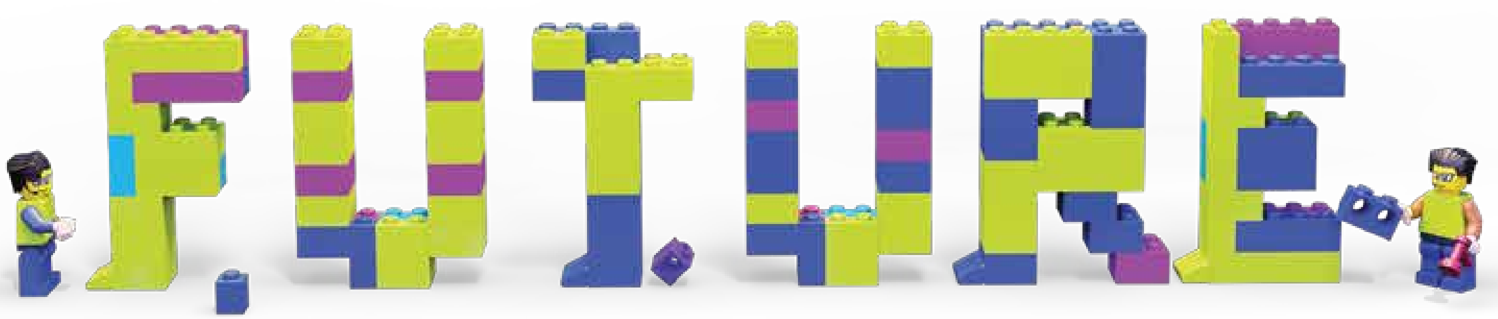
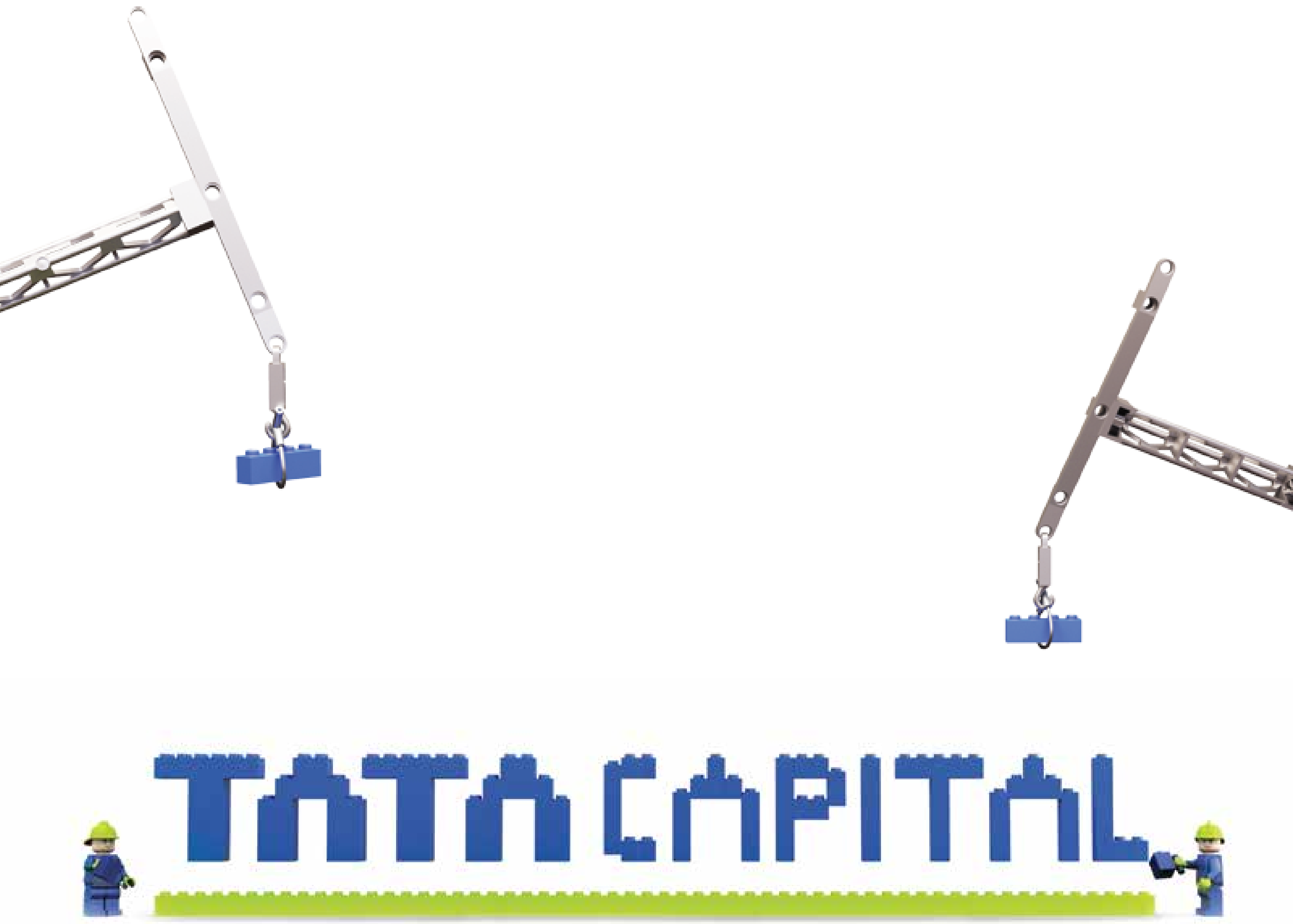
TATA CAPITAL

Count on us

RESPONSIBLY
BUILDING THE



ANNUAL REPORT
2019-2020


TATA CAPITAL

CONTENT

THE TORCHBEARERS OF SOUND ***FINANCIAL PLANNING***

Tata Capital Limited ("TCL"), a subsidiary of Tata Sons Private Limited, is registered with the Reserve Bank of India as a Systemically Important Non-Deposit Accepting Core Investment Company. A trusted, customer-centric, one-stop financial solutions partner, TCL and its subsidiaries (collectively referred to as "Tata Capital") are engaged in providing/supplying a wide array of services/products in the financial services sector.

STANDING TALL,
ROOTED IN PURPOSE

Responsible financial partner fulfilling India's aspirations

Lead With Trust

We respect and reinforce the trust that is placed in us. We are the lender the country can rely on.

Better together

We actively collaborate with group companies, partners, employees, customers, communities; their success is our success.

Future Ready

We innovate and leverage technology to anticipate, serve and shape future needs; setting the path for others to follow.

Faster Forward

We bring speed and simplicity; accelerating the pace at which the future becomes the present.

Capital & more

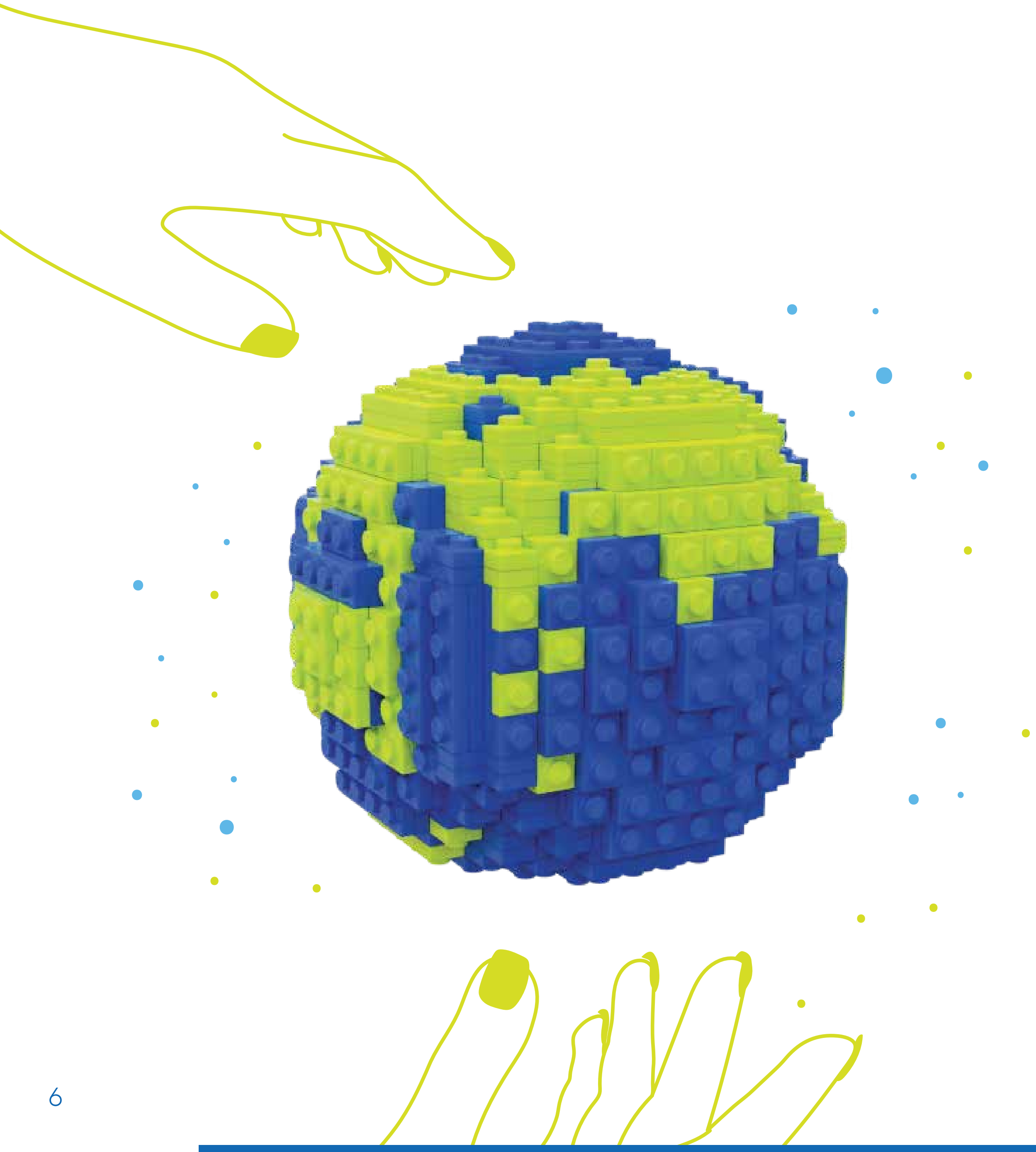
We serve the customer through the life-cycle of needs. We are facilitators and counsellors in helping customers achieve their dreams.

Delivering Delight

We go above and beyond to care and make people happy. We deliver smiles and delight in everything we do.

CREATING A
BETTER WORLD

True to the spirit of the Tata companies, Tata Capital believes that Corporate Sustainability is the cornerstone of business operations. Tata Capital's Corporate Social Responsibility ("CSR") approach is oriented towards a stakeholder-participation methodology where the well-being of the target groups, like the community and the environment, are integral to the long-term success of the company. To guide in this journey, Tata Capital has defined its CSR vision and purpose which helps drive CSR implementation and achieve the desired results and impact.



FOCUS:

Education & Skill Development	*Climate Action*	*Health*	*Sports & Culture*	*Entrepreneurship*

SNAPSHOT OF FY 2019-20:

29 *Projects*	**49** *Partners*	**1,47,532** *Lives Touched*	**1426** *Total Volunteers*	**1792** *Volunteering Hours*

INITIATIVES UNDERTAKEN INCLUDE:

- The Cluster Development program aims to provide supplementary education to underprivileged students in Vikramgad, Maharashtra; Sudhagad, Maharashtra and Jalpaigudi, West Bengal
- The Tata Capital Pankh Scholarship project supports meritorious underprivileged youth with scholarships and mentoring for higher education
- ProAspire is a skilling initiative for the underprivileged youth to skill in domain and life-skills and access placement opportunities in the BFSI sector
- Dhan Gyan is a free e-learning course on financial literacy based on the National Financial Literacy Awareness Test (NFLAT) syllabus. It is available in both English and Hindi languages. (www.dhangyan.com).
- Our health care initiatives, Aarogyatara and Cancer CELL, aim to provide access to quality preventive healthcare to fight against curable blindness and cancer
- The JalAadhar project is an integrated watershed management program which aims to build water security through water and soil conservation and improved agricultural methods
- The Green Switch - Micro-Irrigation Scheme, powered by solar pumps, aims to provide access to water for irrigation throughout the year to increase farmer income

A **DIVERSE PRODUCT** RANGE TO HELP YOU SOAR

As a one-stop financial services provider, Tata Capital caters to the diverse financial requirements of its retail, corporate and institutional customers with a comprehensive suite of products and service offerings:

- Business Loans
- Home Loans
- Personal Loans
- Other Consumer Loans
- Loan Against Property
- Home Equity
- Investment Advisory Services
- Wealth Products Distribution
- Commercial and SME Finance
- Leasing Solutions
- Cleantech Finance
- Institutional Distribution
- Private Equity
- Tata Cards

Private Equity Advisory Services are brought to you by Tata Capital Limited. Private Equity Funds are registered with SEBI as Domestic Venture Capital Fund / Alternative Investment Fund. Personal Loans, Business Loans, Other Consumer Loans, Loan Against Property, Commercial Finance, Wealth Management, Investment Advisory Services, Leasing Solutions, are originated and serviced by Tata Capital Financial Services Limited. Home Loans and Home Equity Loans are brought to you by Tata Capital Housing Finance Limited. Institutional Distribution Services is brought to you by Tata Securities Limited. Cleantech Finance is brought to you by Tata Cleantech Capital Limited.

Registered Office: Tower A, 11th Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013. Tel No. +91 22 6606 9000. SEBI Registration Number: BSE INB010664150 INF011207954; NSE INB/F/E231288730; SEBI Registration Number: INZ000008839; Research Analyst: INH000002053; Merchant Banker INM 000011302 Depository Participant of CDSL: IN-DP-CDSL-450-2008 Depository Participant of NSDL: IN-DP-NSDL-298-2008. ARN 0021 - Distributors of MFs. Tata Credit Card is a white label card issued, established and operated by SBI Cards and Payment Services Pvt. Ltd. It is marketed and distributed by Tata Capital Financial Services Limited. | Terms and Conditions apply. All loans and products are at the sole discretion of the respective entities.

SOARING HIGH
WITH TECHNOLOGY

In line with our strategy to digitalize customer journeys and experiences, as well as re-imagine distributor journeys and our internal operations, during the FY 2019-20, we continued our efforts to transform all aspects of the organization. A number of new digital offerings were launched for retail and commercial segments to enable sales, service and debt servicing. Digital platforms were also enhanced for distributors and partners. Further, all existing digital platforms and channels saw a growth in usage over the year.

All our digital channels, including the portal and mobile apps for Retail and Commercial customers, saw an increase in traffic. While the monthly traffic on our portal grew almost 6 times over the year, our Retail mobile application has more than a million downloads. New and innovative ways to service the customer such as conversational bots were launched during the year and saw early adoption. Seamless loan purchase journeys were launched, including low ticket Personal Loans and online instant top-up loans for our mortgage customers, all of which enables paperless loan disbursement within minutes. Our mobile based distributor journeys were also made more comprehensive through multiple third party API integrations which enables faster credit and operations. We also successfully implemented Robotics Process Automation in key operations processes which enhanced accuracy and productivity. For our Wealth business too, we have enabled our digital platforms for on-boarding, transactions and servicing.

For our Commercial customers, we further enhanced our digital platform which offers online onboarding and sanction for Channel Finance, Sales Invoice Discounting and Equipment Finance. The platform offers a seamless flow-based journey with minimum data entry and multi-scorecard based underwriting processes. Use of this platform has resulted in a significant reduction of TAT for loan sanction and enhancement in Credit and Sales productivity. During the year, we have also launched an online digital sanction process for the Construction Equipment loan segment. This is a new-to-market process and being launched to our Relationship Managers as well as our dealer partnerships. A majority of our draw-down and other servicing requests continue to take place on our digital platforms. During the year, we also launched a new Mobile Application with enhanced features for our SME customers.

EXPLORING *NEW HORIZONS EVERYDAY*

TIA VOICEBOT ON ALEXA AND GOOGLE ASSISTANT

As voice servicing platforms continue to gain momentum, Tata Capital can now service its customers on two of the most widely used voice–enabled devices in India. Tata Capital, unveiled Voice TIA on Amazon's Alexa and also on Google's most popular voice service called Google Assistant. By following a simple one-time account linking process on Alexa or downloading the Google Assistant App, customers can access a host of services through voice commands. The Google Assistant App is available across Android and iOS based mobile phones and smart home devices.
Customers can choose from an array of services with one single voice command. Queries related to the product features will be answered instantly or customers can simply ask for their loan statements, welcome letters, amortization schedules or even the final IT certifications. The requested documents are then instantly emailed to the customer.

MONEYFY: AN EXCLUSIVE APP FOR INVESTMENTS AND MORE

Monefy by Tata Capital, is a smart and simple Do-it-Yourself App designed to provide an array of wealth management services such as carrying out investments, assisting financial goals, buying insurance and loans.
Targeted at digitally–savvy customers, the Moneyfy application makes managing money and planning for goals seamless and convenient. Based on each customer's defined parameters and goals, the App's advanced algorithm curates financial plans which suit his/her investment style. Customers can also set up their own goals such as buying a new home, saving for a new car or planning a holiday overseas and the app enables them to choose relevant investment options. Moneyfy provides easy access to the most frequently needed financial products including Mutual Funds, Insurance Plans and also Tata Capital Loan Offerings. Equipped with intelligent features, Moneyfy enables customers to on-board in minutes. Furthermore, the app customizes financial plans and customers can also create their own portfolio based on their needs.

'HASSLE–FREE AUTOMATIC RENEWALS FOR EXISTING CHANNEL FINANCE CUSTOMERS

The latest digital automatic renewal process for select Channel Finance customers is an industry first, wherein customers can renew their loans of upto Rs 2 crore instantly. The completely new digitized model will provide this service with the help of a proprietary rule engine that consumes over 100 data points to enable instant sanction. With no pre–sanction documentation, the customer's eligibility is calculated as per their past payment records. The objective is to enable faster credit decisions, bring efficiency to the entire login to sanction process and offer more value to an eligible customer. One of the main advantages of an automatic–renewal sanction is that our eligible customers can now have access to funds instantly. This enables them to focus on their business as sanctions for loans of upto Rs 2 crore is a very simple and convenient process.

TRANSPARENT AND PAPERLESS DIGITAL EXPERIENCE FOR CONSTRUCTION EQUIPMENT TATKAL LOANS

Tata Capital's deep understanding of the Construction Equipment ("CEQ") business and the ever-changing environment is the reason for the launch of the all-new digital platform for CEQ Tatkal Loan. This version is transparent, offers a seamless and paperless experience with instant sanctions of upto Rs 30 lakh across Construction Equipment categories. Tata Capital's "CEQ" Loans caters to leading backhoe loader manufacturers which include JCB, Tata Hitachi, CAT and L&T Komatsu. This offering will also be customized to OEMs operating in Construction Equipment comprising of excavators and cranes amongst others.

TOGETHER,
WE FIND THE WAY FORWARD

TATA CAPITAL LIMITED

Board of Directors

Mr. Saurabh Agrawal - Chairman
Mr. Farokh N. Subedar
Mr. Nalin M. Shah
Mr. Mehernosh B. Kapadia
Ms. Varsha Purandare
Ms. Aarthi Subramanian
Mr. Rajiv Sabharwal–Managing Director & CEO

Chief Financial Officer

Rakesh Bhatia (w.e.f March 2, 2020)

Company Secretary

Avan Doomasia

Statutory Auditors

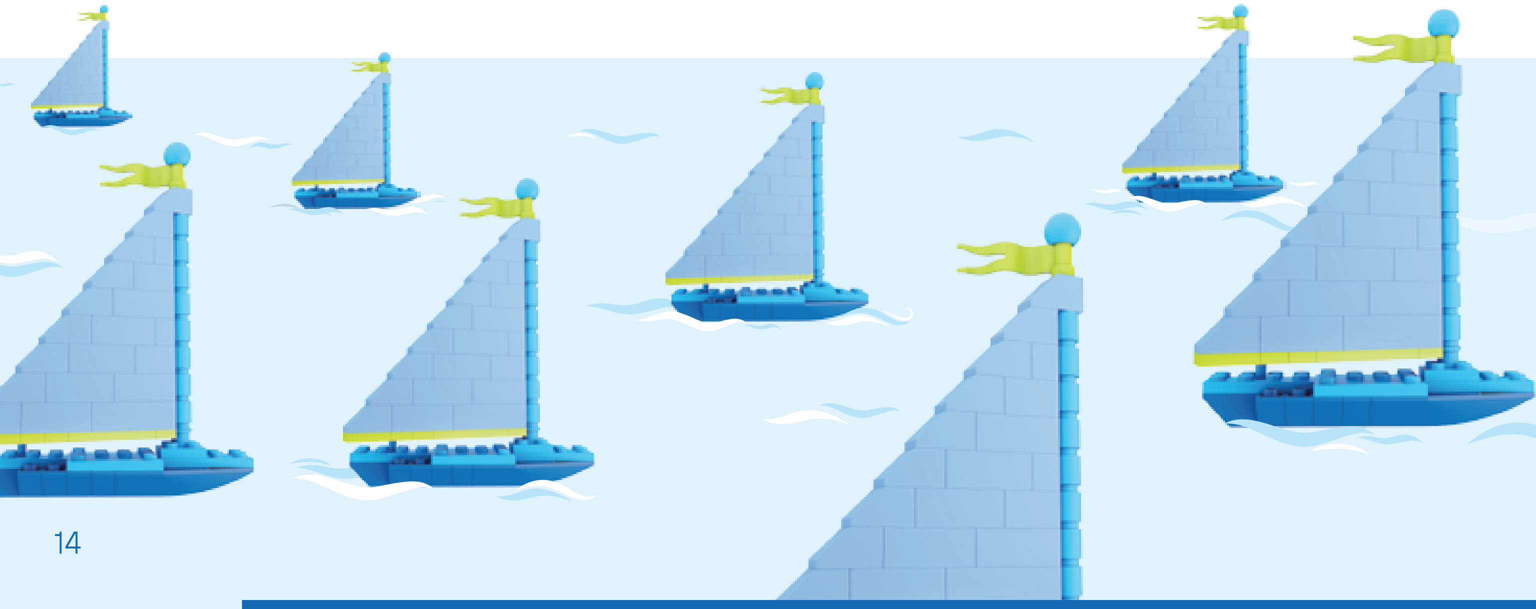
B S R & Co. LLP

Registrar & Transfer Agents

TSR Darashaw Consultants Private Limited
6-10 Haji Moosa Patrawala Industrial Estate,
20, Dr. E Moses Road, Mahalaxmi,
Mumbai - 400 011.
Tel : +91 22 6656 8484

Registered Office

Tower A, 11th Floor, Peninsula Business Park, Ganpatrao Kadam Marg,
Lower Parel, Mumbai- 400013.
Tel : +91 22 6606 9000
Corporate Identity Number
U65990MH1991PLC060670



TATA CAPITAL FINANCIAL SERVICES LIMITED

Board of Directors

Mr. Rajiv Sabharwal - Chairman
Mr. Farokh N. Subedar
Ms. Anuradha E. Thakur
Ms. Varsha Purandare
Mr. Sarosh Amaria–Managing Director (w.e.f May 5, 2020)

TATA CLEANTECH CAPITAL LIMITED

Board of Directors

Ms. Varsha Purandare- Chairperson
Ms. Padmini Khare Kaicker
Mr. Rajiv Sabharwal
Dr. Ajay Mathur
Mr. Manish Chourasia–Managing Director

TATA CAPITAL HOUSING FINANCE LIMITED

Board of Directors

Mr. Rajiv Sabharwal - Chairman
Mr. Mehernosh B. Kapadia
Ms. Anuradha E. Thakur
Mr. Ankur Verma
Mr. Anil Kaul – Managing Director

TATA SECURITIES LIMITED

Board of Directors

Mr. Rajiv Sabharwal - Chairman
Mr. Noshir J Driver
Mr. Avijit Bhattacharya

SCALING
NEW HEIGHTS

Book Size 77,610 Cr	**1%** Growth	**One of 10** Top NBFC in Private Sector
Total Comprehensive Income 296 Cr	**62%** Drop	**9th** Most Profitable Company in TATA Group
Locations 159	**19%** Drop in Locations	**82%** in Non-Metros
Customers 22,97,550	**31%** Growth	**49%** Customers From Non-Metros

2
1
3

ACHIEVING ***EXCELLENCE***

- Tata Capital won DMA Asia ECHO Award for 'Best Use of Website'
- Tata Capital won the ABP News BFSI Award in the Quick Loan Approval Category
- Best Fintech Product- Drivers of Digital (DOD) Awards
- Best Digital Marketing Analytics Campaign- Drivers of Digital (DOD) Awards
- Best Digital Re-targeting Campaign- Drivers of Digital (DOD) Awards
- Tata Capital Won the Finnoviti Award 2020 for its Digital Lending Platform to SMEs
- Best Use of Artificial Intelligence/Machine Learning-'India DigiPlus Awards 2020' powered by ET Brand Equity
- Tata Capital won the Innovation and Emerging Technologies Award 2020 at the World BFSI Congress Award
- Tata Capital Housing Finance won 'Excellence in Stall Design' category in the recently held MCHI CREDAI Property Show 2019
- Tata Best Practices 2019 (EDGE): "Measuring the effectiveness of learning and development initiatives"
- Best Learning & Development Leader of the Year 2019
- TISS Leapvault CLO Awards 2019 - Best Customer Service Training Program
- Best People Insight Employee Engagement Company 2019
- Tata Capital won the Golden Peacock Award for Excellence in Corporate Governance 2019 in the Financial Services sector
- Tata Capital won the IndIAA Award for social media campaign #WedEqual

MAKING
THE RIGHT MOVES

Dear Shareholders,

Introduction

The year FY 2019–20 for Tata Capital was a year of steady progress and resilience. I write to you amidst truly exceptional times as the pandemic casts its shadow in India and across the globe. As we prepare ourselves for the future, let me take this opportunity to first share with you the highlights of our performance over the last year and then the way forward.

Simplicity, Synergy & Scale

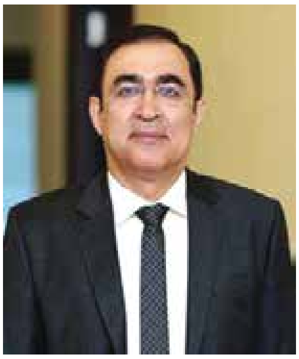
Tata Capital continued to be guided by the Group's principle of simplicity, synergy and scale as we reinforced the One - Tata philosophy. Over the last year, we achieved further growth and scale by entering new geographies and driving opportunities through our innovative digital channels and platforms. Technology-enabled us to further simplify our business processes and re-define the way we serve our customers. This year too, we fostered new alliances within the Tata ecosystem which brought us new avenues for growth.

Subsidiary Companies Highlights

Each of our subsidiary companies have done well, given the challenges of their respective sectors. Our strategy to stay diversified across asset classes, a robust risk management framework, healthy capital adequacy ratios and strong liquidity position held us in good stead.

Tata Capital Financial Services Limited ("TCFSL")

In our Commercial and SME loan business, we continue to hold a strong market position. One of our key offering i.e. Construction Equipment Finance ("CEQ"), features in the top 5, in its category. We currently serve over 12,000 customers across different industries. Last year, we acquired 3,000 new customers, most of which were from the SME segment. On the retail side of the business, we intensified our efforts to connect with the young and the digitally savvy. We launched a suite of retail loans with faster approvals, seamless processes and offered a whole new customer experience.



We will take all the necessary steps to further strengthen our Net Interest Margins, seek cross selling opportunities and create new alliances that will drive growth. Our wealth management business, too showed significant progress. New digital offerings and product additions helped us increase our customer base.

Tata Capital Housing Finance Limited ("TCHFL")

TCHFL plays an important role of an enabler in helping our customers to invest in a home of their own. We once again, deepened our focus to serve the self- employed and the salaried class. Home loans & Home Equity, currently constitute over 88 % of our total disbursements and we will seek new opportunities to maintain growth in this segment. In the affordable home loan category, we did build good traction and see immense potential for future growth. India's favourable demographics, a growing middle class population and rapid urbanization will further strengthen this segment.

Tata Cleantech Capital Limited ("TCCL")

During FY 2019-20, TCCL has surged ahead and consolidated on the strong foundations laid over the past four years. This is reflected in the accelerated growth of business of TCCL across solar, wind, small-hydro, energy efficiency, water management coupled with other infrastructure sectors such as roads and transmission. I am also happy to share with you that, TCCL is India's first private company to be part of the Green Bank Network. The objective is to drive green investment in India. TCCL will continue to bridge the market gap in India in funding projects that can combat climate change.

As we now look forward, we are steadily working within the constraints of the ongoing pandemic. The Government of India and the Reserve Bank of India ("RBI") addressed the challenges through a series of proactive steps and also provided the much – needed stimulus to revive the economy. While the Atmanirbhar Bharat Abhiyan aims at creating self- sufficient India, the MSMEs were provided with several measures to help faster recovery. RBI, too, responded with measures that enhanced liquidity in the system and ensured faster transmission of rates.

While the Government of India and RBI played their part in reposing stability amongst our people and the economy, we, at Tata Capital, too exhibited resilience to ensure that our customers were at the centre of everything we do. Our investments in laying down a comprehensive digital strategy enabled us to function across businesses in a seamless and efficient manner.

While the pandemic continues to unfold, we will seek new possibilities that come out of these unprecedented times. We will exercise caution at every step, constantly monitor our risk management practices and implement stringent cost control measures that will enable us to strengthen our balance sheet. We will continue to be committed to our customers and to all our stakeholders.

Finally, I take this opportunity to thank each one of you for your invaluable contribution as we look forward to a brighter tomorrow.

Regards,
Rajiv Sabharwal
Managing Director & CEO

TATA CAPITAL

Count on us

BOARD'S REPORT

To the Members,

The Board has pleasure in presenting the Twenty Ninth Annual Report and the Audited Financial Statements for the Financial Year ("FY") ended March 31, 2020.

1. BACKGROUND

Tata Capital Limited ("Company" or "TCL"), the flagship financial services company of the Tata Group, primarily holds investments in its subsidiaries, mainly engaged in lending and providing/supplying a wide array of services/products in the financial services sector. TCL is a subsidiary of Tata Sons Private Limited and is registered with the Reserve Bank of India ("RBI") as a Systemically Important Non-Deposit Accepting Core Investment Company ("CIC"). Besides being a holding company, TCL carries out only such activities as are permitted under the Directions issued by the RBI for CICs, as amended from time to time. TCL and its subsidiaries are hereinafter collectively referred to as "Tata Capital".

A detailed discussion on TCL's business and that of its subsidiaries is set out in para 7 of this Report.

2. INDUSTRY AND ECONOMIC SCENARIO

Non-Banking Financial Companies ("NBFCs"), along with banks, have been the mainstay for the financial services ecosystem in India. They have served as an alternative channel of credit flow to both retail as well as commercial sectors in a bank-dominated financial system like India, bringing in efficiency and diversity into financial intermediation. NBFCs play an important role in the Indian financial system by complementing and competing with banks, specializing in credit delivery to a wide variety of segments ranging from auto loans to microfinance and consumer durables and infrastructure. They play a critical role in participating in the development of the economy by providing an impetus to employment generation, wealth creation, credit in rural segments and much needed credit support to new customer segments.

Over the past few years, NBFCs have contributed significantly in expanding as well as deepening the formal financial services sector, providing credit to market segments usually neglected by banks or when banks were unable to provide credit, given their own constraints. On the liabilities side, most NBFCs rely on the markets and banks to raise capital with only a select few having access to public deposits, which makes NBFCs particularly susceptible to market environment changes as well as risk perceptions. Therefore, while the sector witnessed robust growth in FY 2017-18, in the year thereafter, it has continued to face headwinds after the market sentiments turned negative post-Infrastructure Leasing & Financial Services crisis in September 2018 and subsequent rating downgrades and defaults by a few companies. These events in addition to the continuing slowdown witnessed in private expenditure and economy in general, affected both availability of capital and cost of funds, as well as limiting avenues to deploy capital.

In the current financial year, while liquidity and funding costs continued to remain a challenge for the sector, retail NBFCs fared better than their peers focused on enterprise segments in managing their liquidity position; they were able to raise funds from banks, foreign institutions and portfolio sell-downs while better rated NBFCs were able to tap market funding as well. The larger, well managed NBFCs, based on their promoter standing and operating practices, performed relatively better compared to the smaller and lower rated NBFCs in terms of credit growth and portfolio quality. During the year, while credit flow to industry and services was subdued, growth in retail loans continued its momentum driven by the resilient private consumption. With multiple measures taken by the Government as well as the Regulator during the year to improve the liquidity situation as well as to drive the demand, there were early signs of the economy regaining momentum in the months of January and February 2020.

Globally, over the same period, there were some signs of manufacturing and global trade bottoming out led by still-resilient consumer spending and improved business spending. However, downside risks associated with geo-political tensions, social unrest, trade policy uncertainty and idiosyncratic stress in key developing markets continued to pose a risk to the global economic activity. Moreover, monetary policy easing continued during the latter half of 2019 in several economies, with central bank rate cuts along with various other measures. Some countries with fiscal space also rolled out multiple demand stimulus initiatives during the year to support their economies.

However, in the month of March 2020, the spread of COVID-19 pandemic across the country and the globe, has changed the macro-economic as well as financial services sector outlook. The pandemic has sharply curtailed any hope for recovery of the economy, including financial services and, has in fact, exacerbated the situation where the sector was already facing demand slowdown, worsening asset quality issues and limited credit availability. This has affected March 2020 new business which typically witnesses significant volumes and is expected to unfavourably impact vulnerable borrower segments such as self-employed as well as Micro, Small and Medium Enterprises or entities which have relatively moderate risk profiles and have limited funding avenues, more than the others and therefore, curtail their ability to generate cash flows and service their loans.

To arrest this situation, the Government and the Regulator have announced a number of measures to support these vulnerable segments as well as facilitate availability of funds at favourable rates for the financiers. With this much needed support, coupled with a relentless execution, it is possible that the economy may be able to maintain an overall positive growth rate with an earlier-than-expected recovery during the next financial year. Furthermore, managing asset quality may take higher precedence over loan growth and the sector may see some consolidation. Tata Capital has a cautious outlook for the next year while keeping a close watch on the fiscal and monetary policy measures to support the economy, monsoons, commodity prices as well as protectionist tendencies of large global economies.

3. FINANCIAL RESULTS

(₹ in crore)

Particulars	**Consolidated**		**Standalone**	
	FY 2019-20	**FY 2018-19**	**FY 2019-20**	**FY 2018-19**
Gross Income (Including net gain on fair value changes)	9,790.58	9,205.92	415.80	680.84
Less:				
Finance Costs	5,770.87	5,188.45	271.85	317.65
Net loss on fair value changes	122.61	–	0.74	0.30
Impairment of investment in Associates	46.47	0.08	0	0
Impairment on Financial Instruments	1,411.63	665.20	21.45	98.59
Employee Benefits Expense	673.99	814.91	47.14	157.52
Depreciation, Amortisation and Impairment	385.80	288.28	7.77	7.42
Other expenses	742.95	890.55	12.35	31.27
Profit Before Tax	**636.26**	**1,358.45**	**54.50**	**68.09**
Less: Provision for Tax	512.03	386.45	25.24	40.56
Profit After Tax	**124.23**	**972.00**	**29.26**	**27.53**
Add: Share of net profit of associates using the equity method	31.49	56.87	0	0
Less: Non-controlling interest	(140.20)	248.99	0	0

(₹ in crore)

Particulars	Consolidated		Standalone	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Profit After Tax attributable to owners of the Company	**295.92**	**779.88**	**0**	**0**
Other comprehensive income	(17.48)	35.26	6.27	(3.07)
Less: Tax on other comprehensive Income	5.86	(1.33)	1.55	(1.09)
Other comprehensive income after tax	(11.62)	36.59	4.72	(1.99)
Less: Non-controlling interest	(0.71)	0.67	0	0
Other comprehensive income attributable to owners of the Company	(10.91)	35.92	4.72	(1.99)
Total comprehensive income attributable to owners of the Company	**285.01**	**815.80**	**33.98**	**25.54**
Amount brought forward from previous year	851.76	253.39	110.57	122.12
Amount available for appropriation	1,136.77	1,069.19	144.55	147.66
Appropriations:				
Special Reserve Account	99.72	216.40	11.53	37.09
Dividend Distribution Tax	23.56	–	0	0
Others	12.25	1.03	0.02	0
Surplus carried to Balance Sheet	**1,001.24**	**851.76**	**133.00**	**110.57**

Consolidated Results:

Tata Capital's book size increased from ₹ 77,110 crore as at March 31, 2019 to ₹ 77,610 crore as at March 31, 2020, on a consolidated basis. This increase of ₹ 500 crore was mainly due to the growth in the loan book of Tata Capital Housing Finance Limited ("TCHFL"): ₹ 547 crore and Tata Cleantech Capital Limited ("TCCL"): ₹ 455 crore, offset by degrowth in Tata Capital Financial Services Limited ("TCFSL"): ₹ 502 crore.

During FY 2019-20, Tata Capital recorded consolidated Total Income of ₹ 9,791 crore as against ₹ 9,206 crore in FY 2018-19, an increase of about 6%. The Total Income comprised Income from financing activities of ₹ 9,582 crore (FY 2018-19: ₹ 8,052 crore), Investment Income of ₹ 7 crore (FY 2018-19: ₹ 884 crore) and Other Income of ₹ 202 crore (FY 2018-19: ₹ 270 crore). The growth in income from financing activities was in line with the growth in average advances.

During the year, Tata Capital's Profit After Tax attributable to owners of the Company on a consolidated basis decreased by about 62%, to ₹ 296 crore (FY 2018-19: ₹ 780 crore).

During FY 2019-20, Tata Capital's consolidated interest expense was ₹ 5,771 crore (FY 2018-19: ₹ 5,189 crore). This increase was on account of higher borrowings, in line with the growth in the average portfolio and increase in borrowing rates. Notwithstanding the tight liquidity conditions in the market, Tata Capital was able to ensure a comfortable liquidity position to support its business requirements.

The Operating Expenses, excluding Impairment of Investments and Financial Instruments, decreased by 4%. Employee costs decreased from ₹ 815 crore in FY 2018-19 to ₹ 674 crore in FY 2019-20. Impairment on Investments and Financial Instruments increased to ₹ 1,581 crore in FY 2019-20 from ₹ 665 crore in FY 2018-19.

The consolidated Gross Non-Performing Assets ("NPA") showed an increase from 1.7% in FY 2018-19 to 1.9%, in FY 2019-20. The Net NPA also increased from 0.4% in FY 2018-19 to 0.6% in FY 2019-20. The consolidated Return on Assets ("RoA") for FY 2019-20 was 0.4% (FY 2018-19: 1.1%) while the Return on Equity ("RoE") was 3.4% (FY 2018-19: 13.8%).

Further, during FY 2019-20, TCL, TCFSL, TCHFL, TCCL and Tata Securities Limited had elected to exercise the option of lower maximum marginal tax rate of 25.17%. Accordingly, there is a net tax charge of ₹ 117.44 crore in the Statement of Profit and Loss, comprising of charge arising on account of re-measurement of opening deferred tax assets of ₹ 218.75 crore, offset by gain arising due to reduction in income tax rate of ₹ 101.31 crore.

Standalone Results:

During FY 2019-20, TCL recorded Gross Income of ₹ 415.80 crore (FY 2018-19: ₹ 680.84 crore) and a PAT of ₹ 29.26 crore (FY 2018-19: ₹ 27.53 crore). Revenue for FY 2018-19 was higher mainly on account of profit on sale of investments. The Company has transferred an amount of ₹ 11.53 crore to the Special Reserve Account.

Further, during FY 2019-20, the Company had elected to exercise the option of lower maximum marginal tax rate of 25.17%. Accordingly, there is a net tax savings of ₹ 6.40 crore in the Statement of Profit and Loss, comprising of gain arising due to reduction in income tax rate of ₹ 8.38 crore offset by a charge of ₹ 1.98 crore on account of re-measurement of opening deferred tax asset.

4. COVID-19 PANDEMIC

The COVID-19 pandemic and the long-drawn lock-down has resulted in a significant decrease in the economic activities globally as well as across our country. The extent of impact of COVID-19 on economic growth of the country is difficult to predict and will mainly depend on the future developments in containment of COVID-19 and the actions taken for resumption of operations, which are highly uncertain.

In order to address this risk and to seamlessly carry out normal operations, Tata Capital immediately activated its Business Continuity Plan ("BCP"). Tata Capital has honoured all its debt obligations on time. Tata Capital's capital and liquidity positions remain strong and would continue to be an area of focus during this period. In accordance with relief packages announced by the RBI on March 27, 2020 and May 23, 2020, Tata Capital companies have extended the option of payment of moratorium for amounts falling due between March 1, 2020 and August 31, 2020 to its eligible borrowers. In line with the RBI Guidelines announced on April 17, 2020, in respect of all accounts classified as 'Standard' as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded from the number of days past-due for the purpose of asset classification under the RBI's Income Recognition and Asset Classification norms. Tata Capital companies have assessed the potential impact of COVID-19 on the carrying value of its assets and investments and have considered internal and external information available, upto the date of approval of these financial statements. In order to cover the impact of COVID-19 on the future expected credit losses, Tata Capital has made a provision of ₹ 31,500 lakh, in addition to the RBI prescribed norms.

5. SHARE CAPITAL

During FY 2019-20, the Company had raised funds aggregating ₹1,000 crore from Tata Sons Private Limited by way of issue of Equity Shares. The paid up Equity Share Capital of the Company was ₹ 35,16,16,77,440 as on March 31, 2020, which was held by Tata Sons Private Limited (94.55%), Tata Investment Corporation Limited (2.20%) and TCL Employee Welfare Trust (through its Trustees) and holders of shares granted under Tata Capital Limited Employee Stock Purchase/ Option Scheme ("ESOP Scheme") (2%). The balance 1.25% was held by a few other Tata Group companies, other corporates and individuals.

Under the ESOP Scheme, the Company had allotted 7,02,34,526 Equity Shares of ₹ 10 each to the TCL Employee Welfare Trust, set up to administer and implement the ESOP Scheme. As on March 31, 2020, the Trust held 5,17,49,194 Equity Shares and the number of Equity Shares held by the employees under the ESOP Scheme aggregated 1,84,85,332. Further details regarding the ESOP Scheme are given in para 42 below.

During FY 2019-20, the Company successfully raised funds by way of issuance of Cumulative Redeemable Preference Shares ("CRPS") of ₹ 1,000 each aggregating ₹ 364 crore. Further, consequent to the Redemption / Call Option exercised by the Company, CRPS aggregating ₹ 810.66 crore (Face value: ₹ 707.11 crore; Premium on redemption : ₹ 103.55 crore) were redeemed during the year. Accordingly, the paid-up Preference Share Capital as on March 31, 2020, was ₹ 14,67,20,00,000. The details of CRPS issued and redeemed are available at Page Nos. 303 and 304 of the Annual Report.

As per Indian Accounting Standards ("Ind AS"), CRPS has been classified and reported under borrowings (other than debt securities) in the Standalone Financial Statements.

6. DIVIDEND

The Board of Directors of the Company declared Interim Dividend on the CRPS for the following tranches for FY 2019-20, on March 26, 2020, as under:

Tranche(s)	No. of Shares	Dividend Rate (%) p.a.	Dividend Amount (₹ in crore)
P, Q, R, S, T, U, V and W	65,00,000	7.50	48.75
AF, AG, AH, AI, AJ, AK, AL, AM and AN	*36,40,000	7.50	16.90
X and Y	14,97,500	7.33	10.98
Z	7,50,000	7.15	5.36
AA, AB, AC and AD	18,84,500	7.10	13.38
AE	4,00,000	7.75	3.10
		Total	**98.47**

**on a pro-rata basis from the date of allotment till March 31, 2020.*

Further, consequent upon the redemption / exercise of Call Option by the Company, CRPS of the nominal value aggregating ₹ 707.11 crore were redeemed during the year and accordingly, Interim Dividend aggregating ₹ 29.35 crore was paid from April 1, 2019 upto the date of redemption. The details of Interim Dividend paid on redemption are, as under:

Tranche	Dividend Rate (%)	No. of CRPS	Redemption Date	Dividend Amount (₹ in crore)
N	8.33	46,48,500	August 8, 2019	13.75
O	8.33	3,51,500	August 8, 2019	1.04
A	12.50	9,84,078	August 9, 2019	4.40
B	12.50	4,11,614	October 21, 2019	2.87
C	12.50	1,66,666	December 9, 2019	1.44
D	12.50	1,04,308	January 20, 2020	1.05
E	12.50	2,00,000	February 26, 2020	2.27
F	12.50	2,04,400	March 27, 2020	2.53
	Total	**70,71,066**		**29.35**

Since the Company has paid Dividend to the CRPS holders for FY 2019-20, by way of an Interim Dividend, the Directors do not recommend any final dividend on the CRPS.

In order to conserve the resources of the Company and to build up Reserves, the Directors do not recommend payment of Dividend on the Equity Shares for FY 2019-20.

7. OVERVIEW OF THE COMPANY, ITS SUBSIDIARIES AND ASSOCIATES

7.1 Structure of Business Operations at Tata Capital

TCL is primarily a holding company, holding investments in its subsidiaries and other group companies and carries out only such activities, including advising and/or management of private equity funds, as are permitted under the Directions /Guidelines issued by the RBI for CICs, from time to time. All the other operating businesses are carried on by the subsidiaries of TCL. The Company has completed twelve full years of operations and over this period, has emerged as one of the leading players in the NBFC space in India.

The financial services sector in India, as also globally, is highly regulated. TCL and its subsidiaries are subject to regulations by authorities such as the RBI, the Securities and Exchange Board of India ("SEBI"), the National Housing Bank ("NHB"), the Monetary Authority of Singapore ("MAS"), the Financial Conduct Authority, UK, the Association of Mutual Funds of India ("AMFI") and the Insurance Regulatory and Development Authority of India.

As a one-stop financial services provider, Tata Capital caters to the diverse financial requirements of its retail, corporate and institutional customers with a comprehensive suite of products and service offerings. In the corporate segment TCFSL, the Company's wholly-owned subsidiary, offers Commercial Finance solutions, including Construction Equipment ("CEQ") Finance and Leasing solutions to corporate customers. In the Retail segment, TCFSL provides Asset Finance across urban and rural geographies. TCFSL is also engaged in the business of distribution of investment products, such as Mutual Funds under its Wealth Products Distribution business and is engaged in the distribution of White Label Credit Cards, in association with its bank partner.

Tata Capital also operates in the housing finance space, through another wholly-owned subsidiary viz. TCHFL, which offers Home Loans, Affordable Housing Loans and Loans Against Property, mainly in the Retail segment and in Construction Finance and in the Corporate segment.

TCCL, also a subsidiary of the Company, provides cash flow based financial and advisory services to corporate customers for Renewable Energy, Energy Efficiency, Water Management projects and Infrastructure Finance.

Tata Capital provides distribution of Mutual Funds and third party financial products for institutional customers, through its wholly-owned subsidiary, Tata Securities Limited.

In the Private Equity space, TCL has sponsored Private Equity Funds in India, to which, it acts as an Investment Manager. Tata Capital Pte. Ltd. ("TCPL"), a wholly-owned subsidiary of TCL, has been established in Singapore as the International Headquarters of Tata Capital and is responsible for Tata Capital's international presence and activities. TCPL's step-down wholly-owned subsidiary in Singapore, Tata Capital Advisors Pte. Ltd. ("TCAPL"), acts as an Investment Manager to the Private Equity Funds set up in Singapore, to which, TCL acts as an Advisor.

7.2 Private Equity

7.2.1 Domestic Funds

The Company has set up six Private Equity Funds in India, viz. Tata Capital Growth Fund I, Tata Capital Growth Fund II, Tata Capital Healthcare Fund I, Tata Capital Healthcare Fund II, Tata Capital Innovations Fund and Tata Capital Special Situations Fund - Trust (collectively referred to as "Funds"). These Funds have been registered with SEBI as Venture Capital Funds/Alternative Investment Fund. The Company has sponsored these Funds and acts as their Investment Manager and has also invested in the Funds by subscribing to units of these Funds. The aggregate Assets Under Management of these Funds is ₹ 1,894 crore, as at March 31, 2020.

The performance of the above Funds is reviewed below:

i) Tata Capital Growth Fund I ("TCGF I") and Tata Capital Growth Fund II ("TCGF II")

TCGF I was set up with a mandate to make private equity growth capital investments in companies that have a significant portion of their operations in India. TCGF I's investment focus themes are Urbanisation, Discrete Manufacturing and Strategic Services. The Funds typically target stakes in portfolio companies with Board representation and other significant shareholder rights. TCGF I has provided growth capital funding to industry leading companies, with an average deal size of approximately ₹ 40 crore. TCGF I declared its final close in February 2011, with commitments of ₹ 339 crore, of which, ₹ 253 crore was invested in six portfolio companies. TCGF I's commitment period ended on November 9, 2015. The term of the TCGF I ended on February 10, 2020. The term was extended to October 9, 2021 by approval of super majority of Contributors, excluding TCL.

As at March 31, 2020, the TVPI multiple (Total Value, including Distributions, to Paid in Capital), after providing for estimated manager incentive is 2.12.

TCGF II is the follow on fund to TCGF I and is registered with SEBI as a Category II Alternative Investment Fund. TCGF II has commitments of ₹ 1,118 crore as at March 31, 2020 and has invested in Star Health and Allied Insurance Company Limited. TCL has committed ₹ 362.9 crore as Sponsor commitment to TCGF II. The Funds will continue to maintain a disciplined approach to investment and divestment activities going forward.

ii) Tata Capital Healthcare Fund I ("TCHF I") and Tata Capital Healthcare Fund II ("TCHF II")

TCHF I was set up to target long-term capital appreciation through private equity growth-capital investments in healthcare companies involved in pharmaceutical, contract research/manufacturing, hospital services, medical devices, diagnostic and other healthcare segments. TCHF I's investment strategy is predicated on high growth consumption and competency themes within the Indian healthcare sector, driven by increasing per capita disposable income, rising urbanisation, growing health awareness, increasing chronic and life-style oriented disease pattern and growth in domestic healthcare infrastructure. The Funds typically target stakes in portfolio companies with Board representation and other significant shareholder rights. TCHF I has provided growth capital funding to companies with an average deal size of approximately ₹ 35 crore. TCHF I declared its final close in April 2012, with commitments of ₹ 319 crore, of which, ₹ 245 crore was invested in seven portfolio companies. TCHF I's commitment period ended on July 13, 2015. The Term of the Fund was extended to July 12, 2020 with approval of TCHF I's Investor Advisory Board.

As at March 31, 2020, the TVPI multiple, after providing for estimated manager incentive was 1.97.

TCHF II is the follow on fund to TCHF I and is registered with SEBI as a Category II Alternative Investment Fund. TCHF II has commitments of ₹ 453 crore as at March 31, 2020 and is actively reviewing investment opportunities towards making its first investment. TCL has committed ₹ 140 crore as Sponsor commitment to TCHF II.

iii) Tata Capital Innovations Fund ("TCIF")

TCIF is a sector agnostic venture capital fund and invests in early stage companies, offering technology based solutions for Indian as well as global markets. TCIF focuses on investments which have a potential to create new growth opportunities, increase efficiency, bring affordability and accessibility to the industry or change the way business is conducted. The Fund typically targets stakes in portfolio companies with Board representation and other significant shareholder rights. TCIF declared its final close in April 2012, with commitments of ₹ 287 crore, of which, ₹ 218 crore has been invested in seven portfolio companies as at March 31, 2020. The TVPI multiple as at March 31, 2020 was 0.51. TCIF's commitment period ended on January 29, 2017 and its term ends on January 29, 2021.

iv) **Tata Capital Special Situations Fund ("TCSSF")**

TCSSF focuses on investing in turnaround opportunities. The Fund typically targets stakes in portfolio companies with Board representation and other significant shareholder rights. Of the aggregate drawn amount of ₹ 265 crore, ₹ 222 crore was invested in four portfolio companies. Of these, TCSSF has exited from two investments, realizing an average of 2.27 times the invested amount. TCSSF has distributed to the investors, over 98% of the amounts drawn from them. TCSSF's commitment period ended on March 31, 2014 and its term ends on December 4, 2020. As at March 31, 2020, the multiple of TVPI is 1.28.

7.2.2 Overseas Funds

The Overseas Funds, viz. Tata Capital Growth Fund Limited Partnership ("TCGFLP"), Tata Capital Growth Fund II LP ("TCGFIILP"), Tata Capital HBM Healthcare Fund I Limited Partnership ("TCHHFLP"), Tata Capital Healthcare Fund II (Feeder) LP ("TCHFIILP") and Tata Opportunities Fund Limited Partnership ("TOF"), are based in Singapore.

The Company's subsidiary in Singapore, TCAPL, is the Investment Manager for TCGFLP, TCGFIILP, TCHHFLP, TCHFIILP and TOF. Overseas Funds accept commitments only from overseas investors. The aggregated commitments as at March 31, 2020 to the Overseas Funds was US$ 853 million. TCGFIILP, with commitments as at March 31, 2020 of US$ 103.2 million, is a feeder fund to TCGF II. TCHFIILP with commitments as at March 31, 2020 of US$ 23 million is a feeder fund to TCHF II.

TOF declared its final close in March 2013, with commitments of US$ 545 million, of which, over 86% has been drawn down as at March 31, 2020 and US$ 384 million has been invested in eight portfolio companies. The fund's portfolio continues to perform well with average revenue and profit growth of above 20% per annum from the date of investment. TCL has a co-investment arrangement with TOF, whereby TCL (or a wholly-owned subsidiary of TCL) has a commitment to co-invest the Indian Rupee equivalent of an amount of up to US$ 50 million alongside TOF, subject to regulatory restrictions.

As at March 31, 2020, TOF has secured one full exit from its portfolio (Varroc Engineering in FY 2018-19) through which it returned about 50% of total capital drawn down from investors. During the year, liquidity events were achieved in two of TOF's portfolio companies; viz. Uber Technologies, which achieved an IPO in May 2019 and TVS Supply Chain Solutions, where TOF has reached agreement (subject to fulfilment of certain exit conditions) to sell about 26% of its holding to a combination of financial and strategic investors. Exit events are being pursued for the entire residual portfolio. During the year, the Board of Directors of TCL decided to wind up Tata Opportunities Fund II Alternative Investment Fund, the follow-on fund to TOF.

TCGFLP declared its final close in November 2011 with commitments of US$ 167 million, of which, approximately 86% has been drawn down and US$ 125 million has been invested in eight portfolio companies.

TCHHFLP declared its final close in January 2016 with commitments of US$ 15 million, of which, approximately 96% has been drawn down and US$ 11 million has been invested in portfolio companies.

During the year, TCHFIILP declared its first close with commitments of US$ 21 million.

7.3 Review of Subsidiaries and Associates

7.3.1 Subsidiaries:

As on March 31, 2020, the Company had the following subsidiaries, brief details of whose performance are given below:

i) **Tata Capital Financial Services Limited ("TCFSL")**

TCFSL is a wholly-owned subsidiary of the Company, registered with the RBI as a Systemically Important Non-Deposit Accepting Non-Banking Financial Company

("NBFC-ND-SI"). TCFSL has two main areas of business, viz. Commercial and SME Finance and the Consumer Finance and Advisory Business.

TCFSL's portfolio decreased by ₹ 502 crore from ₹ 45,316 crore in FY 2018-19 to ₹ 44,814 crore in FY 2019-20. During FY 2019-20, the Gross Income increased by 8% and stood at ₹ 6,062 crore (FY 2018-19: ₹ 5,599 crore). TCFSL's Profit Before Tax was ₹ 453 crore (FY 2018-19: ₹ 654 crore) and the Profit After Tax decreased by about 74% to ₹ 114 crore (FY 2018-19: ₹ 437 crore). Further, during FY 2019-20, TCFSL had elected to exercise the option of lower maximum marginal tax rate of 25.17%. Accordingly, there is a net tax charge of ₹ 121.04 crore in the Statement of Profit and Loss, comprising of charge of ₹ 181.44 crore on account of re-measurement of opening deferred tax asset offset by a gain arising due to reduction in income tax rate of ₹ 60.40 crore. The impairment on financial instruments stood at ₹ 864 crore (FY 2018-19: ₹ 452 crore).

In FY 2019-20, the Gross and Net NPAs stood at 2.4% and 0.5% as compared to 2.5% and 0.4%, in FY 2018-19, respectively. The decrease in Gross NPAs is attributable to a combination of efficient collections and technical write-offs. During the year ended March 31, 2020, the Company had a Fee to Income Ratio of 10% (FY 2018-19: 9%) and Cost to Income Ratio of 45.1% (FY 2018-19: 51.8%). The RoA and RoE ratio as at March 31, 2020 were at 0.3% and 2.4%, as against 1.4% and 11.1%, respectively, as at March 31, 2019. The Provision Coverage Ratio ("PCR") decreased from 84.4% in FY 2018-19 to 78.2% in FY 2019-20. The Net Interest Margin ("NIM") increased by 29% and stood at ₹ 2,236 crore (FY 2018-19: ₹ 1,730 crore).

The consolidated Profit After Tax, after accounting for share in Profits of Associates for FY 2019-20, decreased by 74% to ₹ 114 crore, as compared to ₹ 433 crore in FY 2018-19.

(a) Commercial and SME Finance Division ("CSFD")

CSFD specializes in product offerings ranging from Term Loans, Working Capital Term Loans, Channel Finance, Bill Discounting, CEQ Finance, Equipment Finance, Leasing Solutions, Lease Rental Discounting, Promoter Finance, Loan Against Securities and Structured Products. This Business serves over 12,000 customers through its business verticals viz. Large Corporate, Mid and Emerging Corporate and Government Business. All the verticals are supported by the respective product teams, which help these verticals in extending the right product mix to the customer. Further, a Syndication and Structured Finance team supports all the business verticals, with special focus on debt syndications, down selling and structured transactions.

For FY 2019-20, CSFD ended with a book of ₹ 25,789 crore as compared to ₹ 26,821 crore at the end of FY 2018-19. The Term Loan and Structured Finance product was the largest contributor of portfolio aggregating ₹ 10,624 crore (FY 2018-19: ₹ 10,015 crore). Gross Income grew by 14% from ₹ 2,627 crore in FY 2018-19 to ₹ 2,982 crore, in FY 2019-20.

During FY 2019-20, CSFD disbursed funds aggregating ₹ 68,438 crore (FY 2018-19: ₹ 80,303 crore) through its diverse customer centric product offerings. The disbursals were reduced and selective on account of slowdown in the auto, construction equipment and steel industries. However, CSFD was able to maintain the profitability by increasing interest margins and improving fee income. CSFD also acquired over 3,000 new customers, of which, about 80% were SMEs.

CEQ business continued to be amongst the top five players in the industry due to strong Original Equipment Manufacturers tie-ups and retention of the customers. Niche leasing business is one of the strongest suites of CSFD.

CSFD has also pioneered itself by adding focus on digital lending in supply chain finance, vendor financing and equipment financing. CSFD is committed to being a complete financial solutions partner to its customers, through high quality service levels and innovative products, which provides value to its customers.

(b) Consumer Finance and Advisory Business ("CFAB")

CFAB offers a wide range of Consumer Loans, such as Auto Loans (Used Car Loans and Two Wheeler Loans), Business Loans, Loans Against Property, Personal Loans, Consumer Durables Loans and Loans Against Securities. Disbursements in FY 2019-20 aggregated ₹ 12,109 crore as compared to ₹ 13,400 crore in FY 2018-19. Disbursements of high margin products constituted 37% of overall CFAB disbursements during FY 2019-20. Gross Income grew by 14% from ₹ 2,573 crore in FY 2018-19 to ₹ 2,959 crore in FY 2019-20.

As at March 31, 2020, CFAB's closing book stood at ₹ 18,981 crore (FY 2018-19: ₹ 18,430 crore). Continued focus on cross sell to existing customers was one of the key drivers for personal loan business growth. Fee Income saw a 22% increase to ₹ 303 crore in FY 2019-20 from ₹ 247 crore in FY 2018-19. FY 2019-20 saw a plentiful of initiatives towards digitalization to improve the customer experience throughout the customer journey. While a slew of digital platforms were introduced to enable customers to digitally apply for a loan as the journey begins, a transformational customer centric approach under Customer First theme was embarked upon to sustain it thereafter.

The overall change in product mix with growth in high margin products of CFAB during FY 2019-20 resulted in an increase in NIM from 6.8% in FY 2018-19 to 7.3% in FY 2019-20.

As at March 31, 2020, the Assets under Management of the Wealth Management business was ₹ 2,331 crore as compared to ₹ 2,176 crore in FY 2018-19. Tata Cards, a White Label Credit Card in partnership with SBI Cards and Payments Services Limited, has nearly 2.88 lakh cards in force as at March 31, 2020 (2.45 lakh cards as at March 31, 2019).

ii) Tata Capital Housing Finance Limited ("TCHFL")

TCHFL is a wholly-owned subsidiary of the Company and is registered as a Housing Finance Company with the NHB to carry on housing finance activities. TCHFL primarily offers Home Loans and Affordable Housing Finance Loans. TCHFL also provides Loans Against Property and Loans to Developers for constructing Residential and Commercial premises.

During FY 2019-20, TCHFL disbursed Mortgage Loans aggregating ₹ 7,493 crore (FY 2018-19: ₹ 11,101 crore). This included Housing Loans of ₹ 2,513 crore in FY 2019-20 (FY 2018-19: ₹ 6,432 crore). TCHFL's loan portfolio stood at ₹ 27,435 crore as on March 31, 2020 (₹ 26,888 crore as on March 31, 2019). The Cost to Income ratio decreased to 33.5% in FY 2019-20, as compared to 45.8% in FY 2018-19 and the Net Profit After Tax for the year increased by 202%, from ₹ 50 crore in FY 2018-19 to ₹ 152 crore in FY 2019-20. Further, during FY 2019-20, TCHFL had elected to exercise the option of lower maximum marginal tax rate of 25.17%. Accordingly, there is a net tax charge of ₹ 7.15 crore in the Statement of Profit and Loss, comprising of charge of ₹ 33.60 crore on account of re-measurement of opening deferred tax asset offset by a gain arising due to reduction in income tax rate of ₹ 26.45 crore. Gross NPA and Net NPA were 1.4% and 0.5%, respectively, as on March 31, 2020 (0.9% and 0.4%, respectively, as on March 31, 2019). TCHFL's Gross Income increased to ₹ 3,011 crore in FY 2019-20 from ₹ 2,440 crore in FY 2018-19. Interest expenses were ₹ 2,021 crore in FY 2019-20 as compared to ₹ 1,775 crore in FY 2018-19.

TCHFL will continue to maintain a balanced mortgage Loan book between home loan and non-home loan segments with a clear focus on profitable products and programs. TCHFL will keep growing its disbursements significantly across geographies to become one of the major players amongst the Housing Finance Companies in India over the next few years.

iii) Tata Cleantech Capital Limited ("TCCL")

TCCL is registered with the RBI as a NBFC-ND-SI, engaged in the business of providing cash flow based finance and advisory services for projects in Renewable Energy, Energy Efficiency, Waste Management, Water Management and Infrastructure Finance. TCCL is a joint venture between TCL and International Finance Corporation, Washington D.C., USA, with equity holding in the ratio of 80.50:19.50. TCCL has been registered with the RBI as an Infrastructure Finance Company since October 15, 2015.

During FY 2019-20, TCCL consolidated its performance on the strong foundations laid over the past five years and has grown its business across renewable and other infrastructure sectors, such as roads and transmission. TCCL's asset book has grown by over 9% to ₹ 5,362 crore in FY 2019-20, the year marked by low growth for Indian NBFCs. TCCL's loan portfolio consists of projects in the areas of Wind Energy, Solar Energy, Rooftop Solar and other cleantech sector comprising over 80% of the asset book. The balance portfolio consists of projects in the areas of Transmission, Roads and Other Infrastructure sector. Of the total loan portfolio, over 81% of the asset book comprises operational projects whereas the balance portfolio comprises under-construction/partially commissioned projects.

At the end of FY 2019-20, TCCL built an aggregate loan book of ₹ 5,362 crore. TCCL's Gross Income for financial year ended March 31, 2020 was ₹ 616 crore (FY 2018-19: ₹ 433 crore) and its Profit After Tax was ₹ 123 crore (FY2018-19: ₹ 102 crore). Further, during FY 2019-20, TCCL had elected to exercise the option of lower maximum marginal tax rate of 25.17%. Accordingly, there is a net tax savings of ₹ 4.35 crore in the Statement of Profit and Loss, comprising of gain arising due to reduction in income tax rate of ₹ 6.08 crore offset by a charge of ₹ 1.73 crore on account of re-measurement of opening deferred tax asset.

iv) Tata Securities Limited ("Tata Securities")

Tata Securities is a wholly-owned subsidiary of the Company, currently engaged in the business of distribution of Mutual Fund units. Tata Securities is a member of Bombay Stock Exchange Limited registered in the cash segment and of the National Stock Exchange of India Limited ("NSE") registered in the capital market, futures and options and currency derivatives segments. Tata Securities is also a Depository Participant of Central Depository Services (India) Limited and of National Securities Depository Limited. Tata Securities is registered with SEBI as a Research Analyst and is also engaged in distribution of mutual fund units, in the capacity of an AMFI registered distributor. Tata Securities has been empanelled with several Asset Management Companies operating in India.

During the year under review, Tata Securities reported a Gross Income of ₹ 4.77 crore (FY 2018-19: ₹ 6.20 crore) and Profit after Tax of ₹ 1 crore (FY 2018-19: ₹ 8.06 crore). Previous Year, Profit after Tax being higher than Gross Income was attributable to Finance Cost of ₹ (6.16 crore). The Finance Cost was negative in FY 2018-19 on account of dividend on Compulsorily Convertible Cumulative Preference Shares aggregating ₹ 6.16 crore, not being payable due to negative reserves in Tata Securities.

v) **Tata Capital Pte. Ltd., ("TCPL"), Singapore and its subsidiaries, viz. Tata Capital Advisors Pte. Ltd. ("TCAPL"), Singapore, Tata Capital Markets Pte. Ltd. ("TCMPL"), Singapore and Tata Capital Plc. ("TCPLC"), UK**

TCPL, a wholly-owned subsidiary of TCL, incorporated in Singapore in 2008, has been established as the International Headquarters of Tata Capital. TCPL, either on its own or through its subsidiaries, is engaged in proprietary investments and fund management.

TCAPL, a wholly-owned subsidiary of TCPL, holds a Capital Markets Services ("CMS") licence under the Securities and Futures Act of Singapore, issued by the MAS for conducting regulated fund management activities. TCAPL acts as an Investment Manager to the offshore Private Equity Funds set up by TCPL. The aggregated commitments from investors in the offshore Private Equity Funds managed by TCAPL stands at US$ 853.2 million, as at March 31, 2020.

TCMPL, a wholly-owned subsidiary of TCPL, was holding a CMS licence from the MAS for conducting regulated activities (excluding IPOs) such as corporate finance and dealings in securities. During the year, TCMPL, as part of its winding down, has made an application for striking off to the Accounting and Corporate Regulatory Authority of Singapore.

TCPLC, a wholly-owned subsidiary of TCPL and incorporated in the U.K., is authorised by the Financial Conduct Authority to provide regulated services. During the year, TCPLC's focus has been to support Tata Asset Management Limited and has been engaged in performing services in mapping potential investors in the UK and Europe for India specific investment products available to investors, carry out market research, articulate positioning and fund action for different funds in different geographies and investor classes.

During the year under review, TCPL recorded a consolidated Gross Income of US$ 14 million i.e. ₹ 101 crore (FY 2018-19: US$ 29 million i.e. ₹ 201 crore). The revenue was higher in the previous year primarily on account of higher carry income at US$ 15 million as compared to US$ 3 million in the current year on sale of investment by TCGFLP. As at March 31, 2020, Profit Before Tax was at US$ 3 million i.e.₹ 24 crore (FY 2018-19: US$ 12 million i.e. ₹ 80 crore) and Profit After Tax was at US$ 3 million i.e. ₹ 23 crore (FY 2018-19: US$ 11 million i.e. ₹ 74 crore) [US$ amount translated at ₹ 70.7745, the annual average exchange rate for FY 2019-20].

vi) **Other Subsidiaries**

In addition to the above subsidiaries, the following entities are also treated as subsidiaries of the Company, as per the applicable Accounting Standards:

i. Tata Capital General Partners Limited Liability Partnership, a partnership formed in Singapore to act as a General Partner and manage the Tata Capital Growth Fund Limited Partnership.

ii. Tata Capital Healthcare General Partners Limited Liability Partnership, a partnership formed in Singapore to act as a General Partner and manage the Tata Capital HBM Healthcare Fund I Limited Partnership.

iii. Tata Opportunities General Partners Limited Liability Partnership, a partnership formed in Singapore to act as a General Partner and manage the Tata Opportunities Fund Limited Partnership.

iv. Tata Capital Growth II General Partners Limited Liability Partnership, a partnership formed in Singapore to act as a General Partner and manage the Tata Capital Growth Fund II Limited Partnership.

v. Tata Opportunities II General Partners Limited Liability Partnership, a partnership formed in Singapore to act as a General Partner and manage the proposed Singapore pooling feeder vehicle of TOF II. This entity is in the process of winding up.

vi. Tata Capital Healthcare II General Partners Limited Liability Partnership, a partnership formed in Singapore to act as a General Partner and manage the Tata Capital Healthcare II (Feeder) Limited Partnership.

7.3.2 Associates/Subsidiaries:

A separate statement, containing the salient features of the Financial Statements of the subsidiaries and associates of the Company, in accordance with the provisions of the Companies Act, 2013 ("the Act") and the applicable Accounting Standards, in the prescribed Form No. AOC-1, is included in the Annual Report at Page Nos. 254 and 255.

7.3.3 Other Investments:

As at March 31, 2020, the Company had, as per its Consolidated Financial Statements, total investments of ₹ 1,500 crore (FY 2018-19: ₹ 1,786 crore). Out of these, ₹ 851 crore (FY 2018-19: ₹ 891 crore) were investments in associate companies and the balance ₹ 649 crore (FY 2018-19: ₹ 895 crore) were in shares of other companies and in debt instruments such as Debentures, Pass Through Certificates, Commercial Paper, Government Securities, etc. The Company's investment in its subsidiaries (net of provisions) stood at ₹ 8,533 crore, as at March 31, 2020 (FY 2018-19: ₹ 7,826 crore), representing 83.58% of its total Assets (FY 2018-19: 81.80%), which amount is eliminated in the Consolidated Financial Statements, in accordance with the applicable Accounting Standards.

8. ALLIANCES

Tata Capital's alliances and partnerships are based on and are an extension of its core objects and values. Tata Capital continues to evaluate opportunities to create alliances and partnerships in the areas of Digital and Technology, Wealth Management, Private Equity, Structured Finance and Securities businesses. These alliances and partnerships are for mutual benefit and are generally non-exclusive in nature. Tata Capital, historically has strong relationships with Japanese corporates like Mizuho Securities Company Limited, Mizuho Bank Limited and Mitsubishi UFJ Securities Company Limited, amongst others. Tata Capital has also been able to forge strong working partnerships with multilaterals like International Finance Corporation, Washington D.C., USA (a member of the World Bank Group) to foray into the area of financing for climate change initiatives through TCCL. Tata Capital will actively look to create more mutually beneficial multilateral partnerships in the area of clean technology.

9. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the provisions of Section 129(3) of the Act, the Consolidated Financial Statements of the Company are included in the Annual Report. A separate statement, containing the salient features of the Financial Statements of its subsidiaries, associates and /or joint venture, in the prescribed Form No. AOC-1, is also included in the Annual Report at Page Nos. 254 and 255. The said Financial Statements are also available for inspection on the website of the Company, www.tatacapital.com.

10. FINANCE

During FY 2019-20, the Company met its funding requirements through issue of Equity Shares, CRPS, Commercial Papers and Unsecured Non-Convertible Debentures ("NCD"). During the year, the Company allotted Equity Shares aggregating ₹ 1,000 crore to Tata Sons Private Limited, on a preferential/private placement basis. The Company also allotted CRPS aggregating ₹ 364 crore, with a tenor of seven years and with Put and Call Options at the end of four years and issued Unsecured Unlisted NCDs of ₹ 75 crore (Face Value) and Unsecured Listed NCDs of ₹ 1,250 crore (Face Value) on a private placement basis. The aggregate debt of the Company outstanding as at March 31, 2020 was ₹ 3,183 crore, including CRPS at amortised cost of ₹ 1,461 crore which has been classified as borrowings as per Ind AS. Out of total borrowings, ₹ 700 crore is payable within one year. The Debt Equity ratio of the Company as at March 31, 2020 was 0.55 times.

The Company has been regular in repayment of its borrowings and payment of interest thereon.

On a consolidated basis, the Company had borrowings aggregating ₹ 70,835 crore as at March 31, 2020 (FY 2018-19: ₹ 69,801 crore), which includes CRPS at amortised cost of ₹ 1,461 crore (FY 2018-19: ₹ 1,905 crore).

11. CREDIT RATING

During the year under review, rating agencies reaffirmed/issued ratings to the Company, as under:

NATURE OF SECURITIES	RATING AGENCY	RATING
Commercial Papers	CRISIL and ICRA	CRISIL A1+ and ICRA A1+
Unsecured NCDs and Bank Facilities	CRISIL	CRISIL AAA/Stable
Unsecured NCDs	INDIA RATINGS and ICRA	ICRA AAA/Stable and IND AAA/Outlook Stable
CRPS	CRISIL	CRISIL AAA/Stable

12. RISK MANAGEMENT

A Risk Management Policy for the Company has been adopted by the Board of Directors. The Board sets, approves the charter and objectives for Risk Management and Risk Philosophy.

The Risk Management Committee of the Board is set up to assist the Board in its oversight of various risks, review and analyse the risk exposure related to specific issues, provide oversight of risk across the organisation and review the risk profile of the subsidiaries.

A comprehensive Enterprise Risk Management Framework has been adopted across Tata Capital which lays down the guidelines for risk identification, assessment and monitoring in line with the strategies business operations of entities in the group.

The Risk Management Practices of the Company and its subsidiaries are compliant with ISO 31000:2009, which is the International Standard for Risk Management that lays down Principles, Guidelines and Framework for Risk Management in the organisation.

13. INTERNAL CONTROL SYSTEMS

TCL's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company. TCL's internal control system is commensurate with its size and the nature of its operations.

14. INTERNAL FINANCIAL CONTROLS

The Management had reviewed the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). Entity Level Control framework document based on COSO 2013 framework has been documented. The documentation of process maps, key controls, standard operating procedures and risk registers has been completed for all businesses and functions. Further, during FY 2019-20, Management testing has been conducted on a sample basis for all key processes. The Internal Audit team has also conducted a review of the Internal Financial Controls. Remedial action has been taken or agreed upon with a finite closure date for controls where weaknesses were identified. There are no material unaddressed Internal Financial Controls related observations outstanding, as at March 31, 2020. Based on the above, the Board believes that adequate Internal Financial Controls exist and are effective.

15. INFORMATION TECHNOLOGY SUPPORT

Information Technology ("IT"), having improved the core systems stability is now working on adopting best in class technologies to drive data as also digital and security initiatives.

The extensive use of data analytics and digitalization as differentiators is improving employee productivity and bringing operational efficiencies. Tata Capital has introduced the feature of assigning an Unique Customer Identification Code, as per the mandate of the regulators, for all new customers and prospects. Tata Capital is also working on the Finance Data project which will automate all regulatory reporting, Finance Management Information System, Expected Credit Loss computation for Ind AS filing.

Tata Capital had moved its Data centre and key software assets to the cloud which is effectively contributing towards scalability and elasticity to support its business growth at optimum costs.

Tata Capital will continue to enhance its Digital platform for both the Retail and the Corporate businesses, covering all aspects of Social, Mobility, Analytics and Cloud. The use of Robotic Process Automation, Artificial Intelligence and Machine Learning has been a key focus area to drive business growth, automate processes, improve productivity and enhance customer experience. The IT Team had taken the ownership of driving BCP strategy for the Company, as required by the RBI and has successfully completed the BCP annual drill along with providing support during the country-wide COVID-19 lockdown.

In its endeavour towards continual improvement in the IT operations and Service Management area, IT has adopted BMC- Helix service management tool through its One Tata Operating Network platform and is estimated to Go Live by June 2020.

During FY 2019-20, the Company has fully complied with all the requirements of the Master Direction - Information Technology Framework for the NBFC Sector ("IT Master Directions") issued by the RBI and the same has been validated by Deloitte Touche Tohmatsu India LLP.

16. DIGITAL PLATFORM

In line with Tata Capital's strategy to digitalize customer journeys and experiences, as well as re-imagine distributor journeys and Tata Capital's internal operations during the FY 2019-20, Tata Capital continued its efforts to transform all aspects of the organization. A number of new digital offerings were launched for retail and commercial segments to enable sales, service and debt servicing. Digital platforms were also enhanced for distributors and partners. Further, all existing digital platforms and channels saw a growth in usage over the year.

All digital channels of Tata Capital, including the portal and mobile application for retail and commercial customers, saw an increase in traffic. While the monthly traffic on Tata Capital's portal grew almost 6 times over the year, Tata Capital's retail mobile application has more than a million downloads. New and innovative ways to service the customer such as conversational bots were launched during the year and saw early adoption. Seamless loan purchase journeys were launched including low ticket Personal Loans and online instant top-up loans for mortgage customers, all of which enables paperless loan disbursement within minutes. Tata Capital's mobile based distributor journeys were also made more comprehensive through multiple third party API integrations which enables faster credit and operations. Tata Capital also successfully implemented Robotics Process Automation in key operations processes which enhanced accuracy and productivity. For Tata Capital's Wealth business too, digital platforms were enabled for on-boarding, transactions and servicing.

For Commercial customers, Tata Capital further enhanced its digital platform which offers online on-boarding and sanction for Channel Finance, Sales Invoice Discounting and Equipment Finance. The platform offers a seamless flow-based journey with minimum data entry and multi-scorecard based underwriting processes. Use of this platform has resulted in a significant reduction of Turn around Time for loan sanction and enhancement in credit and sales productivity. During the year, Tata Capital has also launched an online digital sanction process for the Construction Equipment loan segment. This is a new-to-market process and is being launched to Tata Capital's Relationship Managers as well as for Dealer partnerships. A majority of draw-down and other servicing requests continue to take place on digital platforms. During the year, Tata Capital had also launched a new Mobile Application with enhanced features for the SME customers.

Data Science continues to play the most important role at Tata Capital. Across the lending process starting from on-boarding scorecards, pre-approved offers, propensity modelling, enhancement of underwriting decisions and improving debt service management efficiencies, Data Science binds the business together.

Going forward, Tata Capital will continue to focus on digitizing and simplifying the complete customer lifecycle to best cater to the growing needs of the evolving customers.

17. HUMAN RESOURCES

Tata Capital had 4,314 permanent employees as at March 31, 2020.

Tata Capital firmly believes that its most important asset is its Human Capital. Tata Capital, has embarked on its journey of "Happiness at the workplace" which has helped to look at employee engagement in a more holistic way.

Tata Capital was one of the first few companies in the country to conduct a detailed Happiness at Work Survey 2018. It was facilitated in partnership with Delivering Happiness. The response rate for the survey was an overwhelming 85%. Tata Capital's Happiness Index is 6.2, which is in the top 30% of the scores. This survey was an important step in Tata Capital's journey to create a more positive and happy work environment. As a critical step post the survey, action planning was ensured across the enterprise and business unit levels.

Four key themes were identified namely Connectedness, Leadership Engagement, Appreciation and Wellness wherein several initiatives were deployed to make the happiness program more robust. These initiatives are part of an Annual Happiness Calendar and primarily designed in alignment with the employee feedback and key happiness survey findings.

Tata Capital was the proud recipient of the "Best People Insight Employee Engagement Company" Award for its Happiness+ Initiative at the Employee Engagement Leadership Awards 2019 organized by Kamikaze.

Learning & Development initiatives at Tata Capital are strategically focused on building the right functional and behavioural competencies through interventions such as Executive Development Programs, e-learning and various classroom-based training programs.

Tata Capital has also rolled out an Advanced Learning Management System, facilitating various Digital Upskilling programs, building a robust Digital Library consisting of micro learnings, video-based learning, gamification and e-books. E-learning modules on key organizational imperatives such as the Tata Capital Leadership Traits with video messages from senior leaders, New Employee Orientation, Tata Code of Conduct ("TCOC"), Prevention of Sexual Harassment were also rolled out on an ongoing basis to ensure maximum reach and coverage.

Tata Capital's Learning & Development initiatives have been consistently recognized and awarded across various external forums. These include:

- Tata Capital's practice of 'Measuring the effectiveness of learning and development initiatives' recognized at the Tata Group level as one of the Best Practices 2019;
- Tata Capital was the proud recipient of the 'Best Customer Service Training Program' at the TISS Leapvault CLO Awards 2019; and
- The Head of Learning & Development was awarded the 'Best Learning & Development Leader of the Year Award' under the Leadership Category Awards at the Employee Engagement Leadership Awards 2019 organized by Kamikaze.

18. TATA BUSINESS EXCELLENCE MODEL

Tata Capital continues to enhance its capabilities and processes in keeping with market and regulatory changes, using the framework of the Tata Business Excellence Model ("TBEM") (based on Baldridge Criteria, USA), which covers aspects of Leadership and Governance, Strategic Planning, Customer Focus, Measurement, Analysis and Knowledge Management, Workforce Focus and Operations Focus. Tata Capital participated in its sixth TBEM external assessment conducted by the Tata Business Excellence Group ("TBExG"), a division of Tata Sons Private Limited, in September 2018 and was placed in the 550-600 score band, which indicates the level of "Emerging Industry Leader" with an absolute score of 582. Tata Capital did not participate in the TBEM 2019 External Assessment.

The assessment provided Tata Capital with important feedback in terms of its current strengths and opportunities for improvements to work towards the coming year. Key strengths indicated in this report were the Organization's alignment with its Vision and the building of a capability and structure for achieving the Vision, Focus on building a quality book, Risk Management, Internal Audit mechanism and Governance mechanisms.

Tata Capital has implemented many improvement initiatives involving people, process and technology over the last two years. These include process simplification, re-engineering and automation for improving Tata Capital's operational focus in order to enhance customer satisfaction and improve internal efficiencies. Many practices of Tata Capital have been recognized as Group wide Best Practices consistently. In February 2020, Tata Capital underwent Data Maturity assessment for its various subsidiaries and scored very high amongst the various Tata companies.

Tata Capital would be participating in TBEM 2020 Assessment with individual subsidiaries undergoing the assessment. This would help the subsidiaries get more granular feedback which would help them in their journey of excellence.

19. THE TATA CAPITAL BRAND

The Tata Capital brand has been built around the commitment of delivering on promises.

Since its launch in 2008, "We only do what's right for you" has echoed what the brand stands for and subsequently, Tata Capital has elevated its brand positioning by asking our customers to "Count on Us".

The brand has grown from strength to strength and enjoys worthy level of awareness and consideration in the Financial Services sector, especially amongst the NBFCs.

This has been possible due to effective brand building with a combination of judicious use of media and consumer insight oriented communication to back up marketing efforts.

With this year's Brand Campaign, Tata Capital further built on its reputation for honesty, transparency, trustworthiness and integrity. Tata Capital saw an opportunity in presenting Tata Capital as an antidote to the frustrating experiences that customers face when they seek loans. The campaign, comprising of three films, focused on the pain points of the Customer and how Tata Capital chooses to stand apart.

The financial year also saw many successful Social Media releases with two big Social Media campaigns, "#Breakfree" on Independence Day and "TimeTravel" in January 2020. The "#Breakfree" campaign approached Independence Day and the aspect of freedom differently, so as to be relevant to the youth and make the brand stand out amidst the digital clutter, while the "TimeTravel" campaign encouraged people to stop procrastinating and start their journey to be financially independent. The brand will continue to focus on social media and digital media campaigns at regular intervals to maintain salience and consideration.

20. BUSINESS DEVELOPMENT

During the year, the Business Development Group ("BDG") enabled opportunities and relationships, utilizing its network within and outside the Tata Group for various businesses of Tata Capital. The

BDG also enhanced its interactions with domestic trade bodies and with other entities, with a view to promoting the Tata Capital brand and laying the groundwork for future business. Further, the BDG continued its regular interactions and deepened relationships with trade/economic bodies of Canada, the USA, the UK, Singapore and Australia, amongst others.

21. CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ("CSR") is deeply rooted in the Tata Group's business philosophy laid down by its Founder, Jamsetji N. Tata over a century ago. The Group companies have a sense of responsibility towards making use of their existing resources and knowledge to not only make profits but also solve social and environmental issues.

The Company too follows the Group's belief that our society can truly progress if every individual is included and empowered in the story of development. To guide us in this journey, the Company has a well defined CSR policy which outlines the thrust areas of development viz. Education and Skill Development, Health, Climate Action and Entrepreneurship, as adopted by the CSR Committee and the Board of Directors of the Company. During FY 2019-20, the CSR Policy was amended to, *inter alia*, align the 'Vision' with the appropriate CSR scope related to community development and benefit, re-define the beneficiary group, impact and reword the thematic areas, widen the scope for the target beneficiaries and change the monitoring from overall to periodic basis, with the relevant teams / committees.The CSR policy of the Company is available on the Company's website, https://www.tatacapital.com/content/dam/tata-capital/pdf/footer/TCL-CSR%20Policy.pdf. Further, as per the provisions of Section 135 of the Act, the Company has constituted a CSR Committee.

In FY 2019-20, the Company and its subsidiaries viz. TCFSL, TCHFL, TCCL and Tata Securities, have spent an aggregate amount of ₹ 1,885.06 lakh on CSR activities in projects and programs covered under Schedule VII of the Act. In addition to the approved CSR budget, the Company contributed ₹ 2.74 lakh towards a foundation engaged in cancer treatment.

The CSR budget for TCL was ₹ 92.24 lakh, this being two percent of the average net profit of the Company in the three immediately preceding financial years, calculated as per Section 198 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The budget was spent towards projects and programs covered under Schedule VII to the Act, as recommended by the CSR Committee of the Board and approved by the Board of Directors of the Company. The Annual Report on CSR activities is annexed herewith as Annexure 'A'.

The CSR budget was spent towards projects and programs covered under Schedule VII to the Act, as approved by the CSR Committees of the Board and its subsidiaries. To conceptualize and implement the projects, Tata Capital follows a robust process, including appraising and selecting technically sound NGOs, planning the project based on baseline assessment, creating a project plan for implementation and monitoring and evaluation mechanisms. This helps to bring the desired positive and measurable results for the target beneficiaries.

Additionally, the Company adheres to the Tata Group's Tata Affirmative Action Program based on the framework defined by Confederation of Indian Industries. The framework focuses on upliftment of Scheduled Castes and Scheduled Tribes and identifies 4Es as key areas of development i.e. Education, Employability, Employment and Entrepreneurship. In addition to the 4Es, Tata Capital also adheres to 'Essentials' as another category to provide for basic services like shelter, water and electricity.

22. COMPLIANCE

The Company is registered with the RBI as a CIC. The Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations, including the Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions"), as amended from time to time, and it does not carry on any activity other than those specifically permitted by the RBI for CICs.

During the year ended March 31, 2020, the Company issued NCDs on a private placement basis which were listed on the NSE. Accordingly, the Company has also complied with and continues to comply with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (“ILDS Regulations”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”).

23. DEPOSITS

The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review.

24. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of the Act pertaining to investment and lending activities are not applicable to the Company since the Company is a NBFC whose principal business is acquisition of securities.

Details of guarantees and/or security in connection with loans to other bodies corporate or persons as covered under the provisions of Section 186 of the Act, are given in Note No. 21 to the Standalone Financial Statements.

25. DIRECTORS

The Members of the Company at its Twenty Eighth Annual General Meeting (“AGM”) held on July 8, 2019, had approved the appointment of Ms. Varsha Purandare (DIN: 05288076) as an Independent Director of the Company, for an initial term of three years commencing from April 1, 2019 upto March 31, 2022.

In accordance with the provisions of the Act and the Articles of Association of the Company, Ms. Aarthi Subramanian (DIN: 07121802), Non-Executive Director, is liable to retire by rotation at the ensuing AGM and is eligible for re-appointment.

The Members of the Company may refer to the accompanying Notice of the AGM for the brief Resume of Ms. Subramanian.

The Company has received declarations from the Independent Directors, viz. Mr. Mehernosh B. Kapadia (DIN: 00046612), Mr. Nalin M. Shah (DIN: 00882723) and Ms. Varsha Purandare (DIN: 05288076) stating that they meet the criteria of independence as provided in Section 149(6) of the Act.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold highest standards of integrity. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs (“IICA”), Manesar. Further, the Independent Directors are required to undertake an online proficiency self-assessment test conducted by the IICA within a period of one year from the date of inclusion of their names in the data bank. The said online proficiency self-assessment test would be undertaken by the Independent Directors of the Company within the stipulated time period.

26. EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance and of the individual Directors (including the Chairman) as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the Nomination and Remuneration Committee (“NRC”). The performance evaluation was carried out by seeking inputs from all the Directors/Members of the Committees, as the case may be.

The Guidance Note on Board Evaluation (“Guidance Note”) issued by SEBI, had encouraged companies which were not covered under Chapter IV of the LODR Regulations to follow the criteria mentioned in the Guidance Note. The Board of the Company followed the said criteria recommended under the Guidance Note for evaluating the performance of the Board as a whole, Committees of the Board, Individual Directors and the Chairman. The criteria for evaluation of the Board as a whole, *inter alia*, covered parameters such as Structure of the Board, Meetings of the Board, Functions of the Board and Board & Management. The criteria for evaluation of Individual Directors covered parameters such as knowledge and competency, fulfillment of functions, ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to mandate and composition, effectiveness of the committee, structure of the committee and meetings, etc.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and the assessment of the quality, quantity and timeliness of flow of information between the Company, the Management and the Board was taken into consideration by the Board in carrying out the performance evaluation.

27. POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY OF THE COMPANY

The NRC develops the competency requirements of the Board based on the industry and the strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board, as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence of all Directors before recommending them to the Board. Besides the above, the NRC ensures that the new Directors are familiarized with the operations of the Company and endeavours to provide relevant training to the Directors.

In accordance with the provisions of Section 178 of the Act, the Board of Directors have adopted a Policy on Board Diversity and Director Attributes and a Remuneration Policy.

The Policy on Board Diversity and Director Attributes, has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board and to have in place, a transparent Board nomination process.

The Remuneration Policy for Directors, Key Managerial Personnel ("KMP") and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust.

The Remuneration Policy aims to ensure that the level and composition of the remuneration of the Directors, KMP and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

Salient features of the Remuneration Policy, *inter alia*, includes:

- Remuneration in the form of Sitting Fees and Commission to be paid to Independent Directors and Non-Independent Non-Executive Directors, in accordance with the provisions of the Act and as recommended by the NRC;
- Remuneration to Managing Director/Executive Directors/KMP and all other employees is reasonable and sufficient to attract, retain and motivate them to run the Company successfully and retain talented and qualified individuals suitable for their roles, in accordance with the defined terms of remuneration mix or composition; and
- No remuneration would be payable to Directors for services rendered in any other capacity unless the services are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession and approval of the Central Government has been received, if required, for paying the same.

The Policy on Board Diversity and Director Attributes as also the Remuneration Policy of the Company are made available on the Company's website, www.tatacapital.com.

28. KEY MANAGERIAL PERSONNEL

During FY 2019-20, Mr. Puneet Sharma, resigned as the Chief Financial Officer ("CFO") of the Company, with effect from the end of day on February 16, 2020, and consequently, ceased to be a KMP of the Company. Mr. Rakesh Bhatia was appointed as the CFO and KMP of the Company, with effect from March 2, 2020.

Mr. Rajiv Sabharwal, Managing Director & CEO, Mr. Rakesh Bhatia, CFO and Ms. Avan Doomasia, Company Secretary, are the KMPs of the Company, of which, Ms. Doomasia is also a KMP of TCFSL, a wholly-owned subsidiary of the Company.

29. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards and guidance provided by The Institute of Chartered Accountants of India have been followed and that there are no material departures therefrom;

b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and cash flows of the Company for the year;

c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they had prepared the annual accounts on a going concern basis;

e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and

f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Financial Statements of the Company have been prepared in accordance with Ind AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act.

30. CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, Government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better these practices by adopting best practices. During FY 2019-20, Tata Capital won the Golden Peacock Award for Excellence in Corporate Governance in the Financial Services sector.

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India with a global footprint, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to Tata companies.

As a part of the Tata Group, Tata Capital has a strong legacy of fair, transparent and ethical governance practices. The Corporate Governance philosophy is further strengthened with the adherence to the TBEM as a means to drive excellence, the Key Performance Metrics for tracking progress on long-term strategic objectives and the TCOC, which articulates the values, ethics and business principles and serves as a guide to the Company, its Directors and employees, supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the TCOC. In addition, the Company has adopted a Vigil Mechanism, an Affirmative Action Policy, a Policy against Sexual Harassment in the Workplace, a Policy on Board Diversity and Director Attributes, a Code of Conduct for Non-Executive Directors, an Occupational Health and Safety Management System and Anti-Bribery and Anti-Corruption ("ABAC") Policy.

During FY 2019-20, the Company has, in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, adopted the 'Policy for Determination of legitimate purpose for communication of Unpublished Price Sensitive Information' and 'Code of Corporate Disclosure Practices' for fair disclosures of unpublished price sensitive information, consequent to the listing of the NCDs issued by the Company on a private placement, on the NSE, with effect from December 12, 2019. Consequent upon the adoption of the Code of Corporate Disclosure Practices, which forms a part of the Code of Conduct for Prevention of Insider Trading, the Code of Conduct for Prevention of Insider Trading is now known as Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ("Code"). Further, the Company has revised the Code to align it with the amendments made in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company has signed the Tata Brand Equity and Business Promotion ("BEBP") Agreement with Tata Sons Private Limited for subscribing to the TATA BEBP Scheme. The Company abides by the TCOC and the norms for using the Tata Brand identity.

a. Board of Directors

The Board of Directors, along with its Committees, provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company.

The size of the Board is commensurate with the size and business of the Company. As on March 31, 2020, the Board comprised seven Directors, viz. Mr. Saurabh Agrawal, Chairman of the Board of Directors, Mr. Farokh N. Subedar, Mr. Nalin M. Shah, Mr. Mehernosh B. Kapadia, Ms. Varsha Purandare, Ms. Aarthi Subramanian and Mr. Rajiv Sabharwal, Managing Director & CEO of the Company. Mr. Shah, Mr. Kapadia and Ms. Purandare (appointed with effect from April 1, 2019) are the Independent Directors ("ID") of the Company and Mr. Agrawal, Mr. Subedar and Ms. Subramanian are the Non-Executive Directors ("NED") of the Company.

During FY 2019-20, six meetings of the Board of Directors were held on the following dates: May 6, 2019, July 31, 2019, October 22, 2019, October 30, 2019, January 28, 2020 and February 18, 2020.

The details of attendance at Board Meetings held during FY 2019-20 and at the previous AGM of the Company are, given below:

Name of Director(s)	Director Identification Number	Category	Board Meetings		Whether present at previous AGM held on July 8, 2019
			Held	Attended	
Mr. Saurabh Agrawal	02144558	Non-Executive Director	6	6	No
Mr. Farokh N. Subedar	00028428	Non-Executive Director	6	6	No
Mr. Nalin M. Shah	00882723	Independent Director	6	6	Yes
Mr. Mehernosh B. Kapadia	00046612	Independent Director	6	6	Yes
Ms. Varsha Purandare	05288076	Independent Director	6	6	No
Ms. Aarthi Subramanian	07121802	Non-Executive Director	6	6	No
Mr. Rajiv Sabharwal	00057333	Managing Director & CEO	6	6	Yes

Mr. Nalin M. Shah, Chairman of the Audit Committee and the NRC, attended the last AGM of the Company. Ms. Aarthi Subramanian, Chairperson of the Stakeholders Relationship Committee had authorised Mr. Mehernosh B. Kapadia, a Member of the Stakeholders Relationship Committee to attend the last AGM on her behalf.

b. Remuneration to the Directors

The Company paid Sitting fees to the NEDs and IDs for attending meetings of the Board and the Committees of the Board and will pay Commission for FY 2019-20, within the maximum prescribed limits to the NEDs and IDs who were Directors of the Company during FY 2019-20, as recommended by the NRC and approved by the Board at their respective meetings held on June 26, 2020 and June 30, 2020. The details of the same are, as under:

(₹ in lakh)

Name of Director(s)	Sitting Fees paid for attending Board and Committee Meetings during FY 2019-20	Commission to be paid for FY 2019-20
Mr. Saurabh Agrawal, Non-Executive Director	3.80	–
Mr. Farokh N. Subedar, Non-Executive Director	6.90	22.50
Mr. Nalin M. Shah, Independent Director	11.00	22.50
Mr. Mehernosh B. Kapadia, Independent Director	9.50	22.50
Ms. Varsha Purandare, Independent Director	5.40	22.50
Ms. Aarthi Subramanian, Non-Executive Director	4.20	–

At the meetings of the NRC and the Board of Directors held on June 26, 2020 and June 30, 2020, respectively, a Commission of ₹ 2.20 crore was approved as payable to Mr. Sabharwal for FY 2019-20. With this, the total remuneration of Mr. Sabharwal for FY 2019-20, was ₹ 10.80 crore.

None of the NEDs and IDs had any pecuniary relationships or transactions with the Company during the year under review.

c. Committees of the Board

The Board has constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. These include the Audit Committee, the NRC, the Finance and Asset Liability Supervisory Committee, the Risk Management Committee, the Stakeholders Relationship Committee, the CSR Committee and the Information Technology Strategy Committee.

The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board/respective Committees of the Board at their next meetings. The Minutes and Gists of minutes of meetings of all Committees of the Board are circulated to the Board of Directors for noting.

i. Audit Committee

Composition, Meetings and Attendance

During FY 2019-20, six meetings of the Audit Committee were held on the following dates: May 6, 2019, July 31, 2019, October 30, 2019, December 2, 2019, January 28, 2020 and February 25, 2020. The composition of the Audit Committee and the attendance of its Members at its meetings held during FY 2019-20 are, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Mr. Nalin M. Shah, Chairman	Independent Director	6	6
Mr. Farokh N. Subedar	Non-Executive Director	6	6
Mr. Mehernosh B. Kapadia	Independent Director	6	6

The composition of the Audit Committee is in line with the provisions of Section 177 of the Act. All the Members have the ability to read and understand financial statements and have relevant finance and/or audit experience.

Terms of reference

The Board has adopted an Audit Committee Charter which defines the composition of the Audit Committee, its authority, role, responsibilities and powers and reporting functions in accordance with the Act. The Charter is reviewed from time to time and is available on the website of the Company, www.tatacapital.com.

Given below, *inter alia*, is a gist of the responsibilities of the Audit Committee:

- Review of the financial reporting process, the system of internal financial controls, the audit process, the Company's process for monitoring compliance with laws and regulations and the Code of Conduct;
- To recommend the appointment and removal of the Auditors and their remuneration, and discuss with the Auditors the nature and scope of their audit before commencement;
- To ensure adequacy of internal financial controls and compliances and recommend remedial measures;
- To review adequacy of the Internal Audit function;
- To review and monitor the Auditors' independence and performance and effectiveness of the audit process;
- To oversee financial reporting process and disclosure of financial information;
- To examine the financial statements and the Auditors' Report thereon;
- To evaluate adequacy of the risk management systems;
- To act as a link between the Statutory Auditors, the Internal Auditors and the Board of Directors;
- To review financial, accounting and risk management policies;
- To approve any transactions of the Company with related parties or any subsequent modifications thereof as also recommend to the Board the related party transactions which are not approved by the Committee;
- To scrutinise inter-corporate loans and investments (including investments made by subsidiary companies);
- To evaluate the valuation of undertakings or assets of the Company, if necessary;
- To monitor the end use of funds raised through public offers and related matters;
- To review findings of internal investigations, frauds, irregularities, etc.;
- To carry out additional functions as per the regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee;
- To carry out the responsibilities under the Code of Conduct for Prevention of Insider Trading;
- To conduct Information Systems Audit of the internal systems and processes at least once in two years to assess operational risks;
- To appoint Auditors to undertake such audits as may be directed by law/the Audit Committee/Board, from time to time;
- To review the functioning of and compliance with the Company's Whistle Blower Policy;
- To consider and adopt the policies, procedures and processes laid down by the Audit Committee of the Holding Company; and

– To monitor the effectiveness and reviewing the implementation of the ABAC Policy, considering its suitability, adequacy and effectiveness.

The Board has accepted all the recommendations made by the Audit Committee during the year.

Besides the members of the Committee, meetings of the Audit Committee are attended by the Managing Director & CEO, the Chief Financial Officer, the Company Secretary, the Statutory Auditors and the Chief Internal Auditor. Further, meetings of the Audit Committee for considering Financials are also attended by the other Directors of the Board as Invitees. The Internal Audit function is headed by the Chief Internal Auditor of the Company who functionally reports to the Chairman of the Audit Committee to ensure independence of operations.

ii. Nomination and Remuneration Committee ("NRC")

Composition

The composition of the NRC during FY 2019-20 is, given below:

Name of the Member(s)	Category
Mr. Nalin M. Shah, Chairman	Independent Director
Mr. Mehernosh B. Kapadia	Independent Director
Mr. Saurabh Agrawal	Non-Executive Director

Terms of reference

Given below, *inter alia*, is a gist of the responsibilities of the NRC:

– To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration for the directors, KMP and other employees;

– To review the performance of the Managing/Whole-Time/Executive Directors on predetermined parameters;

– To review and approve the remuneration/compensation packages for the Managing/ Whole-Time/Executive Directors, within prescribed limits;

– To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment and removal and to carry out evaluation of every director's performance;

– To take steps to refresh the composition of the Board;

– To decide Commission payable to the directors, subject to prescribed limits and approval of shareholders; and

– To review employee compensation vis-à-vis industry practices and trends.

iii. Risk Management Committee ("RMC")

Composition

The composition of the RMC during FY 2019-20 is, given below:

Name of the Member(s)	Category
Mr. Saurabh Agrawal, Chairman	Non-Executive Director
Mr. Nalin M. Shah	Independent Director
Ms. Varsha Purandare*	Independent Director
Mr. Rajiv Sabharwal	Managing Director & CEO

**Ms. Varsha Purandare was appointed as a Member of the RMC, with effect from April 1, 2019.*

Given below, *inter alia*, is a gist of the responsibilities of the RMC:

– To assist the Board in its oversight of various risks;

– To review and analyse risk exposure related to specific issues and provide oversight of risk across the Company; and

– To review risk profile of the subsidiaries.

iv. Finance and Asset Liability Supervisory Committee ("ALCO")

Composition

The composition of the ALCO during FY 2019-20 is, given below:

Name of the Member(s)	Category
Mr. Saurabh Agrawal, Chairman	Non-Executive Director
Mr. Farokh N. Subedar	Non-Executive Director
Mr. Nalin M. Shah	Independent Director
Ms. Varsha Purandare*	Independent Director
Mr. Rajiv Sabharwal	Managing Director & CEO

**Ms. Varsha Purandare was appointed as a Member of the ALCO, with effect from April 1, 2019.*

Terms of reference

The responsibilities of the ALCO, *inter alia*, include to oversee:

– Asset Liability Management;

– Debt composition and plan of the Company for fund raising; and

– Resource raising policy of the Company.

v. Information Technology Strategy Committee ("ITSC")

Composition

The composition of the ITSC during FY 2019-20 is, given below:

Name of the Member(s)	Category
Mr. Nalin M. Shah, Chairman	Independent Director
Mr. Mehernosh B. Kapadia	Independent Director
Ms. Aarthi Subramanian	Non-Executive Director
Ms. Varsha Purandare*	Independent Director
Mr. Rajiv Sabharwal	Managing Director & CEO
Mr. Mani Mulki	Chief Information Officer

**Ms. Varsha Purandare was appointed as a Member of the ITSC, with effect from April 1, 2019.*

Terms of reference

Given below, *inter alia*, is a gist of the responsibilities of the ITSC:

– To approve the IT strategy and policy documents, ensuring that the Management puts an effective strategic planning process in place and ascertaining that the Management had implemented processes and practices that ensure that the IT delivers value to the business;

– To monitor the method that the Management used to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

- To constitute the Steering Committee and review the discussions of the said Committee periodically;
- To institute an effective governance mechanism and risk management process for all outsourced IT operations and to do all such acts as may be required under the IT Directions in respect of the outsourced IT operations;
- To review the IT/Information Systems ("IS") Audit report and provide its observation/ recommendations to the Audit Committee; and
- To recommend the appointment of IT/IS Auditor to the Audit Committee.

vi. Corporate Social Responsibility ("CSR") Committee

Composition

The composition of the CSR Committee during FY 2019-20 is, given below:

Name of the Member(s)	Category
Mr. Saurabh Agrawal, Chairman*	Non-Executive Director
Mr. Farokh N. Subedar	Non-Executive Director
Mr. Mehernosh B. Kapadia	Independent Director
Ms. Aarthi Subramanian	Non-Executive Director
Mr. Rajiv Sabharwal	Managing Director & CEO

**Mr. Saurabh Agrawal was appointed as the Member and Chairman of the CSR Committee, with effect from August 1, 2019.*

Terms of reference

Given below, *inter alia*, is a gist of the responsibilities of the CSR Committee:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act ("CSR Activities");
- To recommend the amount of expenditure to be incurred on CSR activities;
- To monitor the CSR Policy of the Company from time to time and instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company; and
- To oversee the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen.

vii. Stakeholders Relationship Committee ("SRC")

Composition

The composition of the SRC during FY 2019-20 is, given below:

Name of the Member(s)	Category
Ms. Aarthi Subramanian, Chairperson	Non-Executive Director
Mr. Mehernosh B. Kapadia	Independent Director
Mr. Rajiv Sabharwal	Managing Director & CEO

The responsibilities of the SRC, *inter alia*, is to consider and resolve the grievances/ complaints of security holders of the Company.

d. Secretarial Standards

The Company is in compliance with SS -1 i.e. Secretarial Standard on Meetings of the Board of Directors and SS – 2 i.e. Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

e. Unclaimed Amount

As on March 31, 2020, the unclaimed amount with respect to the Dividend / Redemption payment of CRPS of the Company was, as under:

Particulars	Unclaimed Amount (in ₹)	Date of transfer to the Investor Education and Protection Fund ("IEPF")
Dividend	24,37,557	March 30, 2027
Total	**24,37,557**	

As on March 31, 2020, there is no unclaimed amount with respect to the Interest / Redemption of NCDs of the Company.

Further, there was no amount required to be transferred to the IEPF Account, during FY 2019-20. Ms. Avan Doomasia, Company Secretary, has been appointed as the Nodal Officer under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019.

f. Summary minutes

A summary of the minutes of the meetings of the Board of the subsidiary companies is placed before the Board for noting on a quarterly basis.

g. Means of Communication

The 'Investor Information & Financials' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, Contact details of persons responsible for investor grievances, etc. The debenture holders can also send in their queries / complaints at the designated email address: compliance.ncd@tatacapital.com and the CRPS holders can send their queries/complaints at crps@tatacapital.com.

h. General Information for Members and Debenture holders

The Unsecured, Redeemable, Non-Cumulative, Non-Convertible Debentures issued by the Company on a private placement basis were listed on the NSE, with effect from December 12, 2019 and hence, the Company is now considered as a listed entity. The Company has complied with the LODR Regulations and ILDS Regulations.

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs ("MCA") is U65990MH1991PLC060670.

Details of Debenture Trustees and the Registrar and Transfer Agents for the Debentures issued by the Company are, given below:

Debenture Trustees
IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Website: www.idbitrustee.com, Tel: +91 22 4080 7000, Fax: +91 22 6631 1776. e-mail: itsl@idbitrustee.com
Registrar and Transfer Agents
Equity Shares, Preference Shares and Non – Convertible Debentures issued on a Private Placement basis
TSR Darashaw Consultants Private Limited (formerly known as TSR Darashaw Limited) 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011. Website: www.tsrdarashaw.com, Phone No.: 022-66178554 e-mail: dtambe@tsrdarashaw.com

31. VIGIL MECHANISM

The Company has established a Vigil Mechanism for its Directors and employees to report their concerns or grievances. The said mechanism, *inter alia*, encompasses the Whistle Blower Policy, the Fraud Risk Management Process, the mechanism for reporting of ethical concerns under the TCOC and the ABAC Policy and it provides for adequate safeguards against victimization of persons who use it.

The Vigil Mechanism provides access to Tata Capital's Ethics Committee for reporting concerns and grievances. It also provides access to the Compliance Officer under the ABAC Policy and to the Chairman of the Company's Audit Committee / the Chief Ethics Counsellor under the Company's Whistle Blower Policy. Information regarding the mechanism and the channels for reporting concerns are communicated to the relevant stakeholders. The Whistle Blower Policy, Vigil Mechanism, TCOC and the ABAC Policy documents are available on the website of the Company, www.tatacapital.com.

32. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A 'Prevention of Sexual Harassment' Policy, which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, including the constitution of Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH Act"), is in place.

During FY 2019-20, no complaints were received under the provisions of the POSH Act.

33. STATUTORY AUDITORS

At the Twenty Sixth AGM of the Company held on August 29, 2017, B S R & Co. LLP ("BSR"), Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company for a term of five years, to hold office from the conclusion of the Twenty Sixth AGM till the conclusion of the Thirty First AGM of the Company to be held in the year 2022.

34. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

The Financial Statements of the Company have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act. Further, the Company follows the Directions issued by RBI for CICs.

The Financial Statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the Accounting Policies. The Accounting Policies adopted in the preparation of the Financial Statements have been consistently followed in the previous year.

35. EXPLANATION ON STATUTORY AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by BSR, Statutory Auditors, in their Reports dated June 30, 2020 on the Financial Statements of the Company for FY 2019-20.

36. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company, for FY 2019-20. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed as Annexure 'B'.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Parikh & Associates in their Secretarial Audit Report dated June 30, 2020 on the secretarial and other related records of the Company, for FY 2019-20 except for filing of Form AOC 4 for the FY 2018-19 and Form IEPF 2 – Appointment of Nodal Officer, due to some technical issues faced in filing the said forms with the MCA.

37. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31, 2020 and June 30, 2020, being the date of this Report.

38. RELATED PARTY TRANSACTIONS

The Company has adopted a Framework on Related Party Transactions for the purpose of identification, monitoring and approving of such transactions.

A Statement containing details of material contracts or arrangements or transactions with Related Parties on an arm's length basis with respect to transactions covered under Section 188(1) of the Act, in the prescribed Form No. AOC-2, is attached as Annexure 'C'. Further, details of Related Party Transactions, as required to be disclosed by Indian Accounting Standard – 24 on "Related Party Disclosures" specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, are given in the Notes to the Financial Statements.

During the year, the Company has not entered into any transaction with Related Parties which is not in its ordinary course of business or not on an arm's length basis and which requires disclosure in this Report in terms of the provisions of Section 188(1) of the Act.

39. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

(A) Conservation of energy:

i. Steps taken/impact on conservation of energy:

The operations of the Company, being financial services related, require normal consumption of electricity. The Company is taking every necessary step to reduce its consumption of energy.

ii. Steps taken by the Company for utilising alternate sources of energy:

Tata Capital has installed a solar panel at its Thane office which produces close to 750 Watts of energy and which self illuminates and provides power to the garden and security lights on the campus from dusk to dawn. The garden lights at the Thane office have been retrofitted with LED bulbs that consume less electricity as compared to the conventional incandescent or CFL bulbs.

iii. Capital investment on energy conservation equipments:

In view of the nature of the activities carried on by the Company, there is no capital investment on energy conservation equipment.

(B) Technology absorption:

i. The efforts made towards technology absorption;

ii. The benefits derived like product improvement, cost reduction, product development or import substitution;

iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

(a) The details of technology imported;

(b) The year of import;

(c) Whether the technology has been fully absorbed;

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

iv. The expenditure incurred on Research and Development.

Given the nature of the activities of the Company, the above is not applicable to the Company.

(C) Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of actual inflows during the year under review was ₹ 64 crore and the Foreign Exchange Outgo during the year under review in terms of actual outflows was ₹ 1 crore.

40. EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, in the prescribed Form No. MGT-9, is annexed as Annexure 'D' and is also available on the website of the Company, www.tatacapital.com.

41. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A Statement giving the details required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2020, is annexed as Annexure 'E'.

The details required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2020, are provided in a separate Annexure forming part of this Report. In terms of Section 136(1) of the Act, the Report and the Accounts, excluding the aforesaid Annexure, are being sent only through electronic mode to all the Members whose e-mail addresses are registered with the Depositories. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary, at the Registered Office of the Company and the soft copy of the same would be provided by an e-mail. None of the employees listed in the said Annexure is related to any Director of the Company.

42. TATA CAPITAL LIMITED EMPLOYEE STOCK PURCHASE/OPTION SCHEME

In order to develop and implement a long term incentive program to effectively attract, motivate and retain the best talent from the industry in a competitive environment, the Company has implemented the Tata Capital Limited Employee Stock Purchase/Option Scheme ("Scheme"), which has been amended from time to time. Pursuant to the provisions of Section 62 of the Act and the appropriate Rules framed thereunder, the Scheme was amended in 2016 to bring it in line with the applicable provisions of the Act. The Scheme has also been adopted by the subsidiaries of the Company, viz. TCFSL, TCHFL, TCCL and Tata Securities. The Scheme was modified in 2018, by the Board of Directors of the Company to increase the exercise period for exercise of options to a maximum period of 10 years. The Scheme was further amended in February 2020, to amend Clause 27.2 pertaining to the duration of the Scheme to enable continuity of the operation of the Scheme and to make such amendments to certain other provisions of the Scheme either as a consequence of extending the duration of the Scheme or where required, to provide a clear road map to employees on their holding of Shares post the cessation of their employment or to provide clarity on the times and the manner in which the Trust would be able to provide exits to employees as well as to provide an overall better readability and understanding of the Scheme.

For implementation of the Scheme, the TCL Employee Welfare Trust ("Trust") was set up and 7,02,34,526 Equity Shares of the Company aggregating 2% of its total paid up Equity Share Capital were allotted to the Trust. The Trust entrusted the ESOP Committee of the Board (which has now been combined with the NRC of the Board), with powers to effectively administer the Scheme. The NRC, *inter alia*, determines the employees to whom an offer is to be made based on certain performance criteria, the price at which the options can be exercised, the quantum of offer to be made and the terms and conditions for vesting and exercise of the offer.

As at March 31, 2020, out of 7,02,34,526 Equity Shares of the Company allotted to the Trust, 1,84,85,332 Equity Shares of the Company aggregating 0.53% of its total paid up Equity Share Capital were held by the Employees under the Schemes.

The following disclosures are being made as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014:

Sr. No.	Particulars (upto March 31, 2020)	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019
(i)	Options Granted	29,93,747	1,51,60,000	78,25,000	76,00,000
(ii)	Options Vested	29,93,747	1,51,60,000	15,65,000	Nil
(iii)	Options Exercised	9,99,114	27,22,794	78,950	Nil
(iv)	Total number of shares arising out of exercise of Options	9,99,114	27,22,794	78,950	Nil
(v)	Options Lapsed	19,94,633	1,24,37,206	5,96,050	4,00,000
(vi)	Exercise Price	₹ 25	₹ 33.40	₹ 50.60	₹ 51
(vii)	Money realized by exercise of Options	₹ 2,49,77,850	₹ 9,09,41,320	₹ 39,94,870	Nil
(viii)	Variation of terms of Options	–	–	–	–
(ix)	Total number of Options in force	–	–	8,90,000	–

Employee-wise details of options granted to:

a. **Key Managerial Personnel:**

Sr. No.	Name of Key Managerial Personnel (upto March 31, 2019)	ESOP 2013		ESOP 2017		ESOP 2018		ESOP 2019	
		Offered	Exercised	Offered	Exercised	Offered	Exercised	Offered	Exercised
(i)	Mr. Rajiv Sabharwal	–	–	–	–	16,00,000	NIL	16,00,000	NIL
(ii)	Mr. Rakesh Bhatia*	–	–	–	–	–	–	–	–
(iii)	Ms. Avan Doomasia	NIL	NIL	10,000	10,000	1,25,000	NIL	1,00,000	NIL
(ii)	Mr. Puneet Sharma*	NIL	NIL	10,000	10,000	4,00,000	78,950	4,00,000	NIL

**Mr. Rakesh Bhatia has been appointed as a CFO and KMP of the Company with effect from March 2, 2020 and Mr. Puneet Sharma ceased to be the CFO and KMP of the Company with effect from end of day on February 16, 2020.*

b. **Any other employee who received a grant of Options in any one year of Options amounting to five percent or more of Options granted during that year:**

Name of Eligible Employees	Number of Options granted
Mr. Kusal Roy	6,00,000
Mr. Anil Kaul	6,00,000
Ms. Abonty Banerjee	4,00,000
Mr. Sarosh Amaria	4,00,000

c. **Identified employees who were granted Options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:** None.

43. GREEN INITIATIVE

Section 136 of the Act and the Rules framed thereunder allows the Company to send its Financial Statements by electronic mode to such Members whose shareholding is in dematerialized format and whose email addresses are registered with the Depositories for communication purposes. Shareholders who have not registered their email address with the Depositories are requested to register the same. Further, in view of the massive outbreak of the COVID-19 pandemic and, in accordance with the Circular No. 20/2020 dated May 5, 2020 issued by the MCA, the Notice of the AGM including the Annual Report of the Company is being sent only through electronic mode to all the Members whose e-mail addresses are registered with the Depositories.

A copy of this Annual Report along with the Financial Statements for FY 2019-20 of the Company's subsidiaries, is also available on the website of the Company, www.tatacapital.com.

44. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from the RBI, the SEBI, the Registrar of Companies, the NHB, the MAS, the Financial Conduct Authority, UK and other Government and Regulatory agencies and to convey their appreciation to Tata Sons Private Limited (the holding company), the members, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to Tata Capital. The Directors also place on record their appreciation for all the employees of Tata Capital for their commitment, commendable efforts, team work and professionalism. The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

For and on behalf of the Board of Directors

Saurabh Agrawal
Chairman
DIN: 02144558

Mumbai
June 30, 2020

Annexure A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

1. **Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs:**

   Vision: Our CSR vision is to create shared value for the community at large in line with the Tata Group's core purpose.

   Purpose: We endeavour to improve the lives of the community, especially the socially and economically underprivileged communities, by making a long term, measurable and positive impact through projects in the areas of:

   i. Education & Skill Development

   ii. Climate Action

   iii. Health

   iv. Entrepreneurship.

   Sectors and Issues: In sectors and issues pertaining to the purpose mentioned above.

   For details of the CSR Policy along with projects and programs, kindly refer to https://www.tatacapital.com/content/dam/tata-capital/pdf/footer/TCL-CSR%20Policy.pdf.

2. **The composition of the CSR Committee:**

   The Board of Directors have constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Companies Act, 2013 ("Act"), which currently comprises:

   a) Mr. Saurabh Agrawal, Non-Executive Director (Chairman)

   b) Mr. F. N. Subedar, Non-Executive Director

   c) Mr. Mehernosh B. Kapadia, Independent Director

   d) Ms. Aarthi Subramanian, Non-Executive Director

   e) Mr. Rajiv Sabharwal, Managing Director & CEO

3. **Average Net Profit of the Company as per Section 198 of the Act for last three Financial Years:**

   (Amount in ₹)

Financial Year	Net Profit (net of dividend)
FY 2016-17	18,80,75,065
FY 2017-18	22,91,956
FY 2018-19	1,19,31,28,388
Average Net Profit	**46,11,65,136**

   Note: The above net profit (net of dividend) has been calculated in accordance with the provisions of Section 198 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

4. **Prescribed CSR expenditure (2% of Average Net Profit as indicated in Point No. 3):**

   The prescribed CSR expenditure for FY 2019-20 was ₹ 92,23,303/- rounded off to ₹ 92,24,000/-.

5. **Details of CSR spend during FY 2019-20:**

a. Total prescribed amount to be spent : ₹ 92,24,000/-

b. Amount unspent, if any : Nil

c. Manner in which the amount was spent during FY 2019-20 is detailed below:

Sr. No.	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the State and District where the projects or programs was undertaken	Amount outlay (Budget) project or Program wise	Amount spent on the projects or programs Sub heads:		Cumulative expenditure upto the reporting period	Amount Spent	
					Direct Expenditure on projects or programs	Overheads		Direct	Implementing Agency
1	ProAspire	Promoting Education and Skill Development	PAN India	52,08,472	46,87,625	5,20,847	52,08,472	–	Tata Community Initiatives Trust (Tata Strive)
2	Aarogyatara (eradicating blindness)	Promoting healthcare	Tamil Nadu	40,15,528	38,95,528	1,20,000	40,15,528	–	CBM India Trust
Total				**92,24,000**	**85,83,153**	**6,40,847**	**92,24,000**		

6. **In case the Company has failed to spend the 2% of the Average Net Profit of the last three financial years or any part thereof, reasons for not spending the amount:**

Not Applicable, as the amounts have been spent.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company:**

We hereby confirm that the implementation and monitoring of the CSR Policy, has been in compliance with the CSR objectives and CSR Policy adopted by the Company.

Saurabh Agrawal
Chairman, CSR Committee
Non-Executive Director
DIN : 02144558

F. N. Subedar
Member, CSR Committee
Non-Executive Director
DIN: 00028428

Mehernosh B. Kapadia
Member, CSR Committee
Independent Director
DIN: 00046612

Aarthi Subramanian
Member, CSR Committee
Non-Executive Director
DIN: 07121802

Rajiv Sabharwal
Member, CSR Committee
Managing Director & CEO
DIN: 00057333

Annexure B

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Tata Capital Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Capital Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the "Act") and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), as amended from time to time:

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the audit period);

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client (Not applicable to the Company during the audit period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period).

(vi) Other laws applicable specifically to the Company are:

(a) All the Rules, Regulations, Directions, Guidelines and Circulars including Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") issued by the Reserve Bank of India, as amended from time to time.

(b) The Securities and Exchange Board of India Act, 1992 and The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time.

(c) The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time.

We have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except filing of form AOC-4 for the FY 2018-19 and form IEPF-2- Appointment of Nodal Officer, due to some technical issues faced by the Company in filing the said forms with the Ministry of Corporate Affairs.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance for Meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

i) The Company had issued and allotted 36,40,000 Cumulative Redeemable Preference Shares of ₹ 1,000 each aggregating ₹ 364 crore, on a private placement basis.

ii) Consequent to the Call Option exercised by the Company, the Company had redeemed 70,71,066 Cumulative Redeemable Preference Shares of ₹ 1,000 each, aggregating ₹ 810.66 crore (Face value: ₹ 707.11 crore; Premium on redemption : ₹ 103.55 crore), issued on a private placement basis.

iii) The Company had issued 19,60,78,430 Equity Shares of the Face Value ₹ 10/- each, at a premium of ₹ 41 per share, aggregating upto ₹ 1,000 crore, on a preferential basis and/or private placement basis.

iv) The Company had issued and allotted 750 Unsecured Unlisted Non Convertible Debentures for an aggregate amount of ₹ 75 crore, on a private placement basis.

v) The Company had issued and allotted 12,500 Unsecured Listed Non Convertible Debentures for an aggregate amount of ₹ 1,250 crore, on a private placement basis.

vi) The Company has redeemed 10,250 Unsecured Unlisted Non Convertible Debentures for an aggregate amount of ₹ 1,025 crore, issued on a private placement basis.

vii) The Company has an Employee Stock Purchase / Option Scheme ("ESOP Scheme") which is implemented through the TCL Employee Welfare Trust ("Trust") to whom the Company had allotted Equity Shares in the past. During the year, the Trust has transferred 9,60,437 Equity Shares to the employees of the Company and its subsidiary companies and has bought back 24,64,581 Equity Shares in terms of the ESOP Scheme.

For **Parikh & Associates**
Company Secretaries

Jigyasa N. Ved
(Partner)
FCS No.: 6488 CP No.: 6018
UDIN: F006488B000400090

Mumbai
June 30, 2020

This Report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this Report.

Annexure I

To,
The Members
Tata Capital Limited

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

Jigyasa N. Ved
(Partner)
FCS No.: 6488 CP No.: 6018
UDIN: F006488B000400090

Mumbai
June 30, 2020

Annexure C

Form No. AOC- 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Amount (₹ in lakh)	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Tata Sons Private Limited	Holding Company	a) Issue of Equity Shares	1,00,000	Not Applicable	Issue of Equity Shares of ₹ 10/- each at a premium of ₹ 41/- per share	-
2	Tata Capital Financial Services Limited	Subsidiary	a) Investment in Equity shares	25,000	Not Applicable	Investment in Equity Shares of ₹ 10/- each at a premium of ₹ 74.09/- per share as per Independent Valuation Report	–
			b) Conversion of Compulsory Convertible Cumulative Preference Shares ("CCCPS") to Equity Shares	1,88,900	Not Applicable	Voluntary Conversion of CCCPS into Equity Shares at a Fair Market Value of ₹ 84.09/- per Equity Share as per Independent Valuation Report and in accordance with terms of issuance	–
			c) Inter Corporate Deposits ("ICD") placed during the year	10,34,419	Tenor upto 1 year	Cost of Funds for previous month plus 25 bps	–
			d) ICDs repaid during the year	9,81,795	Tenor upto 1 year	Not Applicable	–
			e) Dividend received on Equity shares	4,890	Not Applicable	Interim Dividend for FY 2019-20 at the rate of ₹ 0.3/- per share on Equity shares	–
			f) Dividend received on CCCPS	2,700	Not Applicable	Interim Dividend for FY 2019-20 on CCCPS at the rate of 9% p.a. and 8.50% p.a., as may be applicable	–
			g) Interest Income on ICDs during the year	5,071	Tenor of up to 1 year	Cost of Funds for previous month plus 25 bps	–

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Amount (₹ in lakh)	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
3	Tata Capital Housing Finance Limited	Subsidiary	a) Investment in CCCPS	30,000	9 years	Compulsorily Convertible into Equity Shares at the end of 9 years from the date of allotment or voluntary conversion at the option of the CCCPS holder. Rate of dividend being 9% p.a., on a cumulative basis	–
			b) Conversion of CCCPS to Equity Shares	1,57,200	Not Applicable	Voluntary Conversion of CCCPS into Equity Shares at a Fair Market Value of ₹ 72.4/- per Equity Share as per Independent Valuation Report and in accordance with terms of issuance	
			c) Investment in Equity Shares	15,000	Not Applicable	Investment in Equity Shares of ₹ 10/- each at a premium of ₹ 62.4/- per share as per Independent Valuation Report	
			d) ICDs placed during the year	4,84,084	Tenor upto 1 year	Cost of Funds for previous month plus 25 bps	–
			e) ICDs repaid during the year	5,04,202	Tenor upto 1 year	Not Applicable	–
			f) Dividend received on Equity shares	6,571	Not Applicable	Interim Dividend for FY 2019-20 at the rate of ₹ 1.2/- per share on Equity shares	–
4	Tata Cleantech Capital Limited	Subsidiary	a) ICDs placed during the year	2,04,950	Tenor upto 1 year	Cost of Funds for previous month plus 25 bps	–
			b) ICDs repaid during the year	1,87,150	Tenor upto 1 year	Not Applicable	–
5	Tata Capital Advisors Pte. Limited ("TCAPL")	Subsidiary	a) Income – Advisory Fees	6,395	Ongoing, subject to termination	Non-binding non-exclusive advice by Tata Capital Limited. Monthly invoices raised as per terms of agreement (cost + at 20% markup) with currency risk to the account of TCAPL	–
6	Tata Capital Growth Fund II	Subsidiary	a) Investment in Class A1 units of Fund	2,942	Not Applicable	Investment in Units of Fund in compliance with capital contribution agreement	–

Notes:

1. *Appropriate approvals have been taken for Related Party Transactions.*
2. *Materiality Thresholds for Reporting Related Party Transactions in the Ordinary Course of Business and on an Arm's Length basis is as per the Framework for Related Party Transactions adopted by the Company.*

For and on behalf of the Board of Directors

Saurabh Agrawal
Chairman
DIN: 02144558

Mumbai
June 30, 2020

Annexure D

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN: U65990MH1991PLC060670

ii) Registration Date: March 8, 1991

iii) Name of the Company: Tata Capital Limited

iv) Category of the Company: Company Limited by shares

Sub-category of the Company: Indian Non-Government Company

v) Address of the Registered Office and contact details:

11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013

Contact details:

Telephone Number: 022 6606 9000

E-mail id: avan.doomasia@tatacapital.com

vi) Whether listed company: Yes. As per Section 2(52) of the Companies Act, 2013, the Company is considered as a listed company since its debentures are listed on the National Stock Exchange of India Limited.

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

a) Registrar and Transfer Agent for the Company's Equity Shares, Preference Shares and Non Convertible Debentures

Name : TSR Darashaw Consultants Private Limited
(formerly known as TSR Darashaw Limited)

Address : 6-10, Haji Moosa Patrawala Industrial Estate,
Near Famous Studio, 20, Dr. E Moses Road,
Mahalaxmi, Mumbai – 400011, Maharashtra, India

Contact Details : Mr. Deepak Tambe
Phone No.: 022-66178554
E-mail id: dtambe@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THECOMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Investment Activity	64200	60%
2	Private Equity Investments	66309; 66190	26%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Tata Sons Private Limited Bombay House, 24, Homi Mody Street, Mumbai – 400001	U99999MH1917PTC000478	Holding	94.55	Section 2(46)
2.	Tata Capital Financial Services Limited 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	U67100MH2010PLC210201	Subsidiary	100	Section 2(87)
3.	Tata Capital Housing Finance Limited 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	U67190MH2008PLC187552	Subsidiary	100	Section 2(87)
4	Tata Cleantech Capital Limited 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	U65923MH2011PLC222430	Subsidiary	80.50	Section 2(87)
5	Tata Securities Limited 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	U67120MH1994PLC080918	Subsidiary	100	Section 2(87)
6.	Tata Capital Pte. Limited 72 Anson Road #12-02, Anson House, Singapore 079911	N.A.	Subsidiary	100	Section 2(87)
7.	Tata Capital Markets Pte. Limited 72 Anson Road #12-02, Anson House, Singapore 079911	N.A.	Subsidiary	100	Section 2(87)
8.	Tata Capital Advisors Pte. Limited 72 Anson Road #12-02, Anson House, Singapore 079911	N.A.	Subsidiary	100	Section 2(87)
9.	Tata Capital Plc 30 Millbank, London, SW1P 4WY, England, United Kingdom	N.A.	Subsidiary	100	Section 2(87)
10.	Tata Capital General Partners LLP 72 Anson Road #12-02, Anson House, Singapore 079911	N.A.	Subsidiary	80	Section 2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
11.	Tata Capital Healthcare General Partners LLP 72 Anson Road #12-02, Anson House, Singapore 079911	N.A.	Subsidiary	100	Section 2(87)
12.	Tata Opportunities General Partners LLP 72 Anson Road #12-02, Anson House, Singapore 079911	N.A.	Subsidiary	90	Section 2(87)
13.	Tata Capital Growth II General Partners LLP 72 Anson Road #12-02, Anson House, Singapore 079911	N.A.	Subsidiary	80	Section 2(87)
14.	Tata Capital Healthcare II General Partners LLP 72 Anson Road #12-02, Anson House, Singapore 079911	N.A.	Subsidiary	100	Section 2(87)
15.	Tata Capital Opportunities II General Partners LLP 72 Anson Road #12-02, Anson House, Singapore 079911	N.A.	Subsidiary	100	Section 2(87)
16.	Tata Autocomp Systems Limited TACO House, Plot No. - 20/B FPN085, V.G. Damle Path, Off Law College Road, Erandwane, Pune, Maharashtra 411004	U34100PN1995PLC158999	Associate	24	Section 2(6)
17.	Tata Capital Growth Fund I 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	N.A.	Subsidiary	73.75	Though a Trust would not be considered as a body corporate under the Companies Act, 2013, these have been disclosed as a measure of good governance.
18.	Tata Capital Growth Fund II 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	N.A.	Subsidiary	Control based	
19.	Tata Capital Healthcare Fund I 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	N.A.	Subsidiary	32.17	

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
20.	Tata Capital Healthcare Fund II 11^{th} Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	N.A.	Subsidiary	Control based	
21.	Tata Capital Opportunities II Alternative Investment Fund 11^{th} Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	N.A.	Subsidiary	Control based	
22.	Tata Capital Special Situations Fund Tata Trustee Company Limited, Mafatlal Centre, 9^{th} Floor, Nariman Point, Mumbai – 400021	N.A.	Subsidiary	28.20	
23.	Tata Capital Innovations Fund 11^{th} Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	N.A.	Subsidiary	27.69	
24.	TCL Employee Welfare Trust 11^{th} Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013	N.A.	Subsidiary	N.A.	In accordance with Indian Accounting Standard ("Ind AS") 110
25.	Tata Technologies Limited Plot No 25, Rajiv Gandhi Infotech Park, Hinjawadi, Pune, Maharashtra 411057	U72200PN1994PLC013313	Associate	4.48	In accordance with Ind AS 28
26.	Novalead Pharma Private Limited Plot No-05, Third Floor, Ram Indu Park, Survey No-131/1B/2/11, Baner Taluka Haveli, Pune, Maharashtra 411045	U73100PN2007PTC130929	Associate	20.34	In accordance with Ind AS 28
27.	Shriji Polymers (India) Limited 8 & 9, Industrial Area, Maxi Road, Ujjain Madhya Pradesh 456010	U51102MP1996PLC011027	Associate	2.60	In accordance with Ind AS 28

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
28.	Vortex Engineering Private Limited Module No.6B, Sixth Floor, IIT Madras Research Park Kanagam Road, Taramani Chennai, Tamil Nadu 600113	U29262TN2001PTC046779	Associate	18.49	In accordance with Ind AS 28
29.	Pluss Advanced Technologies Private Limited 101, Anupam Apartments, MB Road, Delhi 110068	U74899DL1993PTC056680	Associate	36.61	In accordance with Ind AS 28
30.	Sea6 Energy Private Limited 1st Floor, Centre for Cellular and Molecular Platforms, NCBS-TIFR,GKVK Post, Bellary Road Bangalore, Karnataka 560065	U40102KA2010PTC081073	Associate	29.58	In accordance with Ind AS 28
31.	Alef Mobitech Solutions Private Limited B-11, 2nd Floor, Art Guild House, Phoenix Market City, L.B.S. Road, Kurla (West) Mumbai 400070	U72900MH2014FTC33033	Associate	25.70	In accordance with Ind AS 28
32.	Tema India Limited Hamilton House, 3rd floor, J. N. Heredia Marg, Ballard Estate, Mumbai - 400038	U29192MH1984PLC034861	Associate	0.01	In accordance with Ind AS 28
33.	Kapsons Industries Private Limited Unit No. 2, C/O Kapsons Industries Limited G.T.Road, Suranussi, Jalandhar 144001 Punjab	U31909PB1987PTC007303	Associate	0.01	In accordance with Ind AS 28
34.	TVS Supply Chain Solutions Limited 10, Jawahar Road, Chokkikulam, Madurai Tamil Nadu 625002	U63011TN2004PLC054655	Associate	0.63	In accordance with Ind AS 28
35.	Fincare Business Services Limited 79/7, 3rd Floor, K. No.1202, Bellandur, Varthur Hobli, Bengaluru 560102	U74900KA2014PLC075614	Associate	0.78	In accordance with Ind AS 28

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
36.	Shriram Properties Limited Lakshmi Neela Rite Choice Chamber, New No.9 - Bazullah Road, T Nagar, Chennai 600017, Tamil Nadu	U72200TN2000PLC044560	Associate	1.50	In accordance with Ind AS 28
37.	Tata Projects Limited Mithona Towers-1, 1-7-80 to 87, Prenderghast Road, Secunderabad Hyderabad TG 500003	U45203TG1979PLC057431	Associate	2.21	In accordance with Ind AS 28
38.	Tata Sky Limited Unit 301 to 305, 3rd Floor, Windsor, Off C.S.T. Road, Kalina, Santacruz (East) Mumbai-400098	U92120MH2001PLC130365	Associate	0.72	In accordance with Ind AS 28
39.	Roots Corporation Limited Godrej and Boyce Complex, Gate No. 8, Plant No. 13, Office Building, Vikhroli (East) Mumbai-400079	U55100MH2003PLC143639	Associate	2.43	In accordance with Ind AS 28

IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	3,12,85,05,090	–	3,12,85,05,090	94.23	3,32,45,83,520	–	3,32,45,83,520	94.55	0.32
e) Banks / Financial Instituion	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub–total (A)(1):–	**3,12,85,05,090**	**–**	**3,12,85,05,090**	**94.23**	**3,32,45,83,520**	**–**	**3,32,45,83,520**	**94.55**	**0.32**
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–
Sub–total (A)(2):–	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**3,12,85,05,090**	**–**	**3,12,85,05,090**	**94.23**	**3,32,45,83,520**	**–**	**3,32,45,83,520**	**94.55**	**0.32**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub–total (B)(1):–	–	–	–	–	–	–	–	–	–
(2) Non–Institutions									
a) Bodies Corp.									
i) Indian	11,67,21,517	–	11,67,21,517	3.52	11,67,21,517	–	11,67,21,517	3.32	(0.20)
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	27,90,175	–	27,90,175	0.08	25,37,345	–	25,37,345	0.07	(0.01)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,15,01,900	–	2,15,01,900	0.65	2,03,14,336	–	2,03,14,336	0.58	(0.07)
c) Others									
i) TCL Employee Welfare Trust (ESOP Trust)	5,02,45,050	–	5,02,45,050	1.51	5,17,49,194	–	5,17,49,194	1.47	(0.04)
ii) Non–Resident Indian	3,25,582	–	3,25,582	0.01	2,61,832	–	2,61,832	0.01	–
Sub–total (B)(2):–	**19,15,84,224**	**–**	**19,15,84,224**	**5.77**	**19,15,84,224**	**–**	**19,15,84,224**	**5.45**	**(0.32)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	19,15,84,224	–	19,15,84,224	5.77	19,15,84,224	–	19,15,84,224	5.45	(0.32)
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**3,32,00,89,314**	**–**	**3,32,00,89,314**	**100.00**	**3,51,61,67,744**	**–**	**3,51,61,67,744**	**100.00**	**–**

(ii) Shareholding of Promoters (Equity Share Capital)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tata Sons Private Limited	3,12,85,05,090	94.23	–	3,32,45,83,520	94.55	–	0.32
	Total	**3,12,85,05,090**	**94.23**	**–**	**3,32,45,83,520**	**94.55**	**–**	**0.32**

(iii) Change in Promoters' Shareholding (Equity Share Capital) (please specify, if there is no change)

During FY 2019-20, the Company had allotted 19,60,78,430 Equity Shares of ₹ 10/- each at a premium of ₹ 41 per Equity Share, aggregating upto ₹ 1,000 crore, on a preferential and/or private placement basis, as under:

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of Shares at the beginning (1.4.2019)/ end of the year (31.3.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Tata Sons Private Limited	3,12,85,05,090	94.23	April 1, 2019	–	–	3,12,85,05,090	94.23
				December 20, 2019	14,70,58,823	Allotment	3,27,55,63,913	94.47
				December 26, 2019	4,90,19,607	Allotment	3,32,45,83,520	94.55
		3,32,45,83,520	94.55	March 31,2020			3,32,45,83,520	94.55

(iv) Shareholding Pattern (Equity Share Capital) of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of Shares at the beginning (1.4.2019)/end of the year (31.3.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Tata Investment Corporation Limited	7,71,96,591	2.32	April 1, 2019	–	–	7,71,96,591	2.32
						Nil movement during the year		
		7,71,96,591	2.20	March 31,2020			7,71,96,591	2.20
2	H. N. Sinor, Shuva Mandal and Kamlesh Parekh Trustees of TCL Employee Welfare Trust	5,02,45,050	1.51	April 1, 2019	–	–	5,02,45,050	1.51
				April 10, 2019	44,959	Purchase	5,02,90,009	1.51
				May 8, 2019	(4,01,889)	Transfer	4,98,88,120	1.50
				May 17, 2019	88,750	Purchase	4,99,76,870	1.51
				May 24, 2019	14,58,580	Purchase	5,14,35,450	1.55
				June 26, 2019	2,30,780	Purchase	5,16,66,230	1.56
				July 8, 2019	(3,63,834)	Transfer	5,13,02,396	1.55
				July 11, 2019	75,889	Purchase	5,13,78,285	1.55
				August 8, 2019	21,281	Purchase	5,13,99,566	1.55
				September 19, 2019	51,391	Purchase	5,14,50,957	1.55
				September 19, 2019	(1,15,764)	Transfer	5,13,35,193	1.55
				November 4, 2019	1,63,882	Purchase	5,14,99,075	1.55
				December 10, 2019	42,286	Purchase	5,15,41,361	1.55
				January 3, 2020	1,49,646	Purchase	5,16,91,007	1.47
				February 7, 2020	77,734	Purchase	5,17,68,741	1.47
				March 3, 2020	(78,950)	Transfer	5,16,89,791	1.47
				March 18, 2020	59,403	Purchase	5,17,49,194	1.47
		5,17,49,194	1.47	March 31,2020			5,17,49,194	1.47

Sr. No.	Name	Shareholding: No. of Shares at the beginning (1.4.2019)/end of the year (31.3.2020)	Shareholding: % of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020): No. of Shares	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020): % of total shares of the Company
3	Cyrus Investments Private Limited	1,29,78,905	0.39	April 1, 2019	–	–	1,29,78,905	0.39
						Nil movement during the year		
		1,29,78,905	0.37	March 31, 2020			1,29,78,905	0.37
4	Sterling Investment Corporation Private Limited	1,29,78,905	0.39	April 1, 2019	–	–	1,29,78,905	0.39
						Nil movement during the year		
		1,29,78,905	0.37	March 31, 2020			1,29,78,905	0.37
5	Tata Motors Limited	43,26,651	0.13	April 1, 2019	–	–	43,26,651	0.13
						Nil movement during the year		
		43,26,651	0.12	March 31, 2020			43,26,651	0.12
6	Tata Chemicals Limited	32,30,859	0.10	April 1, 2019	–	–	32,30,859	0.10
						Nil movement during the year		
		32,30,859	0.09	March 31, 2020			32,30,859	0.09
7	Af-Taab Investment Company Limited	23,33,070	0.07	April 1, 2019	–	–	23,33,070	0.07
						Nil movement during the year		
		23,33,070	0.07	March 31, 2020			23,33,070	0.07
8	Tata Industries Limited	22,72,346	0.07	April 1, 2019	–	–	22,72,346	0.07
						Nil movement during the year		
		22,72,346	0.06	March 31, 2020			22,72,346	0.06
9	Ratan Naval Tata	12,34,861	0.04	April 1, 2019	–	–	12,34,861	0.04
						Nil movement during the year		
		12,34,861	0.04	March 31, 2020			12,34,861	0.04
10	Noel Naval Tata	11,48,570	0.03	April 1, 2019	–	–	11,48,570	0.03
						Nil movement during the year		
		11,48,570	0.03	March 31, 2020			11,48,570	0.03

(v) *Shareholding(Equity Share)of Directors and Key Managerial Personnel*

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of Shares at the beginning (1.4.2019)/ end of the year (31.3.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. F. N. Subedar (Non - Executive Director)	2,43,716	0.01	April 1, 2019	–	–	2,43,716	0.01
						Nil movement during the year		
		2,43,716	0.01	March 31, 2020			2,43,716	0.01
2	Mr. Puneet Sharma (former Chief Financial Officer)*	2,46,050	0.01	April 1, 2019	–	–	2,46,050	0.01
				March 3, 2020	78,950	ESOP Allotment	3,25,000	0.01
		3,25,000	0.01	March 31, 2020			3,25,000	0.01
3	Mr. Rakesh Jagdish Bhatia (Chief Financial Officer) #	50,151	0.00	April 1, 2019	–	–	50,151	0.00
						Nil movement during the year		
		50,151	0.00	March 31, 2020			50,151	0.00
4	Ms. Avan Doomasia (Company Secretary)	1,69,305	0.01	April 1, 2019	–	–	1,69,305	0.01
						Nil movement during the year		
		1,69,305	0.00	March 31, 2020			1,69,305	0.00

**Mr. Puneet Sharma, resigned as the Chief Financial Officer of the Company, with effect from the end of day on February 16, 2020.*

 # Mr. Rakesh Bhatia was appointed as the Chief Financial Officer of the Company, with effect from March 2, 2020.

V. SHAREHOLDING PATTERN (Preference Share Capital breakup as percentage of Total Preference Capital)

(i) *Category-wise Shareholding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	–	–	–	–	–	–	–	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub–total (A)(2):–	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	2,10,000	–	2,10,000	1.16	10,000	–	10,000	0.07	(1.09)
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	2,00,000	–	2,00,000	1.10	–	–	–	–	(1.10)
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub–total (B)(1):–	**4,10,000**	**–**	**4,10,000**	**2.26**	**10,000**	**–**	**10,000**	**0.07**	**(2.19)**
(2) Non–Institutions									
a) Bodies Corp.									
i) Indian	81,76,854	–	81,76,854	45.17	71,36,620	–	71,36,620	48.64	3.47
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11,300	–	11,300	0.06	3,500	–	3,500	0.02	(0.04)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	86,61,704	–	86,61,704	47.85	66,89,205	–	66,89,205	45.59	(2.26)
c) Others									
(i) Trust	3,80,833	–	3,80,833	2.10	1,82,500	–	1,82,500	1.24	(0.86)
(ii) Club	8,400	—	8,400	0.05	5,000	–	5,000	0.03	(0.02)
(iii) Clearing Member	21,700	—	21,700	0.12	–	–	–	–	(0.12)
(iv) Hindu Undivided Family	3,86,292	—	3,86,292	2.13	4,17,675	–	4,17,675	2.85	0.72
(v) Non-Resident Indian	45,983	—	45,983	0.25	2,27,500	–	2,27,500	1.55	1.30
Sub–total (B)(2):–	**1,76,93,066**	**–**	**1,76,93,066**	**97.74**	**1,46,62,000**	**–**	**1,46,62,000**	**99.93**	**2.19**
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,81,03,066	–	1,81,03,066	100	1,46,72,000	–	1,46,72,000	100	–
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A+B+C)	**1,81,03,066**	**–**	**1,81,03,066**	**100.00**	**1,46,72,000**	**–**	**1,46,72,000**	**100.00**	**–**

(ii) Shareholding (Preference Shares) of Promoters *– NIL*

(iii) Change in Promoters' Shareholding (Preference Shares) (please specify, if there is no change) – *NIL*

(iv) *Shareholding Pattern of top ten Shareholders (Preference Shares) (other than Directors, Promoters and Holders of GDRs and ADRs)*

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of Shares at the beginning (1.4.2019)/ end of the year (31.3.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Shree Cement Limited	17,50,000	9.67	April 1, 2019	–	–	17,50,000	9.67
				August 8, 2019	(4,00,000)	Redemption of Preference Shares due to exercise of Call Option by the Company.	13,50,000	9.76
		13,50,000	9.20	March 31,2020			13,50,000	9.20
2	Wipro Enterprises Private Limited	6,66,666	3.68	April 1, 2019	–	–	6,66,666	3.68
				September 18, 2019	4,50,000	Allotment	11,16,666	7.27
				October 21, 2019	(1,66,666)	Maturity	9,50,000	6.26
		9,50,000	6.47	March 31, 2020			9,50,000	6.47
3	Voltas Limited	5,00,000	2.76	April 1, 2019	–	–	5,00,000	2.76
						Nil movement during the year		
		5,00,000	3.41	March 31, 2020			5,00,000	3.41
4	Balkrishna Industries Limited	4,80,000	2.65	April 1, 2019	–	–	4,80,000	2.65
						Nil movement during the year		
		4,80,000	3.27	March 31, 2020			4,80,000	3.27
5	Hindustan Composites Limited	2,97,000	1.64	April 1, 2019	–	–	2,97,000	1.64
				–	50,000	Purchase	3,47,000	2.37
		3,47,000	2.37	March 31, 2020			3,47,000	2.37
6	International Tractors Limited	4,33,700	2.40	April 1, 2019	–	–	4,33,700	2.40
				August 9, 2019	(1,33,700)	Maturity	3,00,000	2.04
		3,00,000	2.04	March 31, 2020			3,00,000	2.04
7	G M Breweries Limited	2,16,000	1.19	April 1, 2019	–	–	2,16,000	1.19
				–	15,000	Purchase	2,31,000	1.57
		2,31,000	1.57	March 31, 2020			2,31,000	1.57
8	Dhano B. Vaswani	33,800	0.19	April 1, 2019	–	–	33,800	0.19
				June 27, 2019	1,63,000	Allotment	1,96,800	1.04
				August 9, 2019	(30,800)	Maturity	1,66,000	1.25
				August 28, 2019	50,000	Allotment	2,16,000	1.53
				October 21, 2019	(3,000)	Maturity	2,13,000	1.39
		2,13,000	1.45	March 31, 2020			2,13,000	1.45

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of Shares at the beginning (1.4.2019)/ end of the year (31.3.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
9	Aptech Limited	2,00,000	1.10	April 1, 2019	–	–	2,00,000	1.10
						Nil movement during the year		
		2,00,000	1.36	March 31, 2020			2,00,000	1.36
10	Meghana Gopalakrishnan	2,00,000	1.10	April 1, 2019	–	–	2,00,000	1.10
						Nil movement during the year		
		2,00,000	1.36	March 31, 2020			2,00,000	1.36

(v) *Shareholding (Preference Shares) of Directors and Key Managerial Personnel*

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No.of Shares at the beginning (1.4.2019)/ end of the year (31.3.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Farokh Nariman Subedar (Director)	5,000	0.03	April 1, 2019	_	_	5,000	0.03
						Nil movement during the year		
		5,000	0.03	March 31, 2020			5,000	0.03
2	Mr. Nalin M. Shah (Independent Director)	14,300	0.08	April 1, 2019	_	_	14,300	0.08
				August 9, 2019	(3,000)	Maturity	11,300	0.08
		11,300	0.08	March 31, 2020			11,300	0.08
3	Mr. Rajiv Sabharwal (Managing Director & CEO)	6,400	0.04	April 1, 2019	_	_	6,400	0.04
				August 9, 2019	(1,400)	Maturity	5,000	0.04
		5,000	0.03	March 31, 2020			5,000	0.03
4	Mr. Puneet Sharma (Former Chief Financial Officer)*	10	0.00	April 1, 2019	_	_	10	0.00
				December 9, 2019	(10)	Maturity	0	0.00
		0	0.00	March 31, 2020			0	0.00

**Mr. Puneet Sharma, resigned as the Chief Financial Officer of the Company, with effect from the end of day on February 16, 2020.*

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	1,57,500	–	1,57,500
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	6,672	–	6,672
Total (i+ii+iii)	**–**	**1,64,172**	**–**	**1,64,172**
Change in Indebtedness during the financial year				
• Addition	–	3,57,100	–	3,57,100
• Reduction	–	(3,42,100)	–	(3,42,100)
Net Change	**–**	**15,000**	**–**	**15,000**
Indebtedness at the end of the financial year				
i) Principal Amount	–	1,72,500	–	1,72,500
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	3,077	–	3,077
Total (i+ii+iii)	**–**	**1,75,577**	**–**	**1,75,577**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. *Remuneration to Managing Director, Whole-time Directors and / or Manager:*

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of Managing Director	Total Amount
		Mr. Rajiv Sabharwal	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under section 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	768.63 0.40 –	768.63 0.40 –
2	Stock Option	257.07	257.07
3	Sweat Equity	–	–
4	Commission – as % of profit – others, specify…	–	–
5	Others, please specify (Retirals and Other Benefits)	54.27	54.27
	Total (A)	**1,080.37**	**1,080.37**
	Ceiling as per the Act		1,104.80

Notes:

1. The Remuneration details above includes Commission of FY 2019-20 to be paid in FY 2020-21.
2. The compensation cost shown under Stock Options in the table above, represents the Fair Value of the Stock Options in accordance with Indian Accounting Standards.

B. ***Remunaration to other directors:*** (₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr. Nalin M. Shah	Mr. Mehernosh B. Kapadia	Ms. Varsha Purandare	
	• Fee for attending board / committee meetings	11.00	9.50	5.40	25.90
	• Commission	22.50	22.50	22.50	67.5
	• Others, please specify	–	–	–	–
	Total (1)				**93.4**
2	Other Non–Executive Directors	Mr. F.N. Subedar	Ms. Aarthi Subramanian	Mr. Saurabh Agrawal	
	• Fee for attending board /committee meetings	6.90	4.20	3.80	14.90
	• Commission	22.50	–	–	22.50
	• Others, please specify	–	–	–	–
	Total (2)				**37.4**
	Total (B)=(1+2)				**130.8**
	Total Managerial Remuneration				**1211.17**
	Overall Ceiling as per the Act				**2430.54**

Note:

The Remuneration details as mentioned above include Sitting fees paid in FY 2019-20 and Commission for FY 2019-20 to be paid in FY 2020-21.

C. ***Remuneration to Key Managerial Personnel other than MD/Manager/WTD*** (₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		[1]Mr. Puneet Sharma, Former Chief Financial Officer	[2]Mr. Rakesh Bhatia, Chief Financial Officer	Ms. Avan Doomasia, Company Secretary	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites under section 17(2) of the Income–tax Act,1961 (c) Profits in lieu of salary under section 17(3) of the Income–tax Act, 1961	186.62 5.47 –	13.92 – –	124.98 4.08 –	325.52 9.55 –
2	Stock Option	63.95	–	18.26	82.21
3	Sweat Equity	–	–	–	–
4	Commission – as % of profit – others, specify…	–	–	–	–
5	Others, please specify (Retirals and Other Benefits)	11.81	0.84	11.92	24.57
	Total	**267.85**	**14.76**	**159.24**	**441.85**

Notes:

1. Mr. Puneet Sharma, resigned as the Chief Financial Officer of the Company, with effect from the end of day on February 16, 2020.
2. Mr. Rakesh Bhatia, Chief Financial Officer, was appointed as the Chief Financial Officer of the Company, with effect from March 2, 2020.
3. The Remuneration details above includes Performance Pay of FY 2019-20 to be paid in FY 2020-21.
4. The compensation cost shown under Stock Options in the table above, represents the Fair Value of the Stock Options in accordance with Indian Accounting Standards.

VIII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT /COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
B. DIRECTORS					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

For and on behalf of the Board of Directors

Saurabh Agrawal
Chairman
DIN :02144558

Mumbai,

June 30, 2020

Annexure E

DETAILS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

The ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2019-20 is, as under:

Name of Director(s)	Ratio to Median
Mr. Saurabh Agrawal	0.03:1
Mr. F. N. Subedar	0.21:1
Mr. Nalin M. Shah	0.24:1
Mr. Mehernosh B. Kapadia	0.23:1
Ms. Varsha Purandare[1]	0.20:1
Ms. Aarthi Subramanian	0.03:1
Mr. Rajiv Sabharwal	7.85:1

Notes:

1. *Ms. Varsha Purandare was appointed as the Independent Director of the Company, with effect from April 1, 2019.*

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year.**

The percentage increase/decrease in the remuneration of the Directors for the FY 2019-20 is, as under:

Name of Director(s)	% increase/ decrease in Remuneration
Mr. Saurabh Agrawal	36
Mr. F. N. Subedar	7
Mr. Nalin M. Shah	(11)
Mr. Mehernosh B. Kapadia	(15)
Ms. Varsha Purandare[1]	Not Applicable
Ms. Aarthi Subramanian	(35)
Mr. Rajiv Sabharwal	16

Notes:

1. *Ms. Varsha Purandare was appointed as the Independent Director of the Company, with effect from April 1, 2019. In view of the above, the percentage increase in her remuneration, has not been computed.*

The percentage increase/decrease in the remuneration of the Chief Financial Officer and Company Secretary for FY 2019-20 is, as under:

(i) Mr. Puneet Sharma, resigned as the Chief Financial Officer of the Company, with effect from the end of day on February 16, 2020. In view of the same, the percentage increase in his remuneration, has not been computed.

(ii) Mr. Rakesh Bhatia, Chief Financial Officer, was appointed as the Chief Financial Officer of the Company, with effect from March 2, 2020, hence the percentage increase in his remuneration, has not been computed.

(iii) The percentage increase in remuneration of Ms. Avan Doomasia, Company Secretary, was 8%, as compared to FY 2018-19.

3. **The percentage increase in the median remuneration of employees in the financial year.**

   There is an increase in the median remuneration of employees in FY 2019-20 by 16% as compared to FY 2018-19.

4. **The number of permanent employees on the rolls of the Company.**

   The permanent employees on the rolls of the Company as on March 31, 2020, were 45.

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

   The average percentage increase in the salaries of employees other than that of managerial personnel is 52.9%. The same is largely on account of bonus paid to the team members of the Tata Capital Growth Fund, in recognition of their efforts on the successful exit from investments made in various portfolio companies during FY 2018-19. The percentage increase in the overall Managerial Remuneration is 16%.

6. **Affirmation that the remuneration is as per the Remuneration Policy of the Company.**

   It is affirmed that the remuneration paid is as per the Remuneration Policy adopted by the Company.

For and on behalf of the Board of Directors

Saurabh Agrawal
Chairman
DIN :02144558

Mumbai,

June 30, 2020

TATA CAPITAL

Count on us

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TATA CAPITAL LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tata Capital Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as the 'Group'), and its associates, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of another auditor on separate financial statements of one subsidiary as was audited by another auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associates as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to Note 45 A (4) and Note 44 A (iii) (4) to the consolidated financial statements, the extent to which the Covid-19 pandemic will impact future business projections and consequent valuation of the Group's investments as well as the Expected Credit Loss amounts recorded by the lending entities in the Group, as considered in these consolidated financial statements is dependent on future developments, which are highly uncertain.

We draw attention to Note 48 to the consolidated financial statements, in respect of accounts overdue but standard at 29 February 2020 where moratorium benefit has been granted by the lending entities in the Group, the staging of those accounts at 31 March 2020 is based on the days past due status as on 29 February 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

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

Description of Key Audit Matter

Valuation and Impairment testing of unquoted investments and investments in associates respectively

See note 8a, 9a and 45 A (4) to the consolidated financial statements

The key audit matter	**How the matter was addressed in our audit**
As detailed in Note 9a and 8a, the Group has investments in associates amounting to INR 85,084 Lakhs and investment in other unquoted investments amounting to INR 38,035 Lakhs. Investments in associates are individually assessed for impairment as per the requirements of Ind AS 36 – Impairment of Assets and unquoted investments carried at fair value are valued as per the valuation policy of the Company. As part of such assessment, management obtains independent valuation report from an external valuer who uses various methods like discounted cash flows, revenue multiple etc.to value the investments based on certain assumptions obtained from management. Management also considers financial information, liquidity and solvency position of the investee company, business performance and modifications, if any, in the auditors' report of such investee companies. We have identified valuation of unquoted investment at fair value and impairment testing of investments in associates as a Key Audit Matter considering management estimate and judgement involved in the process. *Impact of COVID-19* On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. We have identified the impact of, and uncertainty related to the COVID 19 pandemic as a key element and consideration for valuation of unquoted investments at fair value and recognition and measurement of impairment on investments on account of: - Short-term and long-term macroeconomic effect on businesses in the country and globally and its consequential first order and cascading negative impact on revenue and employment generation opportunities; - Impact of the pandemic on the Group's ability to obtain adequate returns in the form of dividend or through sale of its investments in, along with its ability to find a buyer for the portfolio investment companies to generate the expected return.	Our audit procedures included the following: **Design / controls** ● Understanding of the process, evaluating the design and testing the operating effectiveness in respect of valuation and impairment assessment of investments by management. ● Evaluating management's controls over collation of relevant information used for determining estimates for valuation and impairment of investments on account of COVID-19. **Substantive tests** ● Testing appropriate implementation of policy of valuation and impairment by management. ● Reconciling the financial information mentioned in valuation and impairment assessment to underlying source details. Also, testing the reasonableness of management's estimates considered in such assessment. ● Obtaining and reading latest audited financial statements of associates and investee company noting key financial attributes / potential indicators of impairment. ● Assessing the reasonableness of management's assessment of impact of COVID-19 on the fair value or impairment provision of investments. ● Obtaining independent valuation reports of investments in associates and portfolio investments and involving valuation specialist to test the appropriateness of the fair value of these investments and assessing if any impairment on these investments is required. ● Assessing the factual accuracy and appropriateness of the additional financial statement disclosures made by the Company regarding impact of COVID-19.

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>Management has conducted a valuation and impairment analysis on its investments carried at fair value and investments carried at cost, respectively to reflect potential impact of COVID-19 on the carrying value of these investments.</td><td></td></tr>
<tr><td colspan="2">Impairment of loans and advances to customers
Charge: ₹ 133,261 lakhs for year ended 31 March 2020
Provision: ₹ 223,008 lakhs at 31 March 2020
Refer to the accounting policies in “Note 2(xiii)(a) to the Consolidated Financial Statements: Impairment”, “Note 2(vii) to the Consolidated Financial Statements: Significant Accounting Policies- Use of estimates”, “Note (7) to the Consolidated Financial Statements: Loans and advances”, ‘Note 44 A’ to the Consolidated Financial Statements: Financial risk review: Credit risk and ‘Note 48’ to the Consolidated Financial Statements.</td></tr>
<tr><td>Subjective estimate
Recognition and measurement of impairment of loans and advances involve significant management judgement.

Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (‘ECL’) model. The impairment allowance of the lending entities in the Group is derived from estimates including the historical default and loss ratios. Management of the lending entities exercises judgement in determining the quantum of loss based on a range of factors.

The most significant areas in the ECL calculation are:
- Segmentation of loan book;
- Determination of exposure at default;
- Loan staging criteria;
- Calculation of probability of default / loss given default;
- Consideration of probability weighted scenarios and forward looking macro-economic factors.

The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.

Impact of COVID-19
On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.</td><td>Our key audit procedures included:

Design / controls
● Evaluating the appropriateness of the impairment principles used by management, based on the requirements of Ind AS 109 and our business understanding.
● Understanding management’s revised processes, systems and controls implemented in relation to impairment allowance process, particularly in view of COVID-19 regulatory package.
● Evaluating management’s controls over collation of relevant information used for determining estimates for ECL computation, including for assessing the impact arising on account of COVID-19.
● Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the ECL charge.
● Testing the system reports with the help of our IT specialists to check the completeness and accuracy of the data and reports used to perform computations for ECL.
● Testing key controls operating over the information technology in relation to certain loan management systems, including system access and system change management, program development and computer operations with the help of our IT specialists in respect of the changes made to give effect to moratorium benefits policy approved by the Board.</td></tr>
</table>

The key audit matter	How the matter was addressed in our audit
Management has identified the impact of, and uncertainty related to the COVID-19 pandemic as a key element of consideration for recognition and measurement of impairment of loans and advances on account of: - short and long term macroeconomic effect on businesses in the country and globally and its consequential first order and cascading negative impact on revenue and employment generation opportunities; - impact of the pandemic on the customers of the lending entities and their ability to repay dues; and - application of regulatory package announced by the Reserve Bank of India on asset classification and provisioning. Management has conducted a qualitative assessment of significant increase in credit risk ('SICR') of the loan portfolio and considered updated macroeconomic scenarios along with using management overlays to reflect potential impact of COVID-19 on expected credit losses on its loan portfolio.	● Testing of review controls over measurement of impairment allowances and disclosures in financial statements. ● Testing that the governance controls over ECL are line with the RBI guidance. **Substantive tests** ● Assessing appropriate application of accounting principles (including criteria for SICR), validating completeness and accuracy of the data and reasonableness of assumptions used in the ECL model / calculations. ● Performing test of details over calculation of ECL, in relation to the completeness, accuracy and relevance of data. ● Assessing the appropriateness of changes made in macroeconomic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. ● Corroborate through independent checks and enquiries the reasonableness of management's assessment of severity of impact of COVID-19 on segments of its loan portfolio and the resultant impairment provision computed. ● Using modelling specialist to test the ECL model methodology and reasonableness of assumptions used (including assessing for COVID impact), including management overlays. ● Undertaking model calculations testing through re-performance, where possible. ● Assessing the appropriateness of the additional financial statement disclosures made by Group regarding impact of COVID-19.

Information Technology

The key audit matter	How the matter was addressed in our audit
IT systems and controls The key financial accounting and reporting processes of the lending entities in the Group are highly dependent on the automated controls in information systems. Further, the prevailing COVID-19 situation has caused the required IT applications to be made accessible	Our key audit procedures included: ● Testing the General IT Control (GITC) over key financial accounting and reporting systems and supporting control systems (referred to as in-scope systems) ● Testing sample of key controls operating over information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.

The key audit matter	How the matter was addressed in our audit
to the employees of the lending entities in the Group on a remote basis. There exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. We have focused on program development, user access management, change management, segregation of duties, and system application controls over key financial accounting and reporting systems. We have identified 'IT system and controls' as a Key Audit Matter since the lending entities in the Group rely on automated processes and controls in the day to day conduct of its business.	• Testing the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. • Assessing other areas independently, that include password policies, security configurations, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. • Understanding and testing the IT infrastructure (operating systems and databases supporting the in-scope systems and related data security controls) in relation to large number of users working on the systems of the lending entities in the Group, remotely in the light of COVID-19.

Business model assessment

The key audit matter	How the matter was addressed in our audit
Assessment of business model for classification and measurement of financial assets **Financial assets classified at Amortised cost: ₹ 7,969,239 lakh as at 31 March 2020** **Financial assets classified at FVOCI: ₹ 84,009 lakh as at 31 March 2020** **Financial assets classified at FVTPL: ₹ 50,833 lakh as at 31 March 2020** *Refer to the accounting policies in 'Note 2(xiii)(a) to the Financial Statements: Financial Instruments' and 'Note 2(vii) to the Consolidated Financial Statements: Significant Accounting Policies - use of estimates and judgments' and 'Note 44 A (5)' to the Consolidated Financial Statements: Financial risk review: Credit risk*	
Classification and measurement of Financial assets - Business model assessment Ind AS 109, Financial Instruments contains three principal measurement categories for financial assets i.e.: • Amortised cost; • Fair Value through Other Comprehensive Income ('FVOCI'); and • Fair Value through Profit and Loss ('FVTPL').	Our key audit procedures included: **Design / controls** • Assessed the design, implementation and operating effectiveness of key internal controls over management's intent of purchasing a financial asset and the approval mechanism for such stated intent and classification of such financial assets on the basis of management's intent (business model);

The key audit matter	How the matter was addressed in our audit
A financial asset is classified into a measurement category at inception and is reclassified only in rare circumstances. The assessment as to how an asset should be classified is made on the basis of both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The term 'business model' refers to the way in which lending entity in the Group manages its financial assets in order to generate cash flows. That is, lending entity in the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.	● For financial assets classified at amortised cost, we tested controls over the classification of such assets and subsequent measurement of assets at amortised cost. Further, we tested key internal controls over monitoring of such financial assets to check whether there have been any subsequent sales of financial assets classified at amortised cost. **Substantive tests** ● Test of details over of classification and measurement of financial assets in accordance with management's intent (business model) ● We selected a sample of financial assets to test whether their classification as at the balance sheet date is in accordance with management's intent. ● We selected a sample (based on quantitative thresholds) of financial assets sold during the year to check whether there have been any sales of financial assets classified at amortised cost.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 50,714 lakhs as at 31 March 2020, total revenues of ₹ 923 lakhs and net cash flows amounting to ₹ 11,770 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose report has been furnished to us by Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditor.

This subsidiary is located outside India and whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of this subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by Management of the Holding Company and audited by us.

(b) The financial statements of one subsidiary, TCL Employee Welfare - Trust whose financial statements reflect total assets of ₹ 8,076 lakhs as at 31 March 2020, total revenues of ₹ 208 lakhs and net cash outflows amounting to ₹ 670 lakhs for the year ended on that date, as considered in the consolidated financial statements, has not been audited either by us or by other auditors.

The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 3,149 lakhs for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of 16 associates, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary as was audited by another auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its associates. Refer Note 35 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 35 to the consolidated financial statements in respect of such items as it relates to the Group and its associates.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

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

In our opinion and according to the information and explanations given to us and for one subsidiary, as per the special resolution passed by the Company at its annual general meeting held on 17 June 2019, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sagar Lakhani
Partner
Membership No: 111855
ICAI UDIN: 20111855AAAAEP8600

Mumbai
June 30, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Tata Capital Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Emphasis of Matter

As described in Emphasis of Matter paragraph of our report to the consolidated financial statements, the extent to which the COVID - 19 pandemic will have an impact on the Company's internal financial controls with reference to consolidated financial statements is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.   .

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the 'Act').

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements is not modified in respect of 16 associate companies whose financial statements are unaudited and is not material to the Group.

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

Sagar Lakhani
Partner
Membership No: 111855
ICAI UDIN: 20111855AAAAEP8600

Mumbai
June 30, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(₹ in lakh)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	**4,30,224**	1,87,773
(b) Bank balances other than (a) above	4	**1,782**	53,732
(c) Derivative financial instruments	5	**12,374**	347
(d) Receivables			
(i) Trade receivables	6 (i)	**4,527**	14,323
(ii) Other receivables	6 (ii)	**132**	24
(e) Loans	7	**74,64,953**	73,87,759
(f) Investments	8	**64,893**	89,513
(g) Investments accounted using equity method	9	**85,084**	89,102
(h) Other financial assets	10	**40,112**	34,720
		81,04,081	**78,57,293**
(2) Non-financial assets			
(a) Current tax assets (net)	11 (i)	**15,471**	9,949
(b) Deferred tax assets (net)	11 (ii)	**67,919**	80,177
(c) Investment property	12	**2,248**	2,368
(d) Property, plant and equipment	12	**1,04,821**	1,01,961
(e) Capital work-in-progress		**76**	128
(f) Intangible assets under development		**120**	116
(g) Other intangible assets	12	**2,772**	2,947
(h) Other non-financial assets	13	**30,532**	37,530
		2,23,959	**2,35,176**
Total Assets		**83,28,040**	**80,92,469**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments	5	**5,828**	357
(b) Payables	14		
(i) Trade payables			
– Total outstanding dues of micro enterprises and small enterprises		**74**	–
– Total outstanding dues of creditors other than micro enterprises and small enterprises		**62,996**	74,464
(ii) Other payables			
– Total outstanding dues of micro enterprises and small enterprises		–	–
– Total outstanding dues of creditors other than micro enterprises and small enterprises		–	–

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020 *(Contd.)*

(₹ in lakh)

Particulars		Note No.	As at March 31, 2020	As at March 31, 2019
(c)	Debt securities	15	**30,41,066**	31,76,803
(d)	Borrowings (Other than debt securities)	16	**35,07,520**	32,33,232
(e)	Subordinated liabilities	17	**5,35,187**	5,70,021
(f)	Other financial liabilities	18	**2,20,601**	1,96,340
			73,73,272	**72,51,217**
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	11 (iii)	**11,947**	17,955
(b)	Provisions	19	**3,122**	2,813
(c)	Other non-financial liabilities	20	**8,147**	8,719
			23,216	**29,487**
(3)	**EQUITY**			
(a)	Equity share capital	21	**3,46,375**	3,26,781
(b)	Other equity	22	**5,35,721**	4,29,853
	Equity attributable to owners of the Company		**8,82,096**	**7,56,634**
(4)	**Non-controlling interest**		**49,456**	55,131
Total liabilities and equity			**83,28,040**	**80,92,469**
Significant accounting policies		2		
See accompanying notes forming part of the financial statements		3 to 49		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Reg No: 101248W/W- 100022

Sagar Lakhani
Partner
Membership No: 111855

Mumbai
June 30, 2020

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Nalin M. Shah
(Director)
DIN: 00882723

Mehernosh B. Kapadia
(Director)
DIN: 00046612

Varsha Purandare
(Director)
DIN : 05288076
(Pune)

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Avan Doomasia
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakh)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
	Revenue from operations			
(i)	Interest income	23	**8,99,905**	7,57,171
(ii)	Dividend income		**666**	620
(iii)	Rental income		**39,377**	34,630
(iv)	Fees and commission income	24	**18,936**	13,402
(v)	Net gain on fair value changes	25	**–**	24,682
(vi)	Net gain on derecognition of associates		**–**	63,098
I	**Total revenue from operations**		**9,58,884**	**8,93,603**
II	Other income	26	**20,174**	26,989
III	**Total income (I + II)**		**9,79,058**	**9,20,592**
	Expenses			
(i)	Finance costs	27	**5,77,087**	5,18,845
(ii)	Net loss on fair value changes	25	**12,261**	–
(iii)	Impairment of investment in associates		**4,647**	8
(iv)	Impairment on financial instruments	28	**1,41,163**	66,520
(v)	Employee benefit expenses	29	**67,399**	81,491
(vi)	Depreciation, amortization and impairment	12	**38,580**	28,828
(vii)	Other expenses	30	**74,295**	89,055
IV	**Total expenses**		**9,15,432**	**7,84,747**
V	**Profit/(Loss) from continuing operations before exceptional items, share of net profits of investments accounted for using equity method and tax**		**63,626**	1,35,845
VI	Share in profit of associates		**3,149**	5,687
VII	**Profit/(Loss) from continuing operations before exceptional items and tax**		**66,775**	1,41,532
VIII	Exceptional items		**–**	–
IX	**Profit / (Loss) before tax from continuing operations (VII + VIII)**		**66,775**	1,41,532
	Tax expense			
(i)	Current tax	11	**38,248**	41,547
(ii)	Deferred tax	11	**12,955**	(2,902)
X	**Total tax expense**		**51,203**	**38,645**
XI	**Profit for the period from continuing operations (IX-X)**		**15,572**	**1,02,887**
XII	**Other comprehensive income**			
A	**Items that will not be reclassified to profit or loss**			
	Owners of the Company			
	(a) Remeasurement of the defined benefit plans		**(1,209)**	(833)
	(b) Current tax relating to remeasurement of defined employee benefit plans		**303**	291
	Non controlling interest			
	(a) Remeasurement of the defined benefit plans (net of tax)		**(4)**	(3)
B	**Items that will be reclassified to profit or loss**			
	Owners of the Company			
	(a) Debt instruments through Other Comprehensive Income		**(89)**	164
	(b) Income tax on Debt instruments through Other Comprehensive Income		**15**	(28)
	(c) Fair value (loss)/gain on financial assets carried at Fair Value Through Other Comprehensive Income (FVTOCI)		**(251)**	316

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

(₹ in lakh)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
	(d) Income tax relating to Fair value gain/(loss) on financial asset measured through Other Comprehensive Income		**63**	(130)
	(e) Net changes in fair values of time value of cash flow hedges		**(791)**	–
	(f) Income tax relating to the effective portion of gains and loss on hedging instruments in a cash flow hedge		**205**	–
	(g) Share of other comprehensive income in associates (net)		**(734)**	246
	(h) Exchange differences in translating financial statements of foreign operations		**1,397**	3,566
	Non controlling interest			
	(a) Fair value gain / (loss) on financial asset measured through Other Comprehensive Income		**(44)**	70
	(b) Net changes in fair values of time value of cash flow hedges		**(23)**	–
	Total Other Comprehensive Income		**(1,162)**	3,659
XIII	**Total Comprehensive Income for the year (XI+XII)** (Comprising Profit and Other Comprehensive Income for the year)		**14,410**	1,06,546
XIV	**Profit for the year attributable to:**			
	Owners of the company		**29,592**	77,988
	Non-controlling interest		**(14,020)**	24,899
XV	**Other comprehensive income for the year attributable to:**			
	Owners of the company		**(1,091)**	3,592
	Non-controlling interest		**(71)**	67
XVI	**Total comprehensive income for the year attributable to: (XIV+XV)**			
	Owners of the company		**28,501**	81,580
	Non-controlling interest		**(14,091)**	24,966
XVII	**Earnings per equity share (In ₹)**	38		
	(1) Basic		**0.88**	2.57
	(2) Diluted		**0.88**	2.57
	Significant accounting policies	2		
	See accompanying notes forming part of the financial statements	3 to 49		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Reg No: 101248W/W- 100022

Sagar Lakhani
Partner
Membership No: 111855

Mumbai
June 30, 2020

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Nalin M. Shah
(Director)
DIN: 00882723

Mehernosh B. Kapadia
(Director)
DIN: 00046612

Varsha Purandare
(Director)
DIN : 05288076
(Pune)

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Avan Doomasia
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

a) Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	3,26,98,44,264	3,26,983	2,77,25,40,165	2,77,253
Add: Shares issued during the year	19,60,78,430	19,608	49,40,71,144	49,407
- Against employee stock option	(15,04,145)	(150)	32,32,955	323
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**3,46,44,18,549**	**3,46,441**	**3,26,98,44,264**	**3,26,983**

b. Other Equity

Particulars	Reserves and surplus							
	Securities premium	Capital reserve	Capital Redemption Reserve	Debenture Redemption Reserve	Special Reserve Account	Retained earnings	General Reserve	Employee stock option outstanding account
Balance as at April 01, 2018	**13,626**	**43**	**575**	**30,000**	**77,120**	**21,128**	**249**	**923**
Profit for the year (a)	–	–	–	–	–	77,988	–	–
Other comprehensive income, net of tax (b)	–	–	–	–	–	–	–	–
Total comprehensive income for the year (c)=(a)+(b)	–	–	–	–	–	77,988	–	–
Elimination against shares held by the ESOP Trust	112	–	–	–	–	–	–	–
Issue of equity shares	2,00,593	–	–	–	–	–	–	–
Share issue expenses	(250)	–	–	–	–	(103)	-	-
Employee share options (net)	–	–	–	–	–	–	383	55
Transfer to Special Reserve Account	–	–	–	–	21,640	(21,640)	–	–
Elimination against shares held by the ESOP Trust	–	–	–	–	–	–	–	–
Loan given to employees for ESOP's held	(392)	–	–	–	–	–	–	–
Tax on dividend	–	–	–	–	–	–	–	–
Increase/(decrease) in non-controlling interests due to dilution/ divestment/acquisition	–	–	–	–	–	–	–	–
Payout of income to contributors	–	–	–	–	–	–	–	–
Balance as at March 31, 2019	**2,13,689**	**43**	**575**	**30,000**	**98,760**	**77,373**	**632**	**978**
Profit for the year (a)	–	–	–	–	–	29,592	–	–
Other comprehensive income, net of tax (b)	–	–	–	–	–	–	–	–
Total comprehensive income for the year (c)=(a)+(b)	–	–	–	–	–	29,592	–	–
Elimination against shares held by the ESOP Trust	(412)	–	–	–	–	–	–	–
Issue of equity shares	80,392	–	–	–	–	–	–	–
Share issue expenses	(486)	–	–	–	–	–	–	–
Employee share options (net)	–	–	–	–	–	–	665	570
Transfer to Special Reserve Account	–	–	–	–	9,972	(9,972)	–	–
Elimination against shares held by the ESOP Trust	–	–	–	–	–	-	–	–
Loan given to employees for ESOP's held	236	–	–	–	–	–	–	
Tax on dividend	–	–	–	–	–	(2,356)	–	–
Lease equalisation impact on application of IndAS 116	12	-	-	-	-	-	-	-
IndAS 116 Transition impact	–	–	–	–	–	(1,223)	–	–
Increase/(decrease) in non-controlling interests due to dilution/ divestment/acquisition	–	–	–	–	–	–	–	(17)
Payout of income to contributors	–	–	–	–	–	(14)	–	–
Balance as at March 31, 2020	**2,93,419**	**43**	**575**	**30,000**	**1,08,732**	**93,412**	**1,297**	**1,531**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Items of other comprehensive income					Total Other Equity	Non-Controlling interest	Total
	Foreign currency translation reserve	Remeasurement of defined benefit liability/ asset	Fair value changes of financial instrument measured at fair value through other comprehensive income	Debt instruments through Other Comprehensive Income	Cost of hedge reserve			
Balance as at April 01, 2018	**3,379**	**91**	**929**	**(188)**	**–**	**1,47,875**	**54,991**	**2,02,866**
Profit for the year (a)	–	–	–	–	–	77,988	24,899	1,02,887
Other comprehensive income, net of tax (b)	3,566	(542)	432	136	–	3,592	67	3,659
Total comprehensive income for the year (c)=(a)+(b)	3,566	(542)	432	136	–	81,580	24,966	1,06,546
Elimination against shares held by the ESOP Trust	–	–	–	–	–	112	–	112
Issue of equity shares	–	–	–	–	–	2,00,593	–	2,00,593
Share issue expenses	–	–	–	–	–	(353)	–	(353)
Employee share options (net)	–	–	–	–	–	438	–	438
Transfer to Special Reserve Account	–	–	–	–	–	–	–	–
Elimination against shares held by the ESOP Trust	–	–	–	–	–	–	–	–
Loan given to employees for ESOP's held	–	–	–	–	–	(392)	–	(392)
Tax on dividend	–	–	–	–	–	–	–	–
Increase/(decrease) in non-controlling interests due to dilution/ divestment/acquisition	–	–	–	–	–	–	2,414	2,414
Payout of income to contributors	–	–	–	–	–	–	(27,240)	(27,240)
Balance as at March 31, 2019	**6,945**	**(451)**	**1,361**	**(52)**	**–**	**4,29,853**	**55,131**	**4,84,984**
Profit for the year (a)	–	–	–	–	–	29,592	(14,020)	15,572
Other comprehensive income, net of tax (b)	1,397	(906)	(922)	(74)	(586)	(1,091)	(71)	(1,162)
Total comprehensive income for the year (c)=(a)+(b)	1,397	(906)	(922)	(74)	(586)	28,501	(14,091)	14,410
Elimination against shares held by the ESOP Trust	–	–	–	–	–	(412)	–	(412)
Issue of equity shares	–	–	–	–	–	80,392	–	80,392
Share issue expenses	–	–	–	–	–	(486)	–	(486)
Employee share options (net)	–	–	–	–	–	1,235	–	1,235
Transfer to Special Reserve Account	–	–	–	–	–	–	–	–
Elimination against shares held by the ESOP Trust	–	–	–	–	–	–	–	–
Loan given to employees for ESOP's held	–	–	–	–	–	236	–	236
Tax on dividend	–	–	–	–	–	(2,356)	–	(2,356)
Lease equalisation impact on application of IndAS 116	–	–	–	–	–	12	–	12
IndAS 116 Transition impact	–	–	–	–	–	(1,223)	–	(1,223)
Increase in non-controlling interests due to investments	–	–	–	–	–	(17)	9,451	9,434
Payout of income to contributors	–	–	–	–	–	(14)	(1,035)	(1,049)
Balance as at March 31, 2020	**8,342**	**(1,357)**	**439**	**(126)**	**(586)**	**5,35,721**	**49,456**	**5,85,177**
Significant accounting policies 2								
See accompanying notes forming part of the financial statements 3 to 49								

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Reg No: 101248W/W- 100022

Sagar Lakhani
Partner
Membership No: 111855

Mumbai
June 30, 2020

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Nalin M. Shah
(Director)
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Mehernosh B. Kapadia
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DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Avan Doomasia
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
1 CASH FLOW USED IN OPERATING ACTIVITIES			
Profit before tax		**66,775**	1,41,532
Adjustments for :			
Depreciation, amortization and impairment		**38,580**	28,828
Net gain on derecognition of property, plant and equipment		**(577)**	(202)
Interest expenses on debt securities		**2,52,019**	2,50,830
Interest expenses on borrowings		**2,73,030**	2,17,008
Interest expenses on subordinated liabilitites		**50,200**	49,825
Other interest expenses		**802**	1,182
Interest cost of right to use liabilities		**1,036**	–
Interest income		**(8,99,905)**	(7,57,171)
Dividend income		**(666)**	(620)
Provision for leave encashment		**293**	596
Exchange gains (net)		**(9)**	(9)
Net loss /(gain) on fair value changes			
- Realised		**(9,620)**	(11,663)
- Unrealised		**21,881**	(13,019)
Net loss/(gain) on derecognition of investment in Associates		**–**	(63,098)
Share in profit of associates		**(3,149)**	(5,687)
Share based payments to employees		**1,489**	550
Interest on income tax refund		**(4)**	(161)
Impairment loss allowance on loans (Stage I & II)		**35,680**	11,034
Impairment loss allowance on loans (Stage III)		**97,581**	55,510
Provision against restructured advances		**–**	(325)
Impairment on investments		**13,043**	8
Provision against trade receivables		**(494)**	301
Provision against assets held for sale		**(746)**	1,446
Operating Loss before working capital changes and adjustments for interest received, interest paid and dividend received		**(62,761)**	**(93,305)**
Adjustments for :			
(Increase)/decrease in loans		**(1,72,938)**	(15,90,026)
(Increase)/decrease in trade receivables		**10,539**	(7,155)
Increase/(decrease) in financial asset/financial liabilities		**(7,221)**	12,632
Increase/(decrease) in non-financial asset/non-financial liabilities		**(524)**	(4,690)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2020 *(contd...)*

(₹ in lakh)

Particulars		Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
	Increase/(decrease) in provisions		**(1,191)**	(2,641)
	Increase/(decrease) in trade payable		**(11,683)**	14,486
	Cash used in operations before adjustments for interest received, interest paid and dividend received		**(2,45,779)**	**(16,70,699)**
	Interest paid		**(5,45,846)**	(4,93,337)
	Interest received		**8,67,710**	7,28,402
	Interest received on income tax refund		**4**	161
	Dividend received		**2,426**	620
	Cash generated/(used) in operations		**78,515**	**(14,34,853)**
	Taxes paid		**(49,910)**	(36,663)
	NET CASH GENERATED/(USED) IN OPERATING ACTIVITIES		**28,605**	**(14,71,516)**
2	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment (including capital advances)		**(23,012)**	(56,744)
	Proceeds from sale of property, plant and equipment		**2,225**	1,773
	Purchase of investments		**(15,751)**	(702)
	Purchase of mutual fund units		**(3,39,87,893)**	(3,43,61,933)
	Proceeds from redemption of mutual fund units		**3,39,96,253**	3,43,71,119
	Proceeds from sale of investments		**12,147**	83,099
	Fixed deposits matured		**54,135**	(44,573)
	NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES		**38,104**	**(7,961)**
3	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issue of equiry shares		**1,00,000**	2,50,000
	Infusion of capital by minority shareholders		**9,434**	2,414
	Payout of income/gain to contributors		**(1,049)**	(27,291)
	Repayment of lease obligation		**(3,500)**	–
	Issue of preference shares		**36,400**	15,345
	Interest paid on share application money pending allotment		**–**	(4)
	Redemption of preference shares		**(81,066)**	(20,499)
	Debenture issue/loan processing expenses		**(9,153)**	(8,778)
	Interim dividend paid on equity and preference shares (including dividend distribution tax)		**(15,119)**	(19,252)
	Proceeds from debt securities		**41,05,835**	9,91,130
	Proceeds from borrowings (other than debt securities)		**51,87,071**	58,90,408
	Proceeds from subordinated liabilities		**99,378**	57,140
	Repayment of debt securities		**(42,36,490)**	(7,25,271)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2020 *(contd...)*

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Repayment of borrowings (other than debt securities)		**(49,26,343)**	(47,52,687)
Repayment of subordinated liabilities		**(89,715)**	(2,500)
NET CASH FROM FINANCING ACTIVITIES		**1,75,683**	**16,50,155**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2,42,392**	**1,70,678**
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**1,87,773**	**17,179**
Exchange difference on translation of foreign currency cash and cash equivalents		**59**	**(84)**
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**4,30,224**	**1,87,773**
Balances with banks in deposit accounts		**1,723**	**53,675**
Balances with banks in earmarked accounts		**59**	**57**
CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES AS AT THE END OF THE YEAR [REFER NOTE 3 & 4]		**4,32,006**	**2,41,505**
Summary of significant accounting policies	2		
See accompanying notes forming part of the financial statements	3 to 49		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Reg No: 101248W/W- 100022

Sagar Lakhani
Partner
Membership No: 111855

Mumbai
June 30, 2020

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Nalin M. Shah
(Director)
DIN: 00882723

Mehernosh B. Kapadia
(Director)
DIN: 00046612

Varsha Purandare
(Director)
DIN : 05288076
(Pune)

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Avan Doomasia
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Tata Capital Limited ("TCL" or "Company") is a subsidiary of Tata Sons Private Limited. In May 2012, the Company was registered with the Reserve Bank of India ("RBI") as a Systemically Important Non-Deposit Accepting Core Investment Group ("CIC"). The Company together with its subsidiaries (collectively, the Group),is primarily engaged in lending and investing activities. Further one of the subsidiary within the Group is also engaged in providing broking services and undertaking trading activities.

Information on the Group's subsidiaries and associates is provided in Note 31 & 32.

As a CIC, TCL is a primary holding Company, holding investments in its subsidiaries and other group companies and carries out only such activities as are permitted under the guidelines issued by RBI for CICs. The Company is domiciled in India and incorporated under the Companies Act, 2013 and listed its non-convertible debentures and commercial papers with BSE Limited and National Stock Exchange Limited.

2 BASIS OF PREPARATION

i. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the Reserve Bank of India and National Housing Bank as applicable to an NBFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by RBI/NHB or other regulators are implemented as and when they are issued / applicable, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the accounting policy hitherto in use. The consolidated financial statements were authorised for issue by the Board of Directors (BOD) on June 30, 2020.

ii. Presentation of consolidated financial statements

The Balance Sheet, statement of profit and loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 (the 'Act'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS.

A summary of the significant accounting policies and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as specified under Section 133 of the Companies Act, 2013 (the 'Act') including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

Amounts in the consolidated financial statements are presented in Indian Rupees in Lakh, which is also the Group's functional currency, and all amounts have been rounded off to the nearest lakhs unless otherwise indicated.

iii. Basis of measurement

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of entering into the transaction.

iv. Principles of Consolidation

The Group is able to exercise control over the operating decision of the investee companies, resulting in variable returns to the Group and accordingly, the same are classified as investment in subsidiary and line by line consolidation is carried out under the principles of consolidation. The consolidated financial statements of the Group have been prepared on the following basis:

a) The financial statements of the subsidiaries and associates used in the consolidation are drawn up to the same reporting date as that of the Group i.e., March 31, 2020, except for certain associates for which financial statements as on the reporting date are not available. These have been consolidated based on their latest available financial statements. Necessary adjustments have been made for the effects of significant transactions and other events between the reporting dates of such financial statements and the consolidated financial statements.

b) Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statement of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The consolidated financial statements of the Group and its subsidiaries have been combined on a line-by-line basis by grouping together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

c) In case of an overseas subsidiary, being a non-integral operation, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the “Foreign Currency Translation Reserve”.

d) Non-controlling interest (NCI) are measured at their proportionate share of the acquiree’s net identifiable assets at the date of acquisition.

Changes in the Group’s equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

e) When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date of control is lost. Any resulting gain or loss is recognised in profit or loss.

v. Investments in associates:

a) The Consolidated Financial Statements include the share of profit/ (loss) of associates, which have been accounted for using the equity method as per Ind AS 28- (Accounting for Investments in Associates in Consolidated Financial Statements). Accordingly, the share of profit/ (loss) of the associates (the loss being restricted to the cost of the investment) have been added/deducted to the costs of investments.

b) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be and adjusted against the carrying amount of investment in the associate

c) The carrying amount of investment in associates is reduced to recognise impairment, if any, when there is objective evidence of impairment.

vi. Measurement of fair values:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value for measurement and/or disclosure purposes for certain items in these consolidated financial statements is determined considering the following measurement methods:

Items	**Measurement basis**
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Net defined benefit (asset)/liability	Fair value of planned assets less present value of defined benefit obligations
Property plant and equipment	Value in use under Ind AS 36

Fair values are categorized into different levels (Level 1, Level 2 or Level 3) in a fair value hierarchy based on the inputs used in the valuation techniques. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The levels are described as follows:

a. Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date

b. Level 2: inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

c. Level 3: inputs are unobservable inputs for the valuation of assets or liabilities that the Group can access at the measurement date.

For valuation model and framework used for fair value measurement and disclosure of financial instrument Refer notes 43(a) & 43(b)

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

vii. Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires the management of the Group to make judgements, assumptions and estimates that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the consolidated financial statements and reported amounts of income and expenses for the reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the consolidated financial statements have been disclosed as applicable in the respective notes to accounts. Accounting estimates could change from period to period. Future results could differ from these estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effect are disclosed in the notes to the consolidated financial statements.

Judgements:

Information about judgements made in applying accounting policies that have most significant effect on the amount recognised in the consolidated financial statements is included in the following note:

Note ix - classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation of uncertainties:

Information about assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020 are included in the following notes:

xiv. Impairment test of non-financial assets: key assumption underlying recoverable amounts.

xiii. The Group's EIR methodology: rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken

xiv. Useful life of property, plant, equipment and intangibles.

35. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions

xxiii. Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

xvi. Measurement of defined benefit obligations: key actuarial assumptions.

42. Determination of the fair value of financial instruments with significant unobservable inputs.

43. Impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition, assumptions used in estimating recoverable cash flows and incorporation of forward-looking information in the measurement of expected credit loss (ECL).

The Group has estimated the possible effects that may arise from the COVID-19 pandemic on the carrying amount of its assets. For details, please refer disclosure on expected credit losses (ECL) and disclosure on fair valuation. The extent to which COVID-19 pandemic will impact current estimates is uncertain at this point in time. The impact of COVID-19 on the Group's financial position may differ from that estimated as on the date of approval of these consolidated financial statements.

viii. Interest

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Interest income and expense are recognised using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

Calculation of the EIR includes all fees paid or received that are incremental and directly attributable to the acquisition or issue of a financial asset or liability.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets {i.e. at the amortised cost of the financial asset after adjusting for any expected credit loss allowance (ECLs)}. The Group assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the interest income accrued on credit impaired financial assets are either accounted for as income or written off as per the write off policy of the Group.

The interest cost is calculated by applying the EIR to the amortised cost of the financial liability.

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

ix. Income not integral to effective interest rate (EIR) method under Ind AS 109 and Income from services and distribution of financial products:

The Group recognises the fee and commission income not integral to EIR under Ind AS 109 in accordance with the terms of the relevant customer contracts / agreement and when it is probable that the Group will collect the consideration for items.

Revenue in the form of income from financial advisory, underwriting commission, income from private equity asset under management, distribution from private equity funds, income from distribution from financial products (brokerage) (other than for those items to which Ind AS 109 - Financial Instruments and Ind AS 17 – Leases are applicable) is measured at fair value of the consideration received or receivable, in accordance with Ind AS 115 - Revenue from contracts with customers.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Fees for financial advisory services are accounted as and when the service is rendered, provided there is reasonable certainty of its ultimate realisation.

Revenue from brokerage is recognised when the service is performed. Trail brokerage is recognised at the end of the measurement period when the pre-defined thresholds are met. Revenue is net of applicable indirect taxes and sub-brokerage.

Fees for Investment banking services are accounted based on stage of completion of assignments and when there is reasonable certainty of its ultimate realization / collection.

Other Income includes branch advertising, represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

x. Dividend income

Income from dividend on investment in equity shares of corporate bodies and units of mutual funds is accounted when the Group's right to receive dividend is established.

xi. Leases

Asset given on lease:

Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease is retained by the lessor. Leases of assets under which substantially all of the risks and rewards of ownership are effectively retained by the lessee are classified as finance lease.

Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return. The principal amount received reduces the net investment in the lease and interest is recognised as revenue.

Lease rental - under operating leases (excluding amount for services such as insurance and maintenance) are recognised on a straight-line basis over the lease term, except for increase in line with expected inflationary cost increases.

Asset taken on lease:

The Group's lease asset classes primarily consist of leases for properties.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for certain type of its leases.

The Group presents right-of-use assets in 'property, plant and equipment' in the same line item as it presents underlying assets of the same nature it owns.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment loss, if any, and adjusted for certain re-measurements of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss. When a right-of-use asset meets the definition of investment property, it is presented in investment property.

"The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019.

xii. Borrowing Cost

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

While computing the capitalisation rate for funds borrowed generally, an entity should exclude borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing costs of the entity.

xiii. Financial Instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet on trade date, i.e. when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues of financial assets or financial liabilities carried at fair value through the profit or loss account are recognised immediately in the Statement of Profit or Loss.

a) Financial assets

Classification

On initial recognition, depending on the Group's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

1) Amortised cost;

2) Fair value through other comprehensive income (FVOCI); or

3) Fair value through profit and loss (FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) method if it meets both of the following conditions and is not recognised as at FVTPL:

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made investment by investment basis.

All financials assets not classified and measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate the financials assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

the stated policies and objectives for the portfolio and the operation of those policies in practice;

how the performance of the portfolio is evaluated and reported to the Group's management;

the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity;

how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal). Amount of 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest (SPPI), the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

Contingent events that would change the amount or timing of cash flows;

Terms that may adjust the contractual coupon rate, including variable interest rate features;

Prepayment and extension features; and

Terms that limit the Group's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Reclassifications within classes of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. The classification and measurement requirements of the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets.

Impairment of Financial Asset

Impairment approach

Overview of the Expected Credit Losses (ECL) principles

The Group records allowance for expected credit losses for all loans (including those classified as measured at FVOCI), together with loan commitments, in this section all referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 44.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on an individual/portfolio basis having similar risk characteristic, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. Further if the customer has requested forbearance in repayment terms, such restructured, rescheduled or renegotiated accounts are also classified as Stage 3. Non-payment on another obligation of the same customer is also considered as a Stage 3. The Group records an allowance for the LTECLs.

Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

Financial guarantee contract

A financial guarantee contract requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Group's revenue recognition policies. The Group has not designated any financial guarantee contracts as FVTPL.

Group's ECL for financial guarantee is estimated based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the interest rate relevant to the exposure.

The Measurement of ECLs

The Group calculates ECLs based on a probability-weighted scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weightage. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

The above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed during the year.

The mechanics of the ECL method are summarised below:

Stage 1 The 12 months ECL is calculated as the portion of LTECLs that represent the

ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an contractual or portfolio EIR as the case may be.

Stage 3 For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

In ECL model the Group relies on broad range of forward looking information for economic inputs.

The Group recognises loss allowance for expected credit losses (ECLs) on all financial assets at amortised cost that are debt instruments, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. No impairment loss is recognised on equity investments.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information (Refer Note 43).

Impairment of Trade receivable and Operating lease receivable

Impairment allowance on trade receivables is made on the basis of life time credit loss method, in addition to specific provision considering the uncertainty of recoverability of certain receivables.

Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Group's internal processes and when the Group concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Group has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the statement of profit and loss.

Collateral valuation and repossession

To mitigate the credit risk on financial assets, the Group seeks to use collateral, where possible as per the powers conferred on the Non Banking Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

The Group provides fully secured, partially secured and unsecured loans to individuals and Corporates. In its normal course of business upon account becoming delinquent, the Group physically repossess properties or other assets in its retail portfolio. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties, vehicles, plant and machinery under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale unless the title is also transferred in the name of the Group.

Presentation of ECL allowance for financial asset:

Type of Financial asset	Disclosure
Financial asset measured at amortised cost	shown as a deduction from the gross carrying amount of the assets
Loan commitments and financial guarantee contracts	shown separately under the head "provisions"

Modification and De-recognition of financial assets

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/ or timing of the contractual cash flows either immediately or at a future date. The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract.

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

(a) the rights to receive cash flows from the asset have expired, or

(b) the Group has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of ownership of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

Financial liability, Equity and Compound Financial Instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

Classification

The Group classifies its financial liability as "Financial liability measured at amortised cost" except for those classified as financial liabilities measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Compound instruments

The Group has issued financial instruments with equity conversion rights and call options. When establishing the accounting treatment for these non-derivative instruments, the Group first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32. Classification of the liability and equity components of a convertible instrument is not revised as a result of a change in the likelihood that a conversion option will be exercised, even when exercising the option may appear to have become economically advantageous to some holders. When allocating the initial carrying amount of a compound financial instrument to the equity and liability components, the equity component is assigned as the residual amount after deducting from the entire fair value of the instrument, the amount separately determined for the liability component. The value of any derivative features (such as a call options) embedded in the compound financial instrument, other than the equity component (such as an equity conversion option), is included in the liability component. Once the Group has determined the split between equity and liability, it further evaluates whether the liability component has embedded derivatives that must be separately accounted for. Subsequently the liability is measured as per requirement of IND AS 109.

A Cumulative Compulsorily Convertible Preference Shares (CCCPS), with an option to holder to convert the instrument into variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain/loss is recognised in profit or loss upon conversion or expiration of the conversion option.

b) Derivative Financial Instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially measured at fair value; any directly attributed transaction costs are recognised in profit and loss as incurred. Subsequent to initial recognition derivatives are measured at fair value, and changes therein are generally recognised in profit and loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with its floating rate borrowings arising from changes in interest rates and exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flows hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedge relationships. The change in fair value of the forward element of the forward exchange contracts ('forward points') is separately accounted for as cost of hedging and recognised separately within equity.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

c) Cash, Cash equivalents and bank balances

Cash, Cash equivalents and bank balances include fixed deposits, (with an original maturity of three months or less from the date of placement), margin money deposits, and earmarked balances with banks are carried at amortised cost. Short term and liquid investments being subject to more than insignificant risk of change in value, are included as part of cash and cash equivalents.

xiv. Property, plant and equipment (PPE)

a) PPE

Property, plant and equipment acquired by the Group are reported at acquisition cost less accumulated depreciation and accumulated impairment losses and estimated cost of dismantling and removing the item and restoring the site on which it is located if any. However estimated cost of dismantling and removing the item and restoring the site on which its located does not arise for leased assets since the same are borne by the lessee as per the lease agreement. The acquisition cost includes any cost attributable for bringing an asset to its working condition net of tax/duty credits availed, which comprises of purchase consideration and other directly attributable costs of bringing the assets to their working condition for their intended use. PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Group and the cost of the item can be measured reliably.

b) Capital work-in-progress

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress” and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c) Other Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Expenses on software support and maintenance are charged to the statement of profit and loss during the year in which such costs are incurred.

d) Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

e) Depreciation and Amortisation

Depreciable amount for tangible property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. The residual value of each asset given on Operating lease is determined at the time of recording of the lease asset. If the residual value of the Operating lease asset is higher than 5%, the Group has a justification in place for considering the same.

Depreciation on tangible property, plant and equipment deployed for own use has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of buildings, computer equipment, electrical installation and equipment and vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc. Depreciation on tangible property, plant and equipment deployed on operating lease has been provided on the straight-line method over the primary lease period of the asset. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Depreciation for additions to/deductions from owned assets is calculated pro rata to the remaining period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. All capital assets with individual value less than ₹ 5,000 are depreciated fully in the year in which they are purchased.

Purchased software / licenses are amortised over the estimated useful life during which the benefits are expected to accrue, while Goodwill if any is tested for impairment at each Balance Sheet date. The method of amortisation, residual value and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

Estimated useful life considered by the Group are:

Asset	Estimated Useful Life
Leasehold Improvements	As per lease period
Construction Equipment	2 to 13.5 years
Furniture and Fixtures	Owned: 10 years
	Leased: 3 to 7 years
Computer Equipment	Owned: 3 to 4 years
	Leased: 2 to 4 years
Office Equipment	Owned: 5 years
	Leased: 3 to 5 years
Vehicles	Owned: 4 years
	Leased: 1 to 5 years
Software Licenses	Owned: 1 to 10 years
	Leased: 1 to 3 years
Buildings	25 years
Plant & Machinery	Owned: 10 years
	Leased: 2 to 15 years
Railway Wagons	Leased: 6 years
Electrical Installation & Equipment	Leased: 3 to 6 years

f) Investment property

Properties held to earn rentals and/or capital appreciation are classified as Investment properties and measured and reported at cost, including transaction costs. Subsequent to initial recognition they are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When the use of an existing property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the statement of profit and loss in the same period.

g) Impairment of assets

Upon an observed trigger or at the end of each accounting reporting period, the Group reviews the carrying amounts of its PPE, investment property and intangible asset to determine whether there is any indication that the assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

h) De-recognition of property, plant and equipment and intangible asset

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

xv. Non-Current Assets held for sale:

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

The Group has a policy to make impairment provision at one third of the value of the Asset for each year upon completion of three years up to the end of five years based on the past observed pattern of recoveries. Losses on initial classification as Held for sale and subsequent gains & losses on remeasurement are recognised in statement of profit and loss. Once classified as Held for sale, the assets are no longer amortised or depreciated.

xvi. Employee Benefits

Defined Employee benefits include provident fund and superannuation fund.

Defined contribution benefits include gratuity fund, compensated absences and long service awards.

Defined contribution plans

The eligible employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Group. The Group is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employee's Provident Scheme, 1952 is recognised as an expense in the year in which it is determined.

The Group's contribution to superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. Past service cost is recognised immediately to the extent that the benefits are already vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the reporting period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long term service awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

The obligation is measured on the basis of actuarial valuation using Projected unit credit method and remeasurements gains/ losses are recognised in statement of profit and loss in the period in which they arise.

Share based payment transaction

The stock options of the Parent Group, granted to employees pursuant to the Group's Stock Options Schemes, are measured at the fair value of the options at the grant date as per Black and Scholes model. The fair value of the options is treated as discount and accounted as employee compensation cost, with a corresponding increase in other equity, over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense, with a corresponding increase in other equity, in respect of such grant is transferred to the General reserve within other equity.

xvii. Foreign currency transactions

Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the statement of profit and loss in the period in which they arise.

xviii. Operating Segments

The Group's main business is financing by way of loans for retail and corporate borrowers in India. The Group's operating segments consist of "Financing Activity", " Investment Activity" and "Others". All other activities of the Group revolve around the main businesses. This in the context of Ind AS 108 - operating segments reporting are considered to constitute reportable segment. The Chief Operating Decision Maker (CODM) of the Group is the Board of Directors. Operating segment disclosures are consistent with the information reviewed by the CODM.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Accordingly, all operating segment's operating results of the Group are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The "Financing Activity" segment consists of asset financing, term loans (corporate and retail), channel financing, credit substitutes, investments linked to/arising out of lending business and bill discounting. The "Investment Activity" segment includes corporate investments and "Others" segment primarily includes advisory services, wealth management, distribution of financial products and leasing.

Revenue and expense directly attributable to segments are reported under each operating segment. Expenses not directly identifiable to each of the segments have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

xix. Investments in associates

The Group has elected to measure investment in associate at cost as per Ind AS 27 - Separate Financial Statements, accordingly measurement at fair value through statement of profit and loss account and related disclosure under Ind AS 109 does not apply.

xx. Earnings per share

Basic earnings per share has been computed by dividing net income attributable to owners of the Group by the weighted average number of shares outstanding during the year. Partly paid up equity share is included as fully paid equivalent according to the fraction paid up.

Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive

xxi. Taxation

Income Tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss, other comprehensive income or directly in equity when they relate to items that are recognized in the respective line items.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax law) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

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

The carrying amount of deferred tax assets are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

xxii. Goods and Services Input Tax Credit

Goods and Services Input tax credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/ utilising the credits.

xxiii. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent assets/liabilities

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognised in the consolidated financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

xxiv. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided for;

b) uncalled liability on shares and other investments partly paid;

c) funding related commitment to associate;

d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management;

e) other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details;

f) commitments under Loan agreement to disburse Loans;

g) lease agreements entered but not executed.

xxv. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

a changes during the period in operating receivables and payables transactions of a non-cash nature;

b non-cash items such as depreciation, Impairment, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

c all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

xxvi. Dividend payable (including dividend distribution tax)

Interim dividend declared to equity shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Board of Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

The dividend payable (including dividend distribution tax) is recognised as a liability with a corresponding amount recognised directly in equity.

xxvii. New Ind AS issued but not effective as on March 31, 2020

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these consolidated financial statements.

The following new Ind AS, interpretations and amendments to Ind AS are not expected to have a significant impact on the Group's consolidated financial statements and the Group's statement of financial position.

Applicable to financial year ended March 31, 2021 Group's consolidated financial statements:

- Amendments to References to Conceptual Framework in Ind AS Standards
- Definition of a Business (Amendments to Ind AS 103)
- Definition of Material (Amendment to Ind AS 1 and Ind AS 8)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "3"

(₹ in lakh)

CASH AND CASH EQUIVALENTS	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
Cash on hand	–	63
Balances with banks in current accounts	**4,21,502**	1,67,300
Balances with banks in client accounts	**2**	–
Cheques, drafts on hand	**288**	531
Balances with banks in deposit accounts (Refer note below)	**8,432**	19,879
Total	**4,30,224**	**1,87,773**

(i) As at March 31, 2020, the Group had undrawn committed borrowing facilities of ₹ 8,06,741 Lakh (March 31, 2019 : ₹ 5,70,730 Lakh).

(ii) Balances with banks in deposits accounts are less than three months

NOTE "4"

(₹ in lakh)

BANK BALANCE OTHER THAN (NOTE 3) ABOVE	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
Balances with banks in deposit accounts	**1,723**	53,675
Balances with banks in earmarked accounts	**59**	57
Total	**1,782**	**53,732**

(i) Balance with banks in deposit accounts comprises deposits that have an original maturity exceeding 3 months at balance sheet date.

(ii) Deposits includes lien with Banks and Stock Exchanges as margin amounting to ₹ 378 lakhs (March 31, 2019: ₹ 378 lakh)

NOTE "5"

DERIVATIVE FINANCIAL INSTRUMENTS

As at March 31, 2020

(₹ in lakh)

Derivatives held for hedging and risk management purposes	Notional value - USD (in mn)	Notional value - JPY (in mn)	Notional value	Fair value assets	Fair value liabilities
Foreign exchange forward	208	14,656	2,56,724	10,430	801
Interest rate swap	183	–	1,36,781	–	4,935
Cross currency interest rate swap	40	–	29,897	1,944	–
Cap	–	14,388	99,462	–	92
Total	**431**	**29,044**	**5,22,864**	**12,374**	**5,828**

As at March 31, 2019

(₹ in lakh)

Derivatives held for hedging and risk management purposes	Notional value - USD (in mn)	Notional value - JPY (in mn)	Notional value	Fair value assets	Fair value liabilities
Foreign exchange forward	–	–	–	347	357
Interest rate swap	–	–	–	–	–
Cross currency interest rate swap	–	–	–	–	–
Cap	–	–	–	–	–
Total	**–**	**–**	**–**	**347**	**357**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

5.1 Disclosure of effects of hedge accounting on financial performance and exposure to foreign currency

As at March 31, 2020 (₹ in lakh)

Particulars	Notional amount	Carrying amount of hedging instruments assets	Carrying amount of hedging instruments liabilities	Weighted average contract / strike price of the hedging instrument	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness profit / (loss)
INR USD - Forward exchange contracts	2,55,710	10,169	–	78	10,169
INR JPY - Forward exchange contracts	1,014	260	801	1	(541)
INR USD - Currency Swaps	29,897	1,945	–	69	1,945
INR JPY - Currency Swaps	–	–	–	–	–
Option purchased (net)	–	–	–	–	–

As at March 31, 2019 (₹ in lakh)

Particulars	Notional amount	Carrying amount of hedging instruments assets	Carrying amount of hedging instruments liabilities	Weighted average contract / strike price of the hedging instrument	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness profit / (loss)
INR USD - Forward exchange contracts	–	–	–	–	–
INR JPY - Forward exchange contracts	–	–	–	–	–
INR USD - Currency Swaps	–	–	–	–	–
INR JPY - Currency Swaps	–	–	–	–	–
Option purchased (net)	–	–	–	–	–

Hedged item

As at March 31, 2020 (₹ in lakh)

Particulars	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness	Cost of hedge reserve as at	Cost of hedging as at	Foreign Currency Monetary Items Translation Reserve
FCY Term Loans	(15,392)	(3,934)	–	–
INR JPY - Forward exchange contracts	–	–	–	–
INR USD - Currency Swaps	–	–	–	–
INR JPY - Currency Swaps	–	–	–	–
Option purchased (net)	–	–	–	–

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019 (₹ in lakh)

Particulars	**Change in the value of hedged item used as the basis for recognising hedge ineffectiveness**	**Cost of hedge reserve as at**	**Cost of hedging as at**	**Foreign Currency Monetary Items Translation Reserve**
FCY Term Loans	–	–	–	–
INR JPY - Forward exchange contracts	–	–	–	–
INR USD - Currency Swaps	–	–	–	–
INR JPY - Currency Swaps	–	–	–	–
Option purchased (net)	–	–	–	–

5.2 The impact of the cashflow hedges in the statement of profit and loss and other comprehensive income

(₹ in lakh)

Particulars	**Hedging gains or (losses) recognised in other comprehensive income**		**Hedge ineffectiveness recognised in statement of profit and loss**	
	For the year ended March 31, 2020	**For the year ended March 31, 2019**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Forward exchange contracts and Currency swaps	(3,934)	–	–	–
Option purchased (net)	–	–	–	–

5.3 Movements in the cost of hedge reserve are as follows:

(₹ in lakh)

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Opening Balance	**–**	–
Effective portion of changes in fair value Currency Swap	**1,565**	–
Effective portion of changes in fair value Interest rate risk	**(4,935)**	–
Effective portion of changes in fair value Cap	**(91)**	–
Effective portion of changes in fair value foreign currency risk	**9,470**	–
Foreign currency translation differences	**(14,559)**	–
Amortisation of forward premium	**7,766**	–
Tax on movements on reserves during the period	**197**	–
Closing Balance	**(587)**	**–**

All hedges are 100% effective i.e. there is no ineffectiveness.

5.4 Average fixed interest rate:

- Interest rate swap: 2.93% to 3.47%
- Interest rate cross currency swap: 7.81%
- Interest rate cap: 0.70%

The Group's risk management strategy and how it is applied to manage risk is explained in Note 45.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "6" (₹ in lakh)

RECEIVABLES	**As at March 31, 2020**	**As at March 31, 2019**
Trade receivable		
At Amortised cost		
(a) Receivables considered good - Secured	**11**	34
(b) Receivables considered good - Unsecured	**4,516**	14,304
(c) Receivables which have significant increase in credit risk	**33**	26
(d) Receivables - credit impaired	**264**	480
	4,824	**14,844**
Impairment loss allowance		
(a) Receivables considered good - Unsecured	–	(15)
(b) Receivables which have significant increase in credit risk	**(33)**	(26)
(c) Receivables - credit impaired	**(264)**	(480)
Total	**4,527**	**14,323**
Other receivables		
At Amortised cost		
(a) Receivables considered good - Secured	**–**	–
(b) Receivables considered good - Unsecured	**132**	74
	132	**74**
Impairment loss allowance		
Receivables considered good - Unsecured	**–**	(50)
	132	**24**
Total	**4,659**	**14,347**

Note: Trade receivables include amounts due from the related parties ₹ 631 lakh (March 31, 2019: ₹ 242 lakh)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "7" (₹ in lakh)

	LOANS	**As at March 31, 2020**	**As at March 31, 2019**
(A)			
(i)	**At Amortised Cost**		
	- Bills purchased and bills discounted	**42,008**	32,956
	- Term loans	**73,26,530**	72,42,547
	- Credit substitutes (refer note 7(i) below)	**1,87,047**	1,76,454
	- Finance lease and hire purchase	**78,072**	51,875
	- Retained portion of assigned loans	**4,624**	6,764
	- Inter-company deposits	**–**	4,131
	Subtotal (i)	**76,38,281**	**75,14,727**
(ii)	**At Fair Value Through Other Comprehensive Income**		
	- Term loans	**67,696**	82,010
	Subtotal (ii)	**67,696**	**82,010**
(iii)	**At Fair Value Through Profit and Loss**		
	- Credit substitutes	**1,000**	–
	Subtotal (iii)	**1,000**	–
	Subtotal (i)+(ii)+(iii)	**77,06,977**	**75,96,737**
(B)			
	Less : Impairment loss allowance		
	- Stage I & II	**1,15,584**	79,766
	- Stage III	**1,07,424**	1,06,172
	Subtotal (i)	**2,23,008**	1,85,938
	Loans net of impairment loss allowance	**74,83,969**	**74,10,799**
	- Revenue received in advance	**(39,191)**	(40,688)
	- Unamortised loan sourcing costs	**20,175**	17,648
	Total	**(19,016)**	**(23,040)**
	Total	**74,64,953**	**73,87,759**
(C)			
	- Secured by tangible assets	**57,65,804**	56,70,090
	- Secured by intangible assets	**–**	–
	- Unsecured	**19,41,173**	19,26,647
	- Revenue received in advance	**(39,191)**	(40,688)
	- Unamortised loan sourcing costs	**20,175**	17,648
	Total	**76,87,961**	**75,73,697**
(D)			
(i)	**Loans in India**		
	- Public Sector	**7,516**	9,544
	- Others	**76,99,461**	75,87,193
	Total	**77,06,977**	**75,96,737**
(ii)	**Loans outside India**		
	- Public Sector	**–**	–
	- Others	**–**	–
	Total	**–**	**–**
	Total	**77,06,977**	**75,96,737**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(i) Investments in bonds, debentures and other financial instruments which, in substance, form a part of the Group's financing activities ("Credit Substitutes") have been classified under Loans . In the past these were classified as a part of Investments. Management believes that the classification results in a better presentation of the substance of these investments and is in alignment with regulatory filings.

(ii) The above includes impairment allowance towards loan designated as FVTOCI amounting to ₹ 20 lakh (as on March 31, 2019 : ₹ 85 lakh)

(iii) Impairment loss allowance includes impairment loss allowance on loans under fair value through profit and loss ₹ 5 lakh (As on March 31, 2019 : Nil)

(iv) Impairment allowance on loan - stage I & II includes impairment allowance on loan commitments ₹ 1,726 lakh (As on March 31, 2019 1,458 lakh)

(v) Loans given to related parties ₹ 54,320 lakh (as on March 31, 2019 : ₹ 84,202 lakh).

(vi) The increase in the ECL impairment allowance is on account of increase in credit risk and deterioration in economic conditions. For detailed note on impact of COVID 19 on ECL impairment allowance, refer note no 44.

(vii) The details of Gross investments and unearned finance income in respect of assets given under finance lease are as under:

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Gross Investments:		
– Within one year	**27,370**	22,414
– Later than one year and not later than five years	**52,656**	33,889
– Later than five years	**1,288**	330
Total	**81,313**	**56,633**
Unearned Finance Income:		
– Within one year	**6,282**	4,576
– Later than one year and not later than five years	**8,676**	4,788
– Later than five years	**97**	56
Total	**15,054**	**9,420**
Present Value of Rentals *:		
– Within one year	**21,088**	17,838
– Later than one year and not later than five years	**43,980**	29,101
– Later than five years	**1,191**	274
Total	**66,259**	**47,213**

* Present value of rentals represent the current future outstanding principal.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(vii) The Group has given assets under non-cancellable operating leases. The total of future minimum lease payments that the Group is committed to receive is:

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
- Within one year	**31,572**	31,976
- Later than one year and not later than five years	**50,586**	56,530
- Later than five years	**1,772**	2,716
	83,930	91,222

Accumulated Depreciation on lease assets is ₹ 65,861 lakh (As on March 31, 2019: ₹ 41,835 lakh).

Accumulated Impairment losses on the leased assets ₹ Nil (As on March 31, 2019 ₹ Nil)

NOTE "8"

(₹ in lakh)

Investments	As at March 31, 2020	As at March 31, 2019
(A)		
(i) At Amortised Cost		
- Debt securities	**11,121**	10,955
Subtotal (i)	**11,121**	10,955
(ii) At Fair Value		
(a) Through Other Comprehensive Income		
- Debt securities	**3,939**	12,398
Subtotal (i)	**3,939**	12,398
(b) Through Profit or Loss		
- Mutual and other funds (quoted)	**50**	53
- Mutual and other funds (unquoted)	**2,975**	2,677
- Fully paid equity shares (quoted)	**9,536**	24,764
- Fully paid equity shares (unquoted)	**13,643**	4,311
- Preference shares	**2,212**	22,807
- Security receipts	**419**	126
- Venture capital fund	**14,400**	11,422
- Alternate investment fund	**2,040**	–
- Multi asset fund	**2,990**	–
- Structured product	**1,568**	–
Subtotal (ii)	**49,833**	66,160
Total (A) = (i)+(ii)	**64,893**	89,513
(B)		
(i) Investments in India	**28,663**	51,408
(ii) Investments outside India	**36,230**	38,105
Total (B) (i)+(ii)	**64,893**	**89,513**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "8a"

SCRIPT-WISE DETAILS OF INVESTMENTS (₹ in lakh)

	PARTICULARS	Face value Per Unit (in ₹)	As at March 31, 2020 No. of Units	As at March 31, 2020 ₹ in lakh	As at March 31, 2019 No. of Units	As at March 31, 2019 ₹ in lakh
(A)	**Investment in Debentures**					
(i)	**Carried at amortised cost**					
(a)	**Quoted**					
	4.63% BPCL - Indian Cash Bond	–	**20,000**	**1,577**	20,000	1,545
	7.00% ICICI Bank - Indian Cash Bond	–	**30,000**	**2,353**	30,000	2,358
	2.88% ONGC - Indian Cash Bond	–	**3,750**	**281**	3,750	271
	6.25% BOI- Indian Cash Bond	–	**10,000**	**771**	10,000	766
	5.95% Tata Steel Bond	–	**10,000**	**784**	10,000	764
	5.75% Tata Motors Limited Bond	–	**60,000**	**4,002**	60,000	3,926
	2.75% Jaguar Land Rover Limited GBP Bond	–	**15,000**	**1,353**	15,000	1,325
				11,121		**10,955**
(ii)	**Carried at fair value through other comprehensive income**					
	3.88% Syndicate Bank - Indian Cash Bond	–	**–**	**–**	40,000	2,928
	4.50% Union Bank of India - Indian Cash Bond	–	**–**	**–**	10,000	740
	4.85% Tata Steel Bond	–	**–**	**–**	65,000	4,752
	4.63% Tata Motors Limited Bond	–	**44,000**	**3,210**	44,000	3,246
	5.75% Tata Motors Limited Bond	–	**10,000**	**729**	10,000	732
				3,939		**12,398**
(B)	**Investment in Mutual Funds**					
(i)	**At fair value through profit and loss**					
(a)	**Quoted**					
	HDFC Cancer Cure Fund	**10**	**5,00,000**	**50**	5,00,000	53
				50		**53**
(b)	**Unquoted**					
	Tata Money Market fund	**1,000**	**14,526**	**452**	12,597	369
	Tata Liquid Fund Regular Plan-Dividend	**1,000**	**60,681**	**608**	71,447	716
	Tata Liquid Fund Regular Plan-Growth	**1,000**	**61,486**	**1,915**	54,355	1,592
				2,975		**2,677**
(C)	**Investment in Equity Shares**					
(i)	**At fair value through profit and loss**					
(a)	**Quoted**					
	The Indian Hotels Company Limited	**1**	**17,640**	**13**	17,640	27
	Tata Steel Limited (fully paid)	**10**	**15,660**	**42**	15,660	82
	Tata Steel Limited (partly paid)*	**10**	**1,080**	**–**	1,080	1

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "8a"

SCRIPT-WISE DETAILS OF INVESTMENTS

(₹ in lakh)

PARTICULARS		Face value Per Unit (in ₹)	As at March 31, 2020		As at March 31, 2019	
			No. of Units	₹ in lakh	No. of Units	₹ in lakh
	Hindustan Unilever Limited	1	2,000	46	2,000	34
	Praj Industries Limited	2	1,32,56,223	7,297	1,32,56,223	20,560
	Commercial Engineers & Body Builders Company Limited	10	75,24,328	595	77,77,653	1,026
	The New India Assurance Company Limited	5	10,83,376	1,217	10,83,376	2,056
	Bombay Stock Exchange Limited	2	5,700	17	5,700	35
	IVRCL Limited	2	15,94,857	–	15,94,857	13
	Diamond Power Infra Limited	10	16,31,881	6	16,31,881	26
	3I Infotech Limited	10	2,32,80,000	303	2,32,80,000	896
	Consolidated Construction Consortium Limited	2	4,16,472	–	4,16,472	8
	RTS Power Corporation Limited	10	25,880	–	–	–
	GOL Offshore Limited	10	6,44,609	–	6,44,609	–
				9,536		24,764
(b)	**Unquoted**					
	International Asset Reconstruction Company Private Limited.	10	1,39,46,295	3,356	1,39,46,295	3,503
	Aricent Technologies Holdings Limited *	10	8	–	8	–
	SKS Ispat & Power Limited	10	3,39,31,831	–	3,39,31,831	–
	Coastal Projects Limited *	10	59,62,855	–	41,01,806	–
	Tata Tele Services Limited *	10	6,22,50,000	–	6,22,50,000	–
	Vaultize Technologies Private Limited	–	84,568	–	84,568	808
	Star Health & Allied Insurance Company Limited	10	61,93,550	10,287	–	–
				13,643		4,311
(D)	**Investment in Preference Shares**					
(i)	**At fair value through profit and loss**					
(a)	**Unquoted**					
	Vaultize Technologies Private Limited		3,15,21,679	–	3,15,21,679	1,921
	Kotak Mahindra Bank Limited	5	–	–	7,00,00,000	3,500
	Bharti Airtel Limited *	100	5	–	–	–
	Bharti Hexacom Limited *	100	5	–	–	–
				–		5,421
(E)	**Investment in Preferred Stock**					
(i)	**At fair value through profit and loss**					
(a)	**Quoted**					
	Uber Technologies, Inc.	–	1,06,000	2,212	1,06,000	3,327
				2,212		3,327

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "8a"

SCRIPT-WISE DETAILS OF INVESTMENTS (₹ in lakh)

	PARTICULARS	Face value Per Unit (in ₹)	As at March 31, 2020		As at March 31, 2019	
			No. of Units	₹ in lakh	No. of Units	₹ in lakh
(b)	**Unquoted**					
	WaterHealth International, Inc	–	30,90,871	–	30,90,871	2,300
	Farcast Biosciences India Private Limited	–	2,52,00,000	–	2,52,00,000	2,619
	Farcast Biosciences, Inc (erstwhile Mitra RxDx, Inc)	–	60,00,000	–	60,00,000	9,140
	Vanu Inc*	–	38,074	–	38,074	–
				–		14,059
	Total Investment in Preference shares			2,212		22,807
(F)	**Investment in Venture Capital Fund**					
(i)	**At fair value through profit and loss**					
(a)	**Unquoted**					
	Pitango Venture Capital Fund VI & VII, L.P. ("Pitango VI")	–	–	14,400	–	11,422
				14,400		11,422
(G)	**Investment in Alternate Investment Funds**					
(i)	**At fair value through profit and loss**					
(a)	**Unquoted**					
	Tata Absolute Return Fund	1,000	1,00,000	1,069	–	–
	Tata Equity Plus Absolute Return Fund	1,000	1,00,000	971	–	–
				2,040		–
(H)	**Investment in Multi Asset Fund**					
(i)	**At fair value through profit and loss**					
(a)	**Unquoted**					
	Apollon Sustainable Value fund	–	–	2,990	–	–
				2,990		–
(I)	**Investment in Structured Product**					
(i)	**At fair value through profit and loss**					
(a)	**Unquoted**					
	Julius Baer Long Leverage certificate	–	–	1,568	–	–
				1,568		–
(J)	**Investment in Security Receipts**					
	International Asset Reconstruction Company Private Limited	1,000	1,04,135	419	1,04,135	126
				419		126
	Total Investments (A+B+C+D+E+F+G+H+I+J)			64,893		89,513

* Amount less than ₹ 50,000.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "9"

(₹ in lakh)

INVESTMENTS ACCOUNTED USING EQUITY METHOD		As at March 31, 2020	As at March 31, 2019
	At Cost		
(A)			
	Associate companies		
	Fully paid equity shares (unquoted)	**73,771**	73,163
	Preference shares (unquoted)	**18,974**	18,954
	Less: Diminution in value of investments	**(7,661)**	(3,015)
		85,084	89,102
(B)			
	(i) Investments in India	**85,084**	89,102
	(ii) Investments outside India	**–**	–
Total		**85,084**	**89,102**

NOTE "9a"

SCRIPT-WISE DETAILS OF INVESTMENTS ACCOUNTED USING EQUITY METHOD (₹ in lakh)

PARTICULARS		Face value Per Unit (in ₹)	As at March 31, 2020		As at March 31, 2019	
			No. of Units	₹ in lakh	No. of Units	₹ in lakh
	Unquoted					
(a)	**Equity Shares**					
	Tata Autocomp Systems Limited	10	**4,83,07,333**	**35,691**	4,83,07,333	35,289
	Tata Sky Limited	10	**1,00,72,871**	**6,127**	1,00,72,871	5,744
	Tata Technologies Limited	–	**18,73,253**	**7,304**	18,73,253	7,240
	Tata Projects Limited	–	**44,810**	**4,016**	44,810	3,729
	Roots Corporation Limited	90	**22,91,454**	**2,062**	22,91,454	2,062
	Fincare Business Services Limited*	1	**25,47,910**	**859**	2,54,791	772
	Shriram Properties Private Limited	10	**22,23,569**	**3,935**	22,23,569	3,935
	TVS Supply Chain Solutions Limited	10	**2,17,325**	**1,466**	2,17,325	1,552
	Novalead Pharma Private Limited	–	**11,477**	**2,293**	11,477	2,299
	Shriji Polymers (India) Limited	–	**5,98,788**	**1,660**	5,98,788	1,570
	Tema India Limited	–	**500**	**1**	500	1
	Kapsons Industries Private Limited	–	**2,857**	**1**	2,857	1
	Pluss Advanced Technologies Limited	–	**1,31,167**	**1,366**	1,31,167	1,369
	Vortex Engineering Private Limited	–	**1,39,415**	**2,900**	1,39,415	2,900
	Sea6 Energy Private Limited	–	**25,410**	**3,010**	25,410	3,379
	Alef Mobitech Solutions Private Limited	–	**4,96,276**	**1,080**	4,96,276	1,321
				73,771		**73,163**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "9a"

SCRIPT-WISE DETAILS OF INVESTMENTS ACCOUNTED USING EQUITY METHOD (₹ in lakh)

PARTICULARS		Face value Per Unit (in ₹)	As at March 31, 2020		As at March 31, 2019	
			No. of Units	₹ in lakh	No. of Units	₹ in lakh
(b)	**Preference Shares**					
	Lokmanaya Hospital Private Limited	–	**24,63,600**	**2,464**	24,63,600	2,464
	Shriji Polymers (India) Limited	–	**16,38,800**	**3,278**	16,38,800	3,278
	Tema India Limited	–	**4,50,00,000**	**4,500**	4,50,00,000	4,500
	Kapsons Industries Private Limited	–	**1,71,42,857**	**6,000**	1,71,42,857	6,000
	Pluss Advanced Technologies Limited	–	**1,02,00,000**	**1,020**	1,00,00,000	1,000
	Alef Mobitech Soluations Private Limited	–	**5,34,840**	**1,712**	5,34,840	1,712
				18,974		**18,954**
	Total Cost of Investments			**92,745**		**92,117**
	Provision for diminution in value of investments			**(7,661)**		(3,015)
	Total			**85,084**		**89,102**

*During the year ended March 31, 2020, the face value of equity shares is ₹ 1 as compared to previous year face value of ₹ 10.

NOTE "10" (₹ in lakh)

OTHER FINANCIAL ASSETS	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
Security deposits	**2,349**	1,597
Advances recoverable from related parties	**495**	456
Pass Through Certificate application money (refundable)	**–**	10,599
Receivable on sale/redemption of investments	**162**	162
Provision for receivable on sale/redemption of investment	**(162)**	(162)
Income accrued but not due	**6,889**	6,439
Advances to employees	**90**	95
Receivable under letter of credit/buyers credit facility	**29,369**	14,617
Other receivables	**920**	917
Total	**40,112**	**34,720**

NOTE "11"

INCOME TAXES

(i) Current tax assets (₹ in lakh)

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
Advance Tax and Tax deducted at source (net of provision for tax ₹ 195,978 lakh (Previous year: ₹ 163,453)	**15,471**	9,949
Total	**15,471**	**9,949**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

A. The income tax expense consist of the following:

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax:		
Current tax expense for the year	38,975	41,547
Current tax expense / (benefit) pertaining to prior years	(727)	–
	38,248	**41,547**
Deferred tax benefit		
Origination and reversal of temporary differences	(9,175)	(2,175)
Change in tax rates	22,130	(727)
	12,955	**(2,902)**
MAT credit	–	–
Total income tax expense recognised in the year	**51,203**	**38,645**

The reconciliation of estimated income tax expense at statutory income tax rate and income tax expense reported in statement of profit and loss is as follows:

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit / (Loss) before tax from continuing operations	**66,775**	1,41,532
Indian statutory income tax rate	**25.168%**	34.944%
Expected income tax expense	**16,806**	49,456
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	**(788)**	(208)
Recognition of previously unrecognised tax losses and unabsorbed depreciation	**(162)**	(1,365)
Non deductible expenses	**13,955**	(713)
Tax on income at different rates	**(225)**	(5,174)
Change in tax rates	**22,130**	(1,580)
Tax incentives	**(331)**	(382)
Impact of change in the expected tax rates on temporary differences	**–**	(120)
Impact of unrecognised timing differences	**11**	22
Impact of MAT	**–**	46
Differences in tax rates in foreign jurisdictions	**(193)**	(1,444)
Current tax of prior years	**–**	107
Total income tax expense	**51,203**	**38,645**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

B. Amounts recognised in Other Comprehensive Income (₹ in lakh)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Owners of the company						
Remeasurements of the defined benefit plans	(1,209)	303	(906)	(833)	291	(542)
Items that are or may be reclassified subsequently to profit or loss						
Owners of the company						
Debt instruments through Other Comprehensive Income	(89)	15	(74)	164	(28)	136
Fair value gain / (loss) on financial asset measured at FVTOCI	(251)	63	(188)	316	(130)	186
Net changes in fair values of time value of cash flow hedges (FVTOCI)	(791)	205	(586)	–	–	–
Total Amounts recognised in OCI	**(2,340)**	**586**	**(1,754)**	**(353)**	**133**	**(220)**

(ii) Deferred tax assets

The major components of deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ in lakh)

Particulars	Opening Balance	Recognised / reversed through profit and loss	Change in Tax Rate	Recognised/ reclassified from other compre-hensive income	Recog-nised / reversed through Reserves	Closing Balance
Deferred Tax Assets :-						
(a) Impairment loss allowance - Stage III	35,254	(273)	(9,863)	–	–	25,118
(b) Impairment loss allowance - Stage I & II	27,973	8,980	(7,825)	–	–	29,128
(c) Employee benefits	688	70	(193)	–	–	565
(d) Deferred income	15,962	(1,661)	(4,465)	–	–	9,836
(e) Depreciation on property, plant & equipment	2,987	2,626	(801)	–	–	4,812
(f) Other deferred tax assets	2,929	(310)	(924)	15	1	1,711
(g) Fair valuation of PE Investments	1,736	42	–	–	–	1,778
(h) Right to use asset	–	98	–	–	413	511
(i) Cash flow hedges	–	–	–	205	–	205
Deferred Tax Liabilities :-						
(a) Debenture issue expenses	(2,241)	(36)	627	–	–	(1,650)
(b) Investments measured at fair value	(543)	461	–	–	–	(82)
(c) Loans measured at FVOCI	(141)	–	40	63	–	(38)
(d) Deduction u/s 36(1)(viii)	(4,427)	(786)	1,238	–	–	(3,975)
Net Deferred Tax Assets	**80,177**	**9,211**	**(22,166)**	**283**	**414**	**67,919**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in lakh)

Particulars		Opening Balance	Recognised / reversed through profit and loss	Recognised/ reclassified from other compre-hensive income	Recognised / reversed through Reserves	Closing Balance
Deferred Tax Assets :-						
(a)	Impairment loss allowance - Stage III	40,867	(5,613)	–	–	35,254
(b)	Impairment loss allowance - Stage I & II	23,913	4,088	(28)	–	27,973
(c)	Employee benefits	507	181	–	–	688
(d)	Deferred income	11,592	4,452	(82)	–	15,962
(e)	Depreciation on property, plant & equipment	404	2,583	–	–	2,987
(f)	Other deferred tax assets	2,165	787	(28)	5	2,929
(g)	Fair valuation of PE Investments	2,653	(917)	–	–	1,736
(h)	MAT Credit Entitlement	1,163	–	–	(1,163)	–
Deferred Tax Liabilities :-						
(a)	Debenture issue expenses	(492)	(1,749)	–	–	(2,241)
(b)	Investments measured at fair value	(69)	(474)	–	–	(543)
(c)	Loans measured at FTVOCI	(114)	(1)	(26)	–	(141)
(d)	Deduction u/s 36(1)(viii)	(3,992)	(435)	–	–	(4,427)
Net Deferred Tax Assets		**78,597**	**2,902**	**(164)**	**(1,158)**	**80,177**

One of our subsidiary Tata Securities Limited has deferred tax assets arising on account of brought forward losses, unabsorbed depreciation and timing differences in respect of depreciation, employee benefits and provision for doubtful debts which have not been recognized due to absence of probable future taxable profit against which such assets could be offset:

(₹ in lakh)

Particulars	Closing balance as at March 31, 2020	DTA @25.17% as at March 31, 2020	Closing balance as at March 31, 2020	DTA @27.82% as at March 31, 2020
Deferred Tax Asset (A)				
On business losses as per Income Tax*	3,269	823	4,391	1,222
On unabsorbed depreciation as per Income Tax	326	82	326	91
Provision for doubtful debts	(66)	(17)	66	18
Employee benefits - Leave encashment	12	3	10	3
On account of depreciation on fixed assets	63	16	(97)	27
Deferred Tax Liability (B)	**–**	**–**	**–**	**–**
Net Deferred Tax Asset (A-B)	**3,604**	**907**	**4,696**	**1,361**

*The Subsidiary has business Losses as per Income Tax Act 1961 of ₹ 942 lakh expiring in FY 2020-21, ₹ 1,210 lakh expiring in FY 2021-22 and ₹ 1,117 lakh expiring in FY 2023-24 (PY ₹ 1,116 lakh expiring in 2019-20, 942 lakh expiring in FY 2020-21, ₹ 1,210 lakh expiring in FY 2021-22 and ₹ 1,117 lakh expiring in FY 2023-24).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(iii) Current tax liabilities: (₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provision for tax (net of advance tax ₹ 24,478 Lakh (Previous year : ₹ 15,960 Lakh)	11,947	17,955
Total	**11,947**	**17,955**

(iv) Unrecognised temporary differences: (₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Temporary difference relating to investment in subsidiaries for which deferred tax liabilities have not been recognised		
Undistributed reserves	7,34,220	3,94,250

Note:

Subsidiaries of Tata Capital Limited have undistributed reserves of ₹ 7,34,220 lakh as on 31st March 2020 which, if paid out as dividends, would be subject to tax in the hands of recipient. An assessable temporary difference exists, but no deferred tax liability has been recognized as Tata Capital Limited is able to control the timing of distribution from these subsidiaries. These subsidiaries are not expected to distribute the dividend out of these reserves in the foreseeable future. Also there are no plans to sell any of the subsidiaries in the foreseeable future and hence no deferred tax liability has been created on the basis of capital gains tax.

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance dated September 20, 2019 inserted a new section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates as per the provisions / conditions defined in the said section. The Company has a one-time option to opt for a reduced maximum marginal tax rate (MMR) of 25.17% (Base tax - 22%, Surcharge - 10% and Health & education cess - 4%) instead of 34.94% (Base tax - 30%, Surcharge - 12% and Health & education cess - 4%) in the current financial year or in the future financial years.

As on March 31, 2020, for Tata Capital group, the following companies have elected to exercise the option given under section 115BAA of the Income Tax Act, 1961:-

1. Tata Capital Limited
2. Tata Capital Financial Services Limited
3. Tata Capital Housing Finance Limited
4. Tata Cleantech Capital Limited
5. Tata Securities Limited

Accordingly, there is charge of ₹ 11,744 lakh in the statement of profit and loss for the year ended March 31, 2020 comprising of charge of ₹ 21,875 lakh on account of re-measurement of opening deferred tax asset (DTA) offset by a gain arising due to reduction in income tax rate of ₹ 10,131 lakh.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "12"

Property, plant, equipment, Investment property and Intangible Assets

(₹ in lakh)

	Gross Block					Accumulated depreciation and amortisation					Net Carrying Value
	Opening balance as at April 1, 2019	Additions/ Adjustments	Deletions	Written off	Closing balance as at March 31, 2020	Opening balance as at April 1, 2019	Depreciation/ Amortisation for the year*	Deletions/ Adjustments	Written off	Closing balance as at March 31, 2020	As at March 31, 2020
TANGIBLE ASSETS											
Buildings	12,828	–	–	–	12,828	1,288	643	–	–	1,931	10,897
	12,828	*–*	*–*	*–*	*12,828*	*644*	*644*	*–*	*–*	*1,288*	*11,540*
Leasehold Improvements	2,932	573	214	–	3,291	1,223	515	151	–	1,587	1,704
	2,555	*452*	*75*	*–*	*2,932*	*652*	*610*	*39*	*–*	*1,223*	*1,709*
Furniture & Fixtures	1,480	240	63	–	1,657	491	336	42	–	785	872
	1,247	*254*	*21*	*–*	*1,480*	*230*	*270*	*9*	*–*	*491*	*989*
Computer Equipment	4,642	1,293	150	3	5,782	1,843	1,390	148	–	3,085	2,697
	3,205	*1,439*	*2*	*–*	*4,642*	*752*	*1,092*	*1*	*–*	*1,843*	*2,799*
Office Equipment	1,406	364	63	–	1,707	641	360	34	–	967	740
	976	*459*	*29*	*–*	*1,406*	*313*	*340*	*12*	*–*	*641*	*765*
Plant & Machinery	510	83	40	–	553	160	80	15	–	225	328
	472	*54*	*16*	*–*	*510*	*85*	*82*	*7*	*–*	*160*	*350*
Vehicles	906	331	208	2	1,027	353	253	162	–	444	583
	726	*439*	*259*	*–*	*906*	*234*	*251*	*132*	*–*	*353*	*553*
Right of use asset	–	12,620	46	–	12,574	–	2,698	7	–	2,691	9,883
	–	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*
ASSETS GIVEN UNDER OPERATING LEASE/RENTAL											
Construction Equipment	14,281	2,356	1,818	–	14,819	4,426	6,318	1,294	–	9,450	5,369
	11,355	*3,296*	*370*	*–*	*14,281*	*1,779*	*2,803*	*156*	*–*	*4,426*	*9,855*
Vehicles	4,256	406	725	–	3,937	1,801	1,447	396	–	2,852	1,085
	2,351	*2,294*	*389*	*–*	*4,256*	*698*	*1,353*	*250*	*–*	*1,801*	*2,455*
Plant & Machinery	65,174	12,839	1,468	55	76,490	16,693	13,907	1,370	–	29,230	47,260
	32,711	*34,031*	*1,568*	*–*	*65,174*	*6,416*	*11,018*	*741*	*–*	*16,693*	*48,481*
Computer Equipment	19,827	10,507	3,826	–	26,508	11,042	5,502	3,352	–	13,192	13,316
	15,018	*6,097*	*1,288*	*–*	*19,827*	*6,584*	*5,562*	*1,104*	*–*	*11,042*	*8,785*
Furniture & Fixtures	1,166	299	149	6	1,310	572	340	145	–	767	543
	957	*252*	*43*	*–*	*1,166*	*296*	*317*	*41*	*–*	*572*	*594*
Office Equipments	3,532	234	899	11	2,856	1,438	758	874	–	1,322	1,534
	1,438	*2,194*	*100*	*–*	*3,532*	*785*	*749*	*96*	*–*	*1,438*	*2,094*
Railway Wagons	15,010	–	–	–	15,010	5,331	2,750	–	–	8,081	6,929
	14,957	*53*	*–*	*–*	*15,010*	*2,580*	*2,751*	*–*	*–*	*5,331*	*9,679*
Electrical Installation & Equipments	1,847	209	4	1	2,051	535	439	4	–	970	1,081
	1,074	*773*	*–*	*–*	*1,847*	*228*	*307*	*–*	*–*	*535*	*1,312*
TANGIBLE ASSETS - TOTAL	**1,49,797**	**42,354**	**9,673**	**78**	**1,82,400**	**47,837**	**37,736**	**7,994**	**–**	**77,579**	**1,04,821**
	1,01,870	*52,087*	*4,160*	*–*	*1,49,797*	*22,276*	*28,149*	*2,588*	*–*	*47,837*	*1,01,961*
INTANGIBLE ASSETS (other than internally generated)											
Software	3,960	549	5	–	4,504	1,013	724	5	–	1,732	2,772
	2,769	*1,191*	*–*	*–*	*3,960*	*455*	*558*	*–*	*–*	*1,013*	*2,947*
INTANGIBLE ASSETS - TOTAL	**3,960**	**549**	**5**	**–**	**4,504**	**1,013**	**724**	**5**	**–**	**1,732**	**2,772**
	2,769	*1,191*	*–*	*–*	*3,960*	*455*	*558*	*–*	*–*	*1,013*	*2,947*
Investment Property	2,605	–	–	–	2,605	237	120	–	–	357	2,248
	2,605	*–*	*–*	*–*	*2,605*	*117*	*120*	*–*	*–*	*237*	*2,368*
Total	**1,56,362**	**42,903**	**9,678**	**78**	**1,89,509**	**49,087**	**38,580**	**7,999**	**–**	**79,668**	**1,09,841**
	1,07,244	*53,278*	*4,160*	*–*	*1,56,362*	*22,848*	*28,828*	*2,588*	*–*	*49,087*	*1,07,276*

Note : 1. Figures in italics relate to March 31, 2019

2. Fair value of investment property as on March 31, 2020 : ₹ 7,992 lakh, the Group has carried out valuation of Investment property as at March 31, 2020. The fair value of the property is assessed based on the market rate for a similar property in the locality.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "13" (₹ in lakh)

OTHER NON-FINANCIAL ASSETS	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
Capital advances	**15,686**	22,674
Prepaid expenses	**2,031**	3,042
Gratuity asset (net)	**141**	404
Balances with government authorities	**11,851**	10,611
Assets held-for-sale/assets included in disposal group(s) held-for-sale	**4,480**	4,978
Provision for assets held-for-sale/assets included in disposal group(s) held-for-sale	**(4,433)**	(4,931)
Rental income accrued	**169**	130
Other advances	**607**	622
Total	**30,532**	**37,530**

NOTE "14"

TRADE PAYABLES

(i) Total outstanding dues of creditors other than micro enterprises and small enterprises

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
Trade payables		
Accrued expenses	**34,203**	39,707
Payable to dealers/vendors	**19,847**	26,156
Payable to related parties	**7,962**	7,700
Due to others	**984**	901
Total	**62,996**	**74,464**

Note - The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group. The amount of principal and interest outstanding during the year is given below :

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(ii) Total outstanding dues of micro enterprises and small enterprises

(₹ in lakh)

	As at March 31, 2020	As at March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	74	–
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year;	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	–	–
Total	**74**	**–**

NOTE "15"

(₹ in lakh)

DEBT SECURITIES	**As at March 31, 2020**	**As at March 31, 2019**
(A)		
At Amortised Cost		
Secured		
– Privately Placed Non-Convertible Debentures (Refer note 15.1 and 15.6 below)	**14,66,994**	17,01,995
– Public issue of Non-Convertible Debentures (Refer note 15.1 and 15.7 below)	**6,83,975**	2,95,826
Unsecured		
– Privately Placed Non-Convertible Debentures (Refer note 15.8 below)	**1,66,109**	1,94,260
– Commercial paper [Net of unamortised discount of ₹ 16,337 lakh (March 31, 2019 : ₹ 23,223 lakh)]	**7,23,988**	9,84,722
Total	**30,41,066**	31,76,803
(B)		
(i) Debt securities in India	**30,41,066**	31,76,803
(ii) Debt securities outside India	**–**	–
Total	**30,41,066**	**31,76,803**

Note:

15.1 Privately Placed Non-Convertible Debentures are secured by pari passu charge on the specific immovable property, specified receivables arising out of loan, lease, hire purchase transactions and to the extent of shortfall in asset cover by a pari passu charge on the current assets of the Group.

15.2 Public issue of Non-Convertible Debentures are secured by a pari passu charge on the specific immovable property, receivables against unsecured loans, bills discounted and trade advances and other current assets of the Group.

15.3 Discount on commercial paper varies between 5.64% to 8.90% (March 31, 2019 : 6.86% to 9.19%) and are repayable at maturity ranging between 3 and 12 months from the date of respective commercial paper.

15.4 Debt securities are not issued to related parties.

15.5 No default has been made in repayment of debt securities for the year ended March 31, 2020

15.6 Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2020

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL NCD 'L' FY 2019-20	6-Mar-20	6-Mar-30	**10,000**	**1,00,000**	–	–
TCHFL NCD "F" 2019-2020	18-Nov-19	16-Nov-29	**10,000**	**1,00,000**	–	–
TCFSL NCD 'H' FY 2019-20	6-Nov-19	6-Nov-29	**1,000**	**10,000**	–	–
TCCL NCD 'B' FY 2019-20	16-Oct-19	16-Oct-29	**600**	**6,000**	–	–
TCCL NCD 'A' FY 2019-20	15-Jul-19	13-Jul-29	**1,400**	**14,000**	–	–
TCFSL NCD "F" FY 2019-20 Option - I	20-Jun-19	20-Jun-29	**2,730**	**27,300**	–	–
TCFSL NCD 'F' FY 2019-20 Op-I Reissuance 1	19-Jul-19	20-Jun-29	**1,000**	**10,000**	–	–
TCFSL NCD "H" FY 2018-19 - Option II	19-Dec-18	19-Dec-28	**1,120**	**11,200**	1,120	11,200
TCFSL NCD "H" FY 2018-19 - Option II - 1 Reissuance on Premium	3-Jan-19	19-Dec-28	**230**	**2,300**	230	2,300
TCHFL NCD "J" FY 2016-17	30-Jun-16	30-Jun-26	**100**	**1,000**	100	1,000
TCHFL NCD "AU" FY 2015-16 Option I	30-Mar-16	30-Mar-26	**150**	**1,500**	150	1,500
TCHFL NCD "AM" FY 2015-16 - Option I	6-Nov-15	6-Nov-25	**350**	**3,500**	350	3,500
TCHFL NCD "AG" FY 2015-16	8-Oct-15	8-Oct-25	**75**	**750**	75	750
TCHFL NCD "AE" FY 2015-16	31-Aug-15	29-Aug-25	**200**	**2,000**	200	2,000
TCHFL NCD"O" FY 2015-16	16-Jun-15	16-Jun-25	**200**	**2,000**	200	2,000
TCHFL NCD V FY 2014-15	23-Jan-15	23-Jan-25	**1,500**	**15,000**	1,500	15,000
TCFSL NCD "E" FY 2019-20 Option - I	4-Jun-19	15-Jan-25	**300**	**3,000**	–	–
TCFSL NCD "E" FY 2019-20 Option - I Reissuance 1	26-Feb-20	15-Jan-25	**350**	**3,500**	–	–
TCHFL NCD R FY 2014-15	9-Dec-14	9-Dec-24	**2,000**	**20,000**	2,000	20,000
TCFSL NCD AF FY 2014-15-Option-I	8-Dec-14	8-Dec-24	**600**	**6,000**	600	6,000
TCFSL NCD AF FY 2014-15-Option-I	8-Dec-14	8-Dec-24	**150**	**1,500**	150	1,500
TCCL NCD 'C' FY 2019-20	5-Dec-19	5-Dec-24	**250**	**2,500**	–	–
TCFSL NCD AA FY 2014-15	20-Nov-14	20-Nov-24	**950**	**9,500**	950	9,500
TCFSL NCD "F" FY 2019-20 Option - II	20-Jun-19	20-Jun-24	**885**	**8,850**	–	–
TCFSL NCD 'F' FY 2019-20 Op-II Reissuance 1	10-Jul-19	20-Jun-24	**1,000**	**10,000**	–	–
TCCL NCD 'C' FY 2017-18	2-Jun-17	3-Jun-24	**100**	**1,000**	100	1,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL NCD "D" FY 2019-20	27-May-19	27-May-24	**2,180**	**21,800**	–	–
TCHFL NCD "AP" FY 2015-16 - Option II	12-Jan-16	12-Jan-24	**150**	**1,500**	150	1,500
TCFSL NCD "H" FY 2018-19 - Option I	19-Dec-18	19-Dec-23	**1,940**	**19,400**	1,940	19,400
TCFSL NCD "H" FY 2018-19 - Option I - 1 Reissuance on Premium	3-Jan-19	19-Dec-23	**975**	**9,750**	975	9,750
TCFSL NCD "H" FY 2018-19 - Option I - 2 Reissuance on Premium	15-Feb-19	19-Dec-23	**300**	**3,000**	300	3,000
TCFSL NCD "H" FY 2018-19 - Option II - 1 Reissuance on Premium	15-Feb-19	19-Dec-23	**550**	**5,500**	550	5,500
TCCL NCD 'B' FY 2018-19	18-Dec-18	18-Dec-23	**1,800**	**18,000**	1,800	18,000
TCHFL NCD "E" FY 2016-17	4-May-16	4-May-23	**200**	**2,000**	200	2,000
TCHFL NCD U FY 2012-13	12-Mar-13	10-Mar-23	**100**	**1,000**	100	1,000
TCCL NCD 'D' FY 2019-20	17-Feb-20	17-Feb-23	**2,000**	**20,000**	–	–
TCCL MLD "A" FY 2019-20	31-May-19	30-Jan-23	**729**	**729**	–	–
TCCL MLD "A" 2019-20 Reissuance 1	10-Jun-19	30-Jan-23	**278**	**280**	–	–
TCCL MLD "A" 2019-20 Reissuance 2	19-Jun-19	30-Jan-23	**321**	**324**	–	–
TCCL MLD "A" 2019-20 Reissuance 3	20-Sep-19	30-Jan-23	**1,502**	**1,554**	–	–
TCCL MLD "A" 2019-20 Reissuance 4	3-Oct-19	30-Jan-23	**1,054**	**1,093**	–	–
TCCL MLD "A" 2019-20 Reissuance 5	10-Dec-19	30-Jan-23	**1,000**	**1,053**	–	–
TCCL MLD "A" 2019-20 Reissuance 6	23-Dec-19	30-Jan-23	**1,300**	**1,373**	–	–
TCFSL NCD "P" FY 2017-18	22-Jan-18	20-Jan-23	**480**	**4,800**	480	4,800
TCFSL NCD "P" FY 2017-18 Reissuance 1	12-Feb-20	20-Jan-23	**1,250**	**12,500**	–	–
TCHFL NCD R FY 2012-13	18-Jan-13	18-Jan-23	**150**	**1,500**	150	1,500
TCHFL NCD "AP" FY 2015-16 - Option I	12-Jan-16	12-Jan-23	**150**	**1,500**	150	1,500
TCHFL NCD Q FY 2012-13	28-Dec-12	29-Dec-22	**100**	**1,000**	100	1,000
TCFSL Market Link NCD Tranche "B" FY 2018-19	20-Mar-19	5-Dec-22	**2,500**	**25,000**	2,500	25,000
TCFSL Market Linked Tranche 'B' 2018-19 Reissuance 1	20-Sep-19	5-Dec-22	**50**	**500**	–	–
TCHFL NCD "G" FY 2019-20	11-Dec-19	25-Oct-22	**150**	**1,500**	–	–
TCFSL NCD "AH" FY 2012-13	5-Sep-12	5-Sep-22	**500**	**5,000**	500	5,000
TCHFL Market Link NCD "A" 2019-20	22-Aug-19	22-Aug-22	**990**	**990**	–	–
TCHFL NCD "X" FY 2015-16	29-Jul-15	29-Jul-22	**750**	**7,500**	750	7,500
TCFSL NCD "B" FY 2019-20	14-May-19	6-Jul-22	**210**	**2,100**	–	–
TCHFL NCD "C" FY 2019-20	4-Jul-19	4-Jul-22	**250**	**2,500**	–	–
TCFSL NCD "I" FY 2018-19	3-Jan-19	10-Jun-22	**400**	**4,000**	400	4,000
TCFSL NCD 'I' FY 2018-19 Reissuance 1	27-Sep-19	10-Jun-22	**100**	**1,000**	–	–
TCFSL NCD 'I' FY 2019-20	10-Dec-19	10-Jun-22	**250**	**2,500**	–	–
TCHFL NCD G FY 2012-13	18-May-12	18-May-22	**100**	**1,000**	100	1,000
TCFSL NCD 'J' FY 2019-20	30-Jan-20	29-Apr-22	**2,000**	**20,000**	–	–
TCFSL NCD "A" FY 2019-20	25-Apr-19	25-Apr-22	**500**	**5,000**	–	–
TCFSL Market Linked Tranche 'A' 2018-19 Tranch-III	27-Feb-19	14-Apr-22	**137**	**1,370**	137	1,370
TCFSL Market Linked Tranche 'A' 2018-19 Tranch-III Reissuance 1	12-Mar-19	14-Apr-22	**159**	**1,590**	159	1,590

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-III Reissuance 2	26-Apr-19	14-Apr-22	**100**	**1,000**	–	–
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-III Reissuance 3	7-Jun-19	14-Apr-22	**175**	**1,750**	–	–
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-III Reissuance 4	5-Feb-20	14-Apr-22	**200**	**2,000**	–	–
TCHFL NCD “C” FY 2018-19	7-Dec-18	13-Apr-22	**993**	**9,930**	993	9,930
TCHFL C Series FY 18-19 Reissuance	9-Jan-19	13-Apr-22	**700**	**7,000**	700	7,000
TCHFL NCD “C” FY 2018-19 reissuance2	25-Apr-19	13-Apr-22	**1,250**	**12,500**	–	–
TCFSL NCD “D” FY 2018-19	22-Oct-18	8-Apr-22	**1,120**	**11,200**	1,120	11,200
TCFSL NCD “D” FY 2018-19 Further issue Annual Compounding Premium	23-Jan-19	8-Apr-22	**485**	**4,850**	485	4,850
TCFSL NCD “AL” FY 2016-17	31-Mar-17	31-Mar-22	**400**	**4,000**	400	4,000
TCFSL NCD “N” FY 2018-19 - Option II	27-Mar-19	25-Mar-22	**2,825**	**28,250**	2,825	28,250
TCHFL NCD “D” FY 2019-20	19-Aug-19	11-Mar-22	**1,000**	**10,000**	–	–
TCFSL NCD “I” FY 2017-18	20-Jul-17	28-Feb-22	**750**	**7,500**	750	7,500
TCFSL NCD “M” FY 2018-19	21-Feb-19	21-Feb-22	**500**	**5,000**	500	5,000
TCFSL NCD “K” FY 2017-18	16-Aug-17	14-Jan-22	**750**	**7,500**	750	7,500
TCFSL NCD “AG” FY 2016-17	28-Dec-16	28-Dec-21	**2,720**	**27,200**	2,720	27,200
TCHFL NCD “W” FY 2016-17	28-Dec-16	28-Dec-21	**4,080**	**40,800**	4,080	40,800
TCFSL NCD “E” FY 2018-19	26-Oct-18	26-Oct-21	**3,262**	**32,620**	3,262	32,620
TCCL NCD ‘B’ FY 2016-17	17-Oct-16	15-Oct-21	**150**	**1,500**	150	1,500
TCHFL Market Link NCD B 2019-20	30-Sep-19	30-Sep-21	**614**	**614**	–	–
TCHFL NCD “T” FY 2016-17	15-Sep-16	15-Sep-21	**100**	**1,000**	100	1,000
TCFSL NCD ‘G’ FY 2019-20	27-Sep-19	13-Sep-21	**500**	**5,000**	–	–
TCFSL Market Link NCD “A” FY 2019-20	2-Aug-19	2-Aug-21	**344**	**3,440**	–	–
TCHFL NCD “K” FY 2016-17	5-Jul-16	5-Jul-21	**200**	**2,000**	200	2,000
TCHFL NCD “B” FY 2019-20	27-May-19	2-Jul-21	**500**	**5,000**	–	–
TCFSL NCD “E” FY 2019-20 Option - II	4-Jun-19	4-Jun-21	**1,080**	**10,800**	–	–
TCFSL NCD “G” FY 2016-17	30-May-16	28-May-21	**500**	**5,000**	500	5,000
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-II	27-Feb-19	14-Apr-21	**1,175**	**11,750**	1,175	11,750
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-II Reissuance 1	12-Mar-19	14-Apr-21	**385**	**3,850**	385	3,850
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-II Reissuance 2	29-Mar-19	14-Apr-21	**260**	**2,600**	260	2,600
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-II Reissuance 3	26-Apr-19	14-Apr-21	**60**	**600**	–	–
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-II Reissuance 4	7-Jun-19	14-Apr-21	**425**	**4,250**	–	–
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-II Reissuance 5	28-Jun-19	14-Apr-21	**100**	**1,000**	–	–
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-II Reissuance 6	13-Sep-19	14-Apr-21	**465**	**4,650**	–	–

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCHFL NCD “A” FY 2016-17	12-Apr-16	12-Apr-21	**1,200**	**12,000**	1,200	12,000
TCFSL NCD “N” FY 2018-19 - Option I	27-Mar-19	26-Mar-21	**5,250**	**52,500**	5,250	52,500
TCFSL NCD “N” FY 2018-19 - Option I Reissuance 1 on Premium	4-Jun-19	26-Mar-21	**1,500**	**15,000**	–	–
TCFSL NCD “AB” FY 2015-16	21-Mar-16	19-Mar-21	**100**	**1,000**	100	1,000
TCFSL NCD “K” FY 2019-20	18-Feb-20	17-Mar-21	**1,000**	**10,000**	–	–
TCFSL NCD “AA” FY 2015-16	16-Mar-16	16-Mar-21	**70**	**700**	70	700
TCHFL NCD “E” FY 2019-20	4-Sep-19	11-Mar-21	**3,000**	**30,000**	–	–
TCFSL NCD “O” FY 2017-18	12-Jan-18	22-Jan-21	**750**	**7,500**	750	7,500
TCHFL NCD “AS” FY 2015-16	22-Jan-16	22-Jan-21	**200**	**2,000**	200	2,000
TCFSL NCD “J” FY 2018-19	10-Jan-19	11-Jan-21	**250**	**2,500**	250	2,500
TCFSL NCD “X” FY 2015-16	16-Dec-15	16-Dec-20	**100**	**1,000**	100	1,000
TCHFL NCD “AM” FY 2015-16 - Option II	6-Nov-15	6-Nov-20	**50**	**500**	50	500
TCCL NCD ‘F’ FY 2015-16	19-Oct-15	19-Oct-20	**200**	**2,000**	200	2,000
TCHFL NCD “AI” FY 2015-16	16-Oct-15	16-Oct-20	**500**	**5,000**	500	5,000
TCHFL NCD “AH” FY 2015-16	14-Oct-15	14-Oct-20	**200**	**2,000**	200	2,000
TCCL NCD ‘E’ FY 2015-16	4-Sep-15	4-Sep-20	**200**	**2,000**	200	2,000
TCHFL NCD “I” FY 2017-18	31-Aug-17	31-Aug-20	**3,500**	**35,000**	3,500	35,000
TCFSL NCD “C” FY 2019-20	21-May-19	25-Aug-20	**500**	**5,000**	–	–
TCCL NCD ‘A’ FY 2018-19	24-Aug-18	24-Aug-20	**750**	**7,500**	750	7,500
TCHFL NCD “AB” FY 2015-16	20-Aug-15	20-Aug-20	**100**	**1,000**	100	1,000
TCHFL NCD “AA” FY 2015-16	17-Aug-15	17-Aug-20	**1,000**	**10,000**	1,000	10,000
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-I	27-Feb-19	14-Aug-20	**1,448**	**14,480**	1,448	14,480
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-I Reissuance 1	12-Mar-19	14-Aug-20	**102**	**1,020**	102	1,020
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-I Reissuance 2	28-Mar-19	14-Aug-20	**340**	**3,400**	340	3,400
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-I Reissuance 3	4-Apr-19	14-Aug-20	**100**	**1,000**	–	–
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-I Reissuance 4	30-Apr-19	14-Aug-20	**491**	**4,910**	–	–
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-I Reissuance 5	15-May-19	14-Aug-20	**250**	**2,500**	–	–
TCFSL Market Linked Tranche ‘A’ 2018-19 Tranch-I Reissuance 6	28-May-19	14-Aug-20	**525**	**5,250**	–	–
TCHFL NCD “Z” FY 2015-16	7-Aug-15	7-Aug-20	**300**	**3,000**	300	3,000
TCFSL NCD “E” FY 2017-18	6-Jul-17	6-Aug-20	**500**	**5,000**	500	5,000
TCCL NCD ‘F’ FY 2017-18	28-Jul-17	3-Aug-20	**2,000**	**20,000**	2,000	20,000
TCCL NCD ‘C’ FY 2015-16	20-Jul-15	20-Jul-20	**200**	**2,000**	200	2,000
TCFSL NCD “K” FY 2018-19 - Option I	16-Jan-19	15-Jul-20	**3,760**	**37,600**	3,760	37,600
TCFSL NCD “G” FY 2017-18	12-Jul-17	10-Jul-20	**250**	**2,500**	250	2,500
TCFSL NCD “G” FY 2017-18 Reissuance on Discount	10-Apr-19	10-Jul-20	**1,000**	**10,000**	–	–
TCHFL NCD”T” FY 2015-16 - Option I	9-Jul-15	9-Jul-20	**100**	**1,000**	100	1,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCHFL NCD “A” FY 2019-20	21-May-19	8-Jul-20	**1,250**	**12,500**	–	–
TCFSL NCD “U” FY 2016-17	26-Aug-16	1-Jul-20	**150**	**1,500**	150	1,500
TCHFL NCD “E” FY 2017-18	7-Jun-17	30-Jun-20	**50**	**500**	50	500
TCFSL NCD “L” FY 2018-19	29-Jan-19	29-Jun-20	**3,500**	**35,000**	3,500	35,000
TCFSL NCD “G” FY 2018-19	30-Nov-18	26-Jun-20	**1,300**	**13,000**	1,300	13,000
TCFSL NCD “G” FY 2018-19 Further issue - I on Par Premium	10-Jan-19	26-Jun-20	**300**	**3,047**	300	3,047
TCFSL NCD “G” FY 2018-19 Further issue - II on Par Premium	23-Jan-19	26-Jun-20	**1,490**	**15,185**	1,490	15,185
TCHFL NCD “D” FY 2018-19	19-Mar-19	26-Jun-20	**750**	**7,500**	750	7,500
TCHFL NCD “D” FY 2018-19 Reissuance	5-Apr-19	26-Jun-20	**5,050**	**50,500**	–	–
TCHFL NCD “F” FY 2017-18	14-Jun-17	15-Jun-20	**550**	**5,500**	550	5,500
TCFSL NCD “D” FY 2017-18	9-Jun-17	9-Jun-20	**10,150**	**1,01,500**	10,150	1,01,500
TCCL NCD ‘D’ FY 2017-18	7-Jun-17	5-Jun-20	**250**	**2,500**	250	2,500
TCCL NCD ‘A’ FY 2017-18	15-May-17	15-May-20	**200**	**2,000**	200	2,000
TCCL NCD ‘B’ FY 2017-18	17-May-17	15-May-20	**500**	**5,000**	500	5,000
TCFSL NCD “E” FY 2015-16	5-May-15	5-May-20	**3,300**	**33,000**	3,300	33,000
TCHFL NCD “C” FY 2017-18	20-Apr-17	29-Apr-20	**50**	**500**	50	500
TCFSL NCD “F” FY 2018-19	26-Nov-18	20-Mar-20	**–**	**–**	750	7,500
TCFSL NCD “K” FY 2018-19 Option - II	16-Jan-19	20-Mar-20	**–**	**–**	4,000	40,000
TCHFL NCD “Y” FY 2016-17	17-Mar-17	17-Mar-20	**–**	**–**	3,000	30,000
TCFSL NCD “AJ” FY 2016-17	1-Mar-17	28-Feb-20	**–**	**–**	250	2,500
TCHFL NCD Z FY 2014-15	12-Feb-15	12-Feb-20	**–**	**–**	100	1,000
TCHFL NCD “X” FY 2016-17	10-Feb-17	7-Feb-20	**–**	**–**	514	5,140
TCFSL NCD “Q” FY 2017-18	24-Jan-18	24-Jan-20	**–**	**–**	7,000	70,000
TCFSL NCD “C” FY 2018-19	19-Jul-18	20-Jan-20	**–**	**–**	3,950	39,500
TCFSL NCD “C” FY 2018-19 Further Issuance Discount	6-Dec-18	20-Jan-20	**–**	**–**	2,300	23,000
TCFSL NCD “B” FY 2018-19	29-Jun-18	27-Dec-19	**–**	**–**	1,850	18,500
TCFSL NCD “B” FY 2018-19 Further Issuance Discount	5-Jul-18	27-Dec-19	**–**	**–**	1,800	18,000
TCFSL NCD “I” FY 2016-17 Op-II	10-Jun-16	23-Dec-19	**–**	**–**	130	1,300
TCHFL NCD “G” FY 2016-17 Option -II	10-Jun-16	23-Dec-19	**–**	**–**	130	1,300
TCFSL NCD “AE” FY 2016-17	16-Nov-16	16-Dec-19	**–**	**–**	750	7,500
TCFSL NCD “AD” FY 2016-17	10-Nov-16	10-Dec-19	**–**	**–**	230	2,300
TCFSL NCD “AC” FY 2016-17	27-Oct-16	25-Oct-19	**–**	**–**	350	3,500
TCHFL NCD G FY 2014-15	22-Oct-14	22-Oct-19	**–**	**–**	550	5,500
TCHFL NCD K FY 2012-13	3-Oct-12	3-Oct-19	**–**	**–**	100	1,000
TCHFL NCD “B” FY 2018-19	20-Jul-18	30-Sep-19	**–**	**–**	5,700	57,000
TCFSL NCD “L” FY 2017-18	29-Sep-17	27-Sep-19	**–**	**–**	2,000	20,000
TCFSL NCD “A” FY 2018-19	19-Jun-18	19-Sep-19	**–**	**–**	5,400	54,000
TCFSL NCD “V” FY 2016-17 Op-II	31-Aug-16	30-Aug-19	**–**	**–**	250	2,500
TCHFL NCD “R” FY 2016-17	30-Aug-16	30-Aug-19	**–**	**–**	250	2,500
TCFSL NCD “T” FY 2016-17	25-Aug-16	23-Aug-19	**–**	**–**	250	2,500
TCHFL NCD D FY 2014-15 - Option-II	22-Aug-14	22-Aug-19	**–**	**–**	100	1,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCHFL NCD "P" FY 2016-17	8-Aug-16	8-Aug-19	–	–	250	2,500
TCCL NCD 'G' FY 2017-18	8-Aug-17	8-Aug-19	–	–	500	5,000
TCCL NCD 'G' FY 2017-18	11-Sep-17	8-Aug-19	–	–	277	2,772
TCFSL NCD "J" FY 2017-18	7-Aug-17	7-Aug-19	–	–	5,500	55,000
TCFSL NCD "J" FY 2017-18 Further Issuance Premium	1-Sep-17	7-Aug-19	–	–	2,478	24,780
TCHFL NCD "A" FY 2018-19	30-May-18	30-Jul-19	–	–	900	9,000
TCFSL NCD "P" FY 2016-17	29-Jul-16	29-Jul-19	–	–	100	1,000
TCHFL NCD "N" FY 2016-17	29-Jul-16	29-Jul-19	–	–	100	1,000
TCCL NCD 'E' FY 2017-18	26-Jul-17	26-Jul-19	–	–	500	5,000
TCHFL NCD B FY 2014-15 - Option-II	22-Jul-14	22-Jul-19	–	–	100	1,000
TCFSL NCD "O" FY 2016-17	19-Jul-16	19-Jul-19	–	–	250	2,500
TCHFL NCD "H" FY 2017-18	21-Jul-17	19-Jul-19	–	–	1,250	12,500
TCFSL NCD "H" FY 2017-18	18-Jul-17	18-Jul-19	–	–	5,000	50,000
TCFSL NCD "N" FY 2016-17	12-Jul-16	12-Jul-19	–	–	2,000	20,000
TCHFL NCD "M" FY 2016-17	14-Jul-16	12-Jul-19	–	–	100	1,000
TCHFL NCD "G" FY 2017-18	13-Jul-17	12-Jul-19	–	–	1,000	10,000
TCFSL NCD "F" FY 2017-18	10-Jul-17	10-Jul-19	–	–	1,000	10,000
TCFSL NCD "C" FY 2014-15 Option-II	9-Jul-14	9-Jul-19	–	–	350	3,500
TCFSL NCD "I" FY 2016-17 Option-I	10-Jun-16	24-Jun-19	–	–	250	2,500
TCHFL NCD "G" FY 2016-17 Option-I	10-Jun-16	24-Jun-19	–	–	20	200
TCHFL NCD "H" FY 2016-17	14-Jun-16	14-Jun-19	–	–	50	500
TCCL NCD 'A' FY 2016-17	14-Jun-16	14-Jun-19	–	–	250	2,500
TCHFL NCD A FY 2014-15 - Option-II	13-Jun-14	13-Jun-19	–	–	100	1,000
TCFSL NCD "B" FY 2017-18	30-May-17	30-May-19	–	–	2,250	22,500
TCHFL NCD "D" FY 2017-18	30-May-17	30-May-19	–	–	250	2,500
TCFSL NCD "N" FY 2017-18	29-Nov-17	29-May-19	–	–	500	5,000
TCFSL NCD "F" FY 2016-17	24-May-16	24-May-19	–	–	250	2,500
TCHFL NCD "AT" FY 2015-16	2-Mar-16	16-May-19	–	–	220	2,200
TCFSL NCD "Z" FY 2015-16	5-Feb-16	3-May-19	–	–	1,000	10,000
TCFSL NCD "D" FY 2016-17	20-Apr-16	19-Apr-19	–	–	100	1,000
TCFSL NCD "AC" FY 2015-16	31-Mar-16	18-Apr-19	–	–	213	2,130
TCHFL NCD "AU" FY 2015-16 Option II	30-Mar-16	18-Apr-19	–	–	100	1,000
TCHFL NCD "B" FY 2016-17	18-Apr-16	18-Apr-19	–	–	150	1,500
TCHFL NCD "B" FY 2017-18	17-Apr-17	16-Apr-19	–	–	1,750	17,500
TCFSL NCD "A" FY 2017-18	10-Apr-17	10-Apr-19	–	–	10,250	1,02,500
TCFSL NCD "B" FY 2016-17	7-Apr-16	8-Apr-19	–	–	200	2,000
TCHFL NCD "A" FY 2017-18	5-Apr-17	5-Apr-19	–	–	2,550	25,500
Total				**14,66,352**		**17,03,264**
Add: Unamortised premium				**1,650**		388
Less : Unamortised borrowing cost				**(1,008)**		(1,657)
Privately Placed Non-Convertible Debentures				**14,66,994**		**17,01,995**

*Coupon rate of "NCDs" outstanding as on March 31, 2020 varies from 6.60% to 10.10% (March 31, 2019 : 7.50% to 9.85%)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

15.7 Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2020:

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCHFL NCD "Series IV" FY 2019-20	14-Jan-20	14-Jan-28	**12,025**	**120**	–	–
TCHFL NCD "Series IV" FY 2019-20	14-Jan-20	14-Jan-28	**3,82,776**	**3,828**	–	–
TCHFL NCD "Series V" FY 2019-20	14-Jan-20	14-Jan-28	**1,17,900**	**1,179**	–	–
TCHFL NCD "Series V" FY 2019-20	14-Jan-20	14-Jan-28	**9,05,697**	**9,057**	–	–
TCFSL SERIES III TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-27	**92,48,14,000**	**9,248**	–	–
TCFSL SERIES III TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-27	**6,00,39,35,000**	**60,039**	–	–
TCHFL NCD "Series II" FY 2019-20	14-Jan-20	14-Jan-25	**51,892**	**519**	–	–
TCHFL NCD "Series II" FY 2019-20	14-Jan-20	14-Jan-25	**5,41,471**	**5,415**	–	–
TCHFL NCD "Series III" FY 2019-20	14-Jan-20	14-Jan-25	**3,35,925**	**3,359**	–	–
TCHFL NCD "Series III" FY 2019-20	14-Jan-20	14-Jan-25	**23,48,032**	**23,480**	–	–
TCFSL SERIES II TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-24	**97,71,40,000**	**9,771**	–	–
TCFSL SERIES II TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-24	**3,40,91,75,000**	**34,092**	–	–
TCFSL NCD Series II (2019)	27-Sep-18	27-Sep-23	**7,68,789**	**7,688**	7,68,789	7,688
TCFSL NCD Series II (2019)	27-Sep-18	27-Sep-23	**1,45,70,710**	**1,45,707**	1,45,70,710	1,45,707
TCHFL NCD "Series I" FY 2019-20	14-Jan-20	14-Jan-23	**2,99,345**	**2,993**	–	–
TCHFL NCD "Series I" FY 2019-20	14-Jan-20	14-Jan-23	**1,42,24,535**	**1,42,245**	–	–
TCFSL SERIES I TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-22	**96,61,34,000**	**9,661**	–	–
TCFSL SERIES I TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-22	**7,52,25,82,000**	**75,226**	–	–
TCFSL NCD Series I (2019)	27-Sep-18	27-Sep-21	**5,02,863**	**5,029**	5,02,863	5,029
TCFSL NCD Series I (2019)	27-Sep-18	27-Sep-21	**1,41,77,673**	**1,41,777**	1,41,77,673	1,41,777
Total				**6,90,433**		**3,00,201**
Less: Unamortised borrowing cost				**(6,458)**		(4,375)
Total				**6,83,975**		**2,95,826**

Note : Coupon rate of above outstanding as on March 31, 2020 varies from 7.92% to 8.90% (March 31, 2019 : 8.70% to 8.90%)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

15.8 Particulars of Privately Placed unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2020:

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL Unsecured NCD Partly paid "A" FY 2018-19	19-Mar-19	17-Mar-34	**2,360**	**23,600**	1,180	11,800
TCFSL Unsecured NCD Partly paid "A" FY 2019-20	23-Mar-20	17-Mar-34	**1,000**	**10,000**	–	–
TCL Unsecured NCD C FY 2019-20 Option I	7-Feb-20	28-Jun-23	**1,250**	**12,500**	–	–
TCL Unsecured NCD C FY 2019-20 Option II	7-Feb-20	13-Mar-23	**1,250**	**12,500**	–	–
TCL Unsecured NCD D FY 2019-20	20-Feb-20	21-Dec-22	**3,000**	**30,000**	–	–
TCL Unsecured NCD B FY 2019-20 Option II	3-Dec-19	3-Jun-22	**4,000**	**40,000**	–	–
TCL Unsecured NCD B FY 2019-20 Option I	3-Dec-19	3-Dec-21	**3,000**	**30,000**	–	–
TCL Unsecured NCD A FY 2019-20	29-Aug-19	27-Aug-21	**750**	**7,500**	–	–
TCL Unsecured NCD D FY 2017-18	5-Sep-17	5-Mar-20	**–**	**–**	2,000	20,000
TCL Unsecured NCD A FY 2018-19	18-Jun-18	18-Dec-19	**–**	**–**	4,500	45,000
TCL Unsecured NCD D FY 2016-17 Option II	18-Aug-16	19-Aug-19	**–**	**–**	250	2,500
TCFSL Unsecured NCD A FY 2017-18	27-Jun-17	27-Jun-19	**–**	**–**	8,000	80,000
TCL Unsecured NCD C FY 2017-18	22-Jun-17	21-Jun-19	**–**	**–**	1,000	10,000
TCL Unsecured NCD B FY 2017-18	31-May-17	31-May-19	**–**	**–**	2,250	22,500
TCL Unsecured NCD A FY 2017-18	26-Apr-17	26-Apr-19	**–**	**–**	250	2,500
Total				**1,66,100**		**1,94,300**
Less: Unamortised borrowing cost				**9**		(40)
Total				**1,66,109**		**1,94,260**

Note : Coupon rate of above outstanding as on March 31, 2020 varies from 7.85% to 9.22% (March 31, 2019 : 7.75% to 9.32%)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "16" (₹ in lakh)

BORROWINGS (OTHER THAN DEBT SECURITIES)	**As at March 31, 2020**	**As at March 31, 2019**
(A)		
At Amortised Cost		
(a) Term Loans		
Secured		
(i) From Banks (Refer note 16.1 and 16.2 below)	**19,66,640**	12,79,093
(ii) From National Housing Bank (Refer note 16.5 Below)	**5,04,955**	5,84,659
(iii) From others (Refer note 16.1 Below)	**84,443**	64,443
(iv) From external commercial borrowing	**2,63,717**	51,048
Unsecured		
(i) From banks (Refer note 16.1 below)	**76,667**	3,29,942
(b) Loan repayable on demand		
Secured		
(i) From Banks		
(a) Working capital demand loan (Refer note 16.1 and 16.3 below)	**5,78,473**	5,47,900
(b) Bank Overdraft (Refer note 16.1 and 16.6 below)	**27,645**	2,45,835
(c) Cash Credit (Refer note 16.1 and 16.6 below)	**180**	78,112
Unsecured		
(i) From Banks		
(a) Working capital demand loan	**2,200**	40,000
(c) Other loans		
Unsecured		
(i) Inter corporate deposits from others (Refer note 16.4 below)	**2,600**	**12,200**
Total	**35,07,520**	**32,33,232**
(B)		
(i) Borrowings (other than debt securities) in India	32,43,802	31,82,184
(ii) Borrowings (other than debt securities) outside India	2,63,718	51,048
Total	**35,07,520**	**32,33,232**

16.1 Loans and advances from banks are secured by pari passu charge on the receivables of the Group through Security Trustee.

16.2 Rate of interest payable on term loans varies between 5.68% to 9.25% (March 31, 2019 : 8.10% to 9.40%)

16.3 Rate of interest payable on Working Capital Demand Loan varies between 7.25% to 9.10% (March 31, 2019 : 8.45% to 9.05%)

16.4 Rate of interest payable on Inter-corporate deposits varies between 7.95% to 8.85% (March 31, 2019 : 8.05% to 8.84%)

16.5 Loan from National Housing Bank is secured by way of hypothecation of book debt and guarantee / Letter of comfort from Tata Capital Limited and is repayable in 28-60 Days (as at March 31, 2019: 28-60 Days) quarterly installments. Rate of Interest payable on Term loan varies between 4.61% to 8.90% (as at March 31, 2019 4.61% to 9.80%).

16.6 Rate of Interest payable on Cash Credit and Bank over draft varies between 7.45% to 9.10% (as at March 31, 2019 8.25% to 8.95%).

16.7 No default has been made in repayment of any borrowings and/or interest for the year ended March 31, 2020.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "17" (₹ in lakh)

SUBORDINATED LIABILITIES	As at March 31, 2020	As at March 31, 2019
(A)		
At Amortised cost		
Unsecured		
Non-Convertible Subordinated Debentures (Refer note 17.1 below)	**3,09,692**	3,00,657
Non-Convertible Perpetual Debentures (Refer note 17.2 below)	**78,943**	78,886
Cumulative Redeemable Preference Shares (Refer note 17.3 below)	**1,46,552**	1,90,478
Total	**5,35,187**	**5,70,021**
(B)		
(i) Subordinated liabilities in India	**5,35,187**	5,70,021
(ii) Subordinated liabilities outside India	**–**	–
Total	**5,35,187**	**5,70,021**

Note: No default has been made in repayment of subordinated liabilities for the year ended March 31, 2020.

17.1 Particulars of Subordinated unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2020

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCHFL Tier II Bond Series VI FY-2019-20	14-Jan-20	14-Jan-30	**7,80,402**	**7,804**	–	–
TCFSL SERIES IV TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-29	**46,500**	**465**	–	–
TCFSL SERIES IV TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-29	**17,26,973**	**17,270**	–	–
TCFSL NCD Series III (2019)	27-Sep-18	27-Sep-28	**2,95,490**	**2,955**	2,95,490	2,955
TCFSL NCD Series III (2019)	27-Sep-18	27-Sep-28	**34,18,488**	**34,185**	34,18,488	34,185
Sub total (A)				**62,679**		**37,140**

*Note : Coupon rate of above outstanding as on March 31, 2020 varies from 8.75% to 9.10% (March 31, 2019 : 9.00% to 9.10%)

Particulars of Subordinated unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2020

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL Tier-II Bond "B" FY 2019-20	13-Nov-19	13-Nov-29	**1,000**	**10,000**	–	–
TCFSL Tier-II Bond "B" FY 2019-20 Premium Reissuance 1	3-Jan-20	13-Nov-29	**700**	**7,000**	–	–
TCCL Tier II Bond 'B' FY 2019-20	13-Nov-19	13-Nov-29	**500**	**5,000**	–	–
TCCL Tier II Bond 'B' FY 2019-20 Reissuance no 1	3-Feb-20	13-Nov-29	**1,000**	**10,000**	–	–
TCCL Tier II Bond 'B' FY 2019-20 Reissuance no 2	24-Feb-20	13-Nov-29	**500**	**5,000**	–	–
TCCL Tier II Bond 'A' FY 2019-20	10-May-19	10-May-29	**500**	**5,000**	–	–
TCCL Tier II Bond 'A' FY 2019-20 Reissuance no 1	29-May-19	10-May-29	**500**	**5,000**	–	–
TCCL Tier II Bond 'A' FY 2019-20 Reissuance no 2	27-Jun-19	10-May-29	**500**	**5,000**	–	–

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL Tier-II Bond "A" FY 2019-20	16-Apr-19	16-Apr-29	**200**	**2,000**	–	–
TCFSL Tier II NCD "A" FY 2019-20 Discount Reissuance 1	13-Jun-19	16-Apr-29	**650**	**6,500**	–	–
TCFSL Tier II NCD "A" FY 2019-20 Premium Reissuance 2	26-Jun-19	16-Apr-29	**1,000**	**10,000**	–	–
TCFSL Tier II NCD "A" FY 2019-20 Premium Reissuance 3	29-Jul-19	16-Apr-29	**295**	**2,950**	–	–
TCFSL Tier-II Bond "A" FY 2018-19	28-Dec-18	28-Dec-28	**2,000**	**20,000**	2,000	20,000
TCFSL Tier-II Bond "B" FY 2016-17	26-Oct-16	26-Oct-26	**150**	**1,500**	150	1,500
TCFSL Tier-II Bond "A" FY 2016-17	11-Aug-16	11-Aug-26	**2,000**	**20,000**	2,000	20,000
TCHFL Tier II Bond A FY 2016-17	4-Aug-16	4-Aug-26	**2,000**	**20,000**	2,000	20,000
TCFSL Tier II Bond "B" FY 2015-16	30-Mar-16	30-Mar-26	**2,000**	**20,000**	2,000	20,000
TCHFL Tier II Bond H FY 2015-16	15-Mar-16	13-Mar-26	**200**	**2,000**	200	2,000
TCHFL Tier II Bond G FY 2015-16	17-Dec-15	17-Dec-25	**250**	**2,500**	250	2,500
TCHFL Tier II Bond F FY 2015-16	15-Dec-15	15-Dec-25	**250**	**2,500**	250	2,500
TCHFL Tier II Bond E FY 2015-16	4-Nov-15	4-Nov-25	**300**	**3,000**	300	3,000
TCHFL Tier II Bond D FY 2015-16	21-Sep-15	19-Sep-25	**150**	**1,500**	150	1,500
TCHFL Tier II Bond C FY 2015-16	16-Sep-15	16-Sep-25	**100**	**1,000**	100	1,000
TCFSL Tier II Bond "A" FY 2015-16	22-Jul-15	22-Jul-25	**900**	**9,000**	900	9,000
TCHFL Tier II Bond B FY 2015-16	22-Jul-15	22-Jul-25	**350**	**3,500**	350	3,500
TCHFL Tier-II Bond A FY 2015-16	28-Apr-15	28-Apr-25	**400**	**4,000**	400	4,000
TCFSL Tier II Bond "D" FY 2014-15	31-Mar-15	31-Mar-25	**2,000**	**20,000**	2,000	20,000
TCFSL Tier II Bond "C" FY 2014-15	30-Jan-15	30-Jan-25	**750**	**7,500**	750	7,500
TCFSL Tier II Bond "B" FY 2014-15	7-Jan-15	7-Jan-25	**350**	**3,500**	350	3,500
TCFSL Tier II Bond "A" FY 2014-15	26-Sep-14	26-Sep-24	**1,000**	**10,000**	1,000	10,000
TCHFL Tier II Bond A FY 2014-15	26-Sep-14	26-Sep-24	**480**	**4,800**	480	4,800
TCHFL Tier II Bond E FY 2013-14	18-Mar-14	18-Mar-24	**4**	**40**	4	40
TCHFL Tier II Bond D FY 2013-14	10-Jan-14	10-Jan-24	**77**	**770**	77	770
TCHFL Tier II Bond C FY 2013-14	20-May-13	19-May-23	**10**	**100**	10	100
TCHFL Tier II Bond B FY-2013-14	23-Apr-13	23-Apr-23	**21**	**210**	21	210
TCHFL Tier II Bond A FY-2013-14	15-Apr-13	15-Apr-23	**250**	**2,500**	250	2,500
TCHFL Tier II Bond E FY-2012-13	28-Mar-13	28-Mar-23	**150**	**1,500**	150	1,500
TCHFL Tier II Bond D FY-2012-13	22-Aug-12	22-Aug-22	**330**	**3,300**	330	3,300
TCHFL Tier II Bond C FY-2012-13	30-May-12	30-May-22	**300**	**3,000**	300	3,000
TCHFL Tier II Bond B FY-2012-13	30-May-12	30-May-22	**3**	**30**	3	30
TCHFL Tier II Bond A FY-2012-13	10-May-12	10-May-22	**10**	**100**	10	100
TCHFL Tier II Bond F FY-2011-12	12-Mar-12	12-Mar-22	**102**	**1,020**	102	1,020
TCHFL Tier II Bond E FY-2011-12	25-Jan-12	25-Jan-22	**135**	**1,350**	135	1,350
TCHFL Tier II Bond D FY-2011-12	4-Nov-11	4-Nov-21	**101**	**1,010**	101	1,010
TCHFL Tier II Bond C FY-2011-12	28-Oct-11	28-Oct-21	**11**	**110**	11	110
TCHFL Tier II Bond B FY-2011-12	29-Sep-11	29-Sep-21	**253**	**2,530**	253	2,530
TCL Tier II Bond "H" FY 2009-10	24-Dec-09	24-Dec-19	**–**	**–**	1,000	5,000
TCL Tier II Bond "G" FY 2009-10	18-Dec-09	18-Dec-19	**–**	**–**	3,000	15,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCL Tier II Bond “E” FY 2009-10	15-Dec-09	15-Dec-19	–	–	5,725	28,625
TCL Tier II Bond “F” FY 2009-10	30-Nov-09	30-Nov-19	–	–	1,135	5,318
TCL Tier II Bond “D” FY 2009-10	28-Oct-09	28-Oct-19	–	–	1,479	7,395
TCL Tier II Bond “C” FY 2009-10	28-Oct-09	28-Oct-19	–	–	1,580	7,900
TCL Tier II Bond “B” FY 2009-10	9-Sep-09	9-Sep-19	–	–	1,704	17,040
TCL Tier II Bond “A” FY 2009-10	4-Aug-09	4-Aug-19	–	–	391	3,910
Total				**2,47,320**		**2,64,058**
Less: Unamortised borrowing cost				**(307)**		(541)
Total				**2,47,013**		**2,63,517**

*Net of unamortised premium as on March 31,2020 ₹ 383 lakh (March 31, 2019 : ₹ Nil lakh)

*Net of unamortised discount as on March 31,2020 ₹ 10 lakh (March 31, 2019 : ₹ Nil lakh)

*Note : Coupon rate of above outstanding as on March 31, 2020 varies from 8.45% to 10.25% (March 31, 2019: 8.45% to 10.50%)

17.2 Particulars of Perpetual unsecured non-convertible debentures (“NCDs”) outstanding as on March 31, 2020

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2020*		As at March 31, 2019*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL Perpetual ‘C’ FY 2017-18	11-Sep-17	11-Sep-27	**930**	**9,300**	930	9,300
TCFSL Perpetual ‘B’ FY 2017-18	14-Jul-17	14-Jul-27	**500**	**5,000**	500	5,000
TCFSL Perpetual ‘A’ FY 2017-18	21-Jun-17	21-Jun-27	**500**	**5,000**	500	5,000
TCFSL Perpetual ‘C’ FY 2016-17	8-Mar-17	8-Mar-27	**400**	**4,000**	400	4,000
TCFSL Perpetual ‘B’ FY 2016-17	13-Jan-17	13-Jan-27	**100**	**1,000**	100	1,000
TCFSL Perpetual ‘A’ FY 2016-17	30-Jun-16	30-Jun-26	**500**	**5,000**	500	5,000
TCFSL Perpetual E FY 2015-16	23-Mar-16	23-Mar-26	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual D FY 2015-16	9-Feb-16	9-Feb-26	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual C FY 2015-16	2-Feb-16	2-Feb-26	**500**	**5,000**	500	5,000
TCFSL Perpetual B FY 2015-16	6-Jan-16	6-Jan-26	**500**	**5,000**	500	5,000
TCFSL Perpetual A FY 2015-16	16-Jul-15	16-Jul-25	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual A FY 2013-14	27-Mar-14	27-Mar-24	**1,871**	**9,355**	1,871	9,355
TCL Perpetual D FY 2011-12	7-Nov-11	7-Nov-21	**5**	**25**	5	25
TCL Perpetual C FY 2011-12	28-Sep-11	28-Sep-21	**10**	**50**	10	50
TCL Perpetual B FY 2011-12	8-Aug-11	8-Aug-21	**61**	**305**	61	305
TCL Perpetual A FY 2011-12	5-May-11	5-May-21	**20**	**100**	20	100
TCL Perpetual B FY 2010-11	14-Jan-11	14-Jan-21	**18**	**90**	18	90
TCL Perpetual A FY 2010-11	15-Nov-10	15-Nov-20	**15**	**75**	15	75
Total				**79,300**		**79,300**
Less: Unamortised borrowing cost				**(357)**		(414)
Total				**78,943**		**78,886**

*Note : Coupon rate of above outstanding as on March 31, 2020 varies from 8.61% to 11.25% (March 31, 2019: 8.61% to 11.25%)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Description of NCDs	Year ended March 31, 2020	Year ended March 31, 2019
Funds Raised through Perpetual Debt Instruments	–	19,300
Amount outstanding at the end of year	**79,300**	79,300
Percentage of amount of Perpetual Debt Instruments of the amount of Tier I Capital	–	18.43%

17.3 Particulars of Subordinated unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2020

(₹ in lakh)

Particulars	Tranche	No. of shares	Allotment Date	Redemption Date/ Actual Redemption Date	Early Redemption Date/ Actual Redemption Date	March 31, 2020	March 31, 2019
12.50% Cumulative Redeemable Preference Shares of ₹ 1,000 each issued at premium of ₹ 500 per share and redeemable at a premium of ₹ 500 per share.	A	9,84,078	August 10, 2012	August 9, 2019	August 9, 2019	–	14,758
	B	4,11,614	October 22, 2012	October 21, 2019	October 21, 2019	–	6,171
	C	1,66,666	December 10, 2012	December 9, 2019	December 9, 2019	–	2,497
	D	1,04,308	January 21, 2013	January 20, 2020	January 20, 2020	–	1,562
	E	2,00,000	February 27, 2013	February 26, 2020	February 26, 2020	–	2,993
	F	2,04,400	March 28, 2013	March 27, 2020	March 27, 2020	–	3,058
8.33% Cumulative Redeemable Preference Shares of ₹ 1,000 each	N	46,48,500	April 22, 2015	April 21, 2022	April 21, 2022	–	46,438
	O	3,51,500	September 7, 2015	September 6, 2022	September 6, 2022	–	3,511
7.50% Cumulative Redeemable Preference Shares of ₹ 1,000 each	P	7,50,000	September 2, 2016	September 1, 2023	November 30, 2020	**7,500**	7,461
	Q	10,00,000	September 16, 2016	September 15, 2023	November 30, 2020	**10,000**	9,948
	R	5,00,000	October 7, 2016	October 6, 2023	November 30, 2020	**5,000**	4,973
	S	7,50,000	October 27, 2016	October 26, 2023	November 30, 2020	**7,500**	7,460
	T	13,50,000	March 10, 2017	March 9, 2024	May 31, 2021	**13,494**	13,410
	U	6,50,000	July 7, 2017	July 6, 2024	October 30, 2021	**6,495**	6,448
	V	7,50,000	July 12, 2017	July 11, 2024	October 30, 2021	**7,495**	7,440
	W	7,50,000	July 26, 2017	July 25, 2024	October 30, 2021	**7,494**	7,440
7.33% Cumulative Redeemable Preference Shares of ₹ 1,000 each	X	7,50,000	July 28, 2017	July 27, 2024	October 30, 2021	**7,495**	7,441
	Y	7,47,500	August 4, 2017	August 3, 2024	October 30, 2021	**7,469**	7,414
7.15% Cumulative Redeemable Preference Shares of ₹ 1,000 each	Z	7,50,000	September 15, 2017	September 14, 2024	January 31, 2022	**7,491**	7,434
7.10% Cumulative Redeemable Preference Shares of ₹ 1,000 each	AA	7,50,000	September 29, 2017	September 28, 2024	January 31, 2022	**7,488**	7,432
	AB	4,00,000	April 20, 2018	April 19, 2025	September 30, 2022	**3,995**	3,959
	AC	4,00,000	May 10, 2018	May 9, 2025	September 30, 2022	**3,995**	3,959
	AD	3,34,500	June 15, 2018	June 14, 2025	September 30, 2022	**3,340**	3,309
7.75% Cumulative Redeemable Preference Shares of ₹ 1,000 each	AE	4,00,000	March 13, 2019	March 12, 2026	June 30, 2023	**3,993**	3,962
7.50% Cumulative Redeemable Preference Shares of ₹ 1,000 each	AF	4,00,000	June 12, 2019	June 11, 2026	September 30, 2023	**3,993**	–
	AG	4,00,000	June 28, 2019	June 27, 2026	October 31, 2023	**3,993**	–
	AH	3,90,000	August 7, 2019	August 6, 2026	November 30, 2023	**3,890**	–
	AI	4,00,000	August 28, 2019	August 27, 2026	November 30, 2023	**3,994**	–
	AJ	4,00,000	August 30, 2019	August 29, 2026	December 31, 2023	**3,994**	–
	AK	4,00,000	September 4, 2019	September 3, 2026	January 31, 2024	**3,984**	–
	AL	4,00,000	September 9, 2019	September 8, 2026	February 29, 2024	**3,984**	–
	AM	4,50,000	September 18, 2019	September 17, 2026	March 31, 2024	**4,493**	–
	AN	4,00,000	September 24, 2019	September 23, 2026	March 31, 2024	**3,983**	–
Total						**1,46,552**	**1,90,478**

Note : Date of Redemption and / or Early Date of Redemption refers to Actual date of redemption for Tranche A, Tranche B, Tranche C, Tranche D, Tranche E, Tranche F, Tranche N and Tranche O.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "18" (₹ in lakh)

OTHER FINANCIAL LIABILITIES	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
Security deposits	**43,733**	38,339
Payable for capital expenditure	**2,945**	2,741
Advances from customers	**1,363**	4,816
Interest accrued but not due on borrowings	**1,19,252**	1,11,703
Accrued employee benefit expense	**9,999**	21,684
Unclaimed matured debentures and accrued interest thereon	**34**	52
Payable under letter of credit/buyers credit facility	**29,369**	14,617
Amounts payable - assigned loans	**2,031**	2,388
Lease liabilities	**11,374**	–
Other financial liabilities	**501**	–
Total	**2,20,601**	**1,96,340**

NOTE "19" (₹ in lakh)

PROVISIONS	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
(a) Provision for employee benefits		
Gratuity	440	82
Compensated absences	2,466	2,172
Long-term service award	130	114
Share based payments to employees	86	273
(b) Others		
Sundry liabilities account (interest capitalisation)	–	172
Total	**3,122**	**2,813**

NOTE "20" (₹ in lakh)

OTHER NON-FINANCIAL LIABILITIES	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
Statutory dues	5,671	5,665
Revenue received in advance	897	1,747
Other payables	1,579	1,307
Total	**8,147**	**8,719**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "21"

EQUITY SHARE CAPITAL

(I) Share capital authorised, issued, subscribed and paid up

(₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
Authorised:				
Equity Shares of ₹ 10 each	**4,75,00,00,000**	**4,75,000**	4,75,00,00,000	4,75,000
Preference shares of ₹ 1000 each	**3,25,00,000**	**3,25,000**	3,25,00,000	3,25,000
		8,00,000		**8,00,000**
Issued, Subscribed & Paid up:				
Equity shares of ₹ 10 each fully paid	**3,46,44,18,148**	**3,46,442**	3,26,98,44,264	3,26,984
Less: Loans to Employees		**(67)**		(203)
		3,46,375		**3,26,781**

(II) Terms/rights attached to equity shares

The Holding Company has issued and alloted 19,60,78,430 Equity Shares of face value ₹ 10 each, at premium of ₹ 41 per share during the year ended March 31, 2020 (During the year ended March 31, 2019, the Holding Company has issued and alloted 49,40,71,144 Equity Shares of face value ₹ 10 each, at premium of ₹ 40.60 per share)

(III) Reconciliation of the shares outstanding at the beginning and at the end of the year

(₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
At the beginning of the year	3,26,98,44,264	3,26,984	2,77,25,40,165	2,77,254
Issued during the year	**19,60,78,430**	**19,608**	49,40,71,144	49,407
Add/(less): Net shares issued to employees by ESOP trust	**(15,04,145)**	**(150)**	32,32,955	323
Outstanding at the end of the year	**3,46,44,18,549**	**3,46,442**	**3,26,98,44,264**	**3,26,984**

(IV) Equity shares in the Company held by the holding company

(₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
Tata Sons Private Limited	3,32,45,83,520	3,32,458	3,12,85,05,090	3,12,851
	3,32,45,83,520	**3,32,458**	**3,12,85,05,090**	**3,12,851**

(V) Details of shareholders holding more than 5% shares in the company

(₹ in lakh)

Equity Shares	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Tata Sons Private Limited	3,32,45,83,520	94.55%	3,12,85,05,090	94.23%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Rights, preferences and restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a face value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. Tata Sons Private Limited is the ultimate holding company.

(VI) Capital Management

The objective of the Group's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth of its subsidiaries. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated.

(VII) Employee stock option scheme

A. Description of share based payments:

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019
i. Vesting requirements	1/3rd at the end of each 12, 24 and 36 months from the date of grant	100% at the end of 12 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant
ii. Maximum term of option	6 years	2 years	7 years	7 years
iii. Method of settlement	Cash settled	Cash settled	Equity settled	Equity settled
iv. Modifications to share based payment plans	N.A.	N.A.	N.A.	N.A.
iv. Any other details as disclosed in the audited Ind AS financial statements	N.A.	N.A.	N.A.	N.A.

B. Summary of share based payments

March 31, 2020

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019	Total
Outstanding balance at the beginning of the year	**3,45,761**	**65,25,706**	**78,25,000**	**–**	**1,46,96,467**
Options granted	–	–	–	76,00,000	76,00,000
Options forfeited	–	–	5,96,050	4,00,000	9,96,050
Options exercised	1,22,987	7,58,500	78,950	–	9,60,437
Options expired	2,22,774	57,67,206	–	–	59,89,980
Options lapsed	–	–	–	–	–
Options outstanding at the end of the year	**–**	**–**	**71,50,000**	**72,00,000**	**1,43,50,000**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019	Total
Options exercisable at the end of the year	–	–	71,50,000	72,00,000	1,43,50,000
For share options exercised:					
Weighted average exercise price at date of exercise	–	–	–	–	33.74
Money realized by exercise of options	–	–	–	–	3,24,03,445
For share options outstanding					
Range of exercise prices	25.00	33.40	50.60	51.00	
Average remaining contractual life of options	–	–	5.50	6.34	5.92
Modification of plans	N.A.	N.A.	N.A.	N.A.	
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	

March 31, 2019

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019	Total
Outstanding balance at the beginning of the year	**8,93,011**	**1,10,70,000**	**–**	**–**	**1,19,63,011**
Options granted	–	–	78,25,000	–	78,25,000
Options forfeited	3,30,750	25,80,000	–	–	29,10,750
Options exercised	2,16,500	19,64,294	–	–	21,80,794
Options expired	–	–	–	–	–
Options lapsed	–	–	–	–	–
Options outstanding at the end of the year	**3,45,761**	**65,25,706**	**78,25,000**	**–**	**1,46,96,467**
Options exercisable at the end of the period	3,45,761	65,25,706	–	–	68,71,467
For share options exercised:					
Weighted average exercise price at date of exercise	–	–	–	–	32.57
Money realized by exercise of options	–	–	–	–	7,10,19,920
For share options outstanding					
Range of exercise prices	25.00	33.40	50.60	–	
Average remaining contractual life of options	0.33	–	6.51	–	3.47
Modification of plans	N.A.	N.A.	N.A.	N.A.	
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

C. Valuation of stock options

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black & Scholes formula. The inputs used in measuring the fair values at grant date of the equity-settled sharebased payment plans were as follows :

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019
Share price:	25.00	33.40	50.60	51.00
Exercise Price:	25.00	33.40	50.60	51.00
Fair value of option:	8.60	8.40	23.34	23.02
Valuation model used:	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation
Expected Volatility:	0.37	0.35	0.38	0.41
Basis of determination of expected volatility:	Average historical volatility over 3 years of comparable companies	Average historical volatility over 2 years of comparable companies	Average historical volatility over 4.85 years of comparable companies	Average historical volatility over 4.85 years of comparable companies
Contractual Option Life (years):	3	2	7	7
Expected dividends:	–	–	–	–
Risk free interest rate:	8.00%	6.57%	8.04%	6.28%
Vesting Dates	33.33% vesting on July 29, 2014 66.67% vesting on July 29, 2015 100% vesting on July 29, 2016	100% vesting on April 2, 2018	20% vesting on September 30, 2019 40% vesting on September 30, 2020 70% vesting on September 30, 2021 100% vesting on September 30, 2022	20% vesting on August 01, 2020 40% vesting on August 01, 2021 70% vesting on August 01, 2022 100% vesting on August 01, 2023
Valuation of incremental fair value on modification	N.A.	N.A.	N.A.	N.A.

D) Options granted and inputs used for measurement of fair value of options, for the key managerial employees and other senior employees

As at March 31, 2020

Name of Scheme	Mr. Rajiv Sabharwal		Mr. Puneet Sharma*	
	Granted	Exercised	Granted	Exercised
ESPS 2009	–	–	1,31,838	1,31,838
ESPS 2011	–	–	–	–
ESOP 2011	–	–	80,000	80,000
PS 2013	–	–	14,212	14,212
ESPS 2013	–	–	–	–
ESOP 2013	–	–	–	–
ESOP 2016	–	–	10,000	10,000
ESOP 2017	–	–	10,000	10,000
ESOP 2018	16,00,000	–	4,00,000	78,950
ESOP 2019	16,00,000	–	4,00,000	–
Total	**32,00,000**	**–**	**10,46,050**	**3,25,000**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

Name of Scheme	Mr. Rakesh Bhatia*		Ms. Avan Doomasia	
	Granted	Exercised	Granted	Exercised
ESPS 2009	50,151	50,151	80,615	80,615
ESPS 2011	–	–	–	–
ESOP 2011	–	–	60,000	60,000
PS 2013	–	–	8,690	8,690
ESPS 2013	–	–	–	–
ESOP 2013	–	–	–	–
ESOP 2016	–	–	10,000	10,000
ESOP 2017	–	–	10,000	10,000
ESOP 2018	–	–	1,25,000	–
ESOP 2019	–	–	1,00,000	–
Total	**50,151**	**50,151**	**3,94,305**	**1,69,305**

* Mr. Puneet Sharma ceased to be a KMP w.e.f. February 16, 2020 and Mr. Rakesh Bhatia was appointed as KMP w.e.f. March 02, 2020.

As at March 31, 2019

Name of Scheme	Mr. Rajiv Sabharwal		Mr. Puneet Sharma	
	Granted	Exercised	Granted	Exercised
ESPS 2009	–	–	1,31,838	1,31,838
ESPS 2011	–	–	–	–
ESOP 2011	–	–	80,000	80,000
PS 2013	–	–	14,212	14,212
ESPS 2013	–	–	–	–
ESOP 2013	–	–	–	–
ESOP 2016	–	–	10,000	10,000
ESOP 2017	–	–	10,000	10,000
ESOP 2018	16,00,000	–	4,00,000	–
ESOP 2019	–	–	–	–
Total	**16,00,000**	**–**	**6,46,050**	**2,46,050**

As at March 31, 2019

Name of Scheme	Ms. Avan Doomasia	
	Granted	Exercised
ESPS 2009	80,615	80,615
ESPS 2011	–	–
ESOP 2011	60,000	60,000
PS 2013	8,690	8,690
ESPS 2013	–	–
ESOP 2013	–	–
ESOP 2016	10,000	10,000
ESOP 2017	10,000	10,000
ESOP 2018	1,25,000	–
ESOP 2019	–	–
Total	**2,94,305**	**1,69,305**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "22"

(₹ in lakh)

OTHER EQUITY	**As at March 31, 2020**	**As at March 31, 2019**
Securities premium	**2,93,419**	2,13,689
Capital reserve	**43**	43
Capital redemption reserve	**575**	575
Debenture redemption reserve	**30,000**	30,000
Special reserve account	**1,08,732**	98,760
Retained earnings	**93,412**	77,373
General reserve	**1,297**	632
Employee stock option outstanding account	**1,531**	978
Foreign currency translation reserve	**8,342**	6,945
Other comprehensive income		
Remeasurement of defined benefit liability/asset	**(1,357)**	(451)
Fair value changes of financial instrument measured at fair value through other comprehensive income	**439**	1,361
The effective portion of gains and loss on hedging instruments in a cost of hedge	**(586)**	–
Debt instruments through other comprehensive income	**(126)**	(52)
Total	**5,35,721**	**4,29,853**

1. **Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Account.
2. **Capital Reserve:** Reserve created on accounting of merger of subsidiaries.
3. **Capital Redemption Reserve:** This reserve has been created and held in books as per requirement of the Companies Act.
4. **Debenture redemption reserve:** As per section 71(4) of the Companies Act 2013, created out of the profits of the Group available for payment of dividend and credited to such account, shall not be utilised except for redemption of debentures
5. **Special reserve Account/ Statutory Reserve:** As prescribed by Section 45-IC of the Reserve Bank of India Act, 1934, Section 29C of National Housing Bank Act 1987,and Section 36 (1) (viii) of the Income Tax Act,1961. No appropriation of any sum from the reserve fund shall be made by the Group except for the purpose as may be specified by RBI/NHB from time to time.
6. **General reserve:** Transfer of fair value of options granted to employees from ESOP Reserve to General Reserve on lapse/forefeiture/ exercise of options by employees.
7. **Employee stock option outstanding account:** The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option scheme.
8. **Foreign Currency Translation Reserve:** The reserve is created on account of translation of assets and liabilities of foreign subsidiaries.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "23" (₹ in lakh)

INTEREST INCOME	**Year ended March 31, 2020**	**Year ended March 31, 2019**
On financial assets measured at:		
(i) Amortised cost		
Interest on loans and credit substitutes	**8,89,761**	7,51,676
Interest income from investments	**421**	768
Interest on deposits with bank	**2,176**	636
Other interest income	**60**	22
(ii) Fair value through other comprehensive income		
Interest on loans and credit substitutes	**7,106**	4,069
Interest on debentures	**381**	–
Total	**8,99,905**	**7,57,171**

NOTE "24" (₹ in lakh)

FEES AND COMMISSION INCOME	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Foreclosure charges	**7,362**	6,438
Fees on value added services and products	**1,003**	684
Advisory fees	**4,871**	1,127
Distribution fee	**335**	463
Others (valuation charges, PDD charges etc)	**5,366**	4,691
Total	**18,936**	**13,402**

NOTE "25" (₹ in lakh)

NET GAIN/(LOSS) ON FAIR VALUE CHANGES	**Year ended March 31, 2020**	**Year ended March 31, 2019**
(A) Net gain/(loss) on financial instruments classified at fair value through profit or loss		
(i) On trading portfolio		
– Investments	**1,466**	–
(ii) On financial instruments designated at fair value through profit or loss		
(B) Others	**(13,727)**	24,682
Total	**(12,261)**	**24,682**
(C) Fair value changes:		
– Realised	**9,620**	11,663
– Unrealised	**(21,881)**	13,019
Total	**(12,261)**	**24,682**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "26" (₹ in lakh)

OTHER INCOME	Year ended March 31, 2020	Year ended March 31, 2019
Branch advertisement income	**3,980**	5,905
Income from distribution of financial products	**5,456**	3,671
Exchange gains (net)	**9**	9
Net gain on derecognition of property, plant and equipment	**577**	202
Interest on income tax refund	**4**	161
Income from advisory services	**9,153**	15,764
Other miscellaneous Income	**995**	1,277
Total	**20,174**	**26,989**

NOTE "27" (₹ in lakh)

FINANCE COSTS	Year ended March 31, 2020	Year ended March 31, 2019
At Amortised Cost		
Interest on borrowings other than debt securities	**2,63,105**	2,13,550
Interest on debt securities	**1,85,924**	1,62,737
Interest on subordinated liabilities	**49,602**	48,745
Dividend on Compulsorily Convertible Cumulative Preference Shares (including dividend distribution tax thereon)	**799**	3,458
Interest on external commercial borrowings (ECB)	**9,126**	–
Interest cost of lease liabilities	**1,036**	–
Other interest expenses	**802**	1,182
Discounting Charges		
(i) On commercial paper	**66,095**	88,093
(ii) On debentures	**598**	1,080
Total	**5,77,087**	**5,18,845**

NOTE "28" (₹ in lakh)

IMPAIRMENT ON FINANCIAL INSTRUMENTS	Year ended March 31, 2020	Year ended March 31, 2019
Loans and credit substitutes		
Stage I and Stage II provisioning		
– At amortised cost	**35,676**	10,847
– At FVTOCI	**4**	187
Stage III provisioning (net of recoveries)	**97,631**	56,273
Less : Delinquency Support	**(50)**	(763)
Write off - Loans and credit substitutes	**96,380**	72,927
Less : Provision reversal on write off	**(96,380)**	(72,927)
Provision against Restructured Advances	**–**	(325)
Impairment on Investments	**8,396**	–
Trade receivables	**(494)**	301
Total	**1,41,163**	**66,520**

Note:The increase in the ECL impairment allowance is on account of increase in credit risk and deterioration in economic conditions. For detailed note on impact of COVID 19 on ECL impairment allowance, refer note no 44.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "29" (₹ in lakh)

EMPLOYEE BENEFITS EXPENSES	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	**60,703**	74,130
Contribution to provident and other fund	**2,836**	3,140
Share based payments to employees	**1,489**	550
Staff welfare expenses	**1,624**	2,907
Expenses related to post-employment defined benefit plans	**747**	764
Total	**67,399**	**81,491**

The Supreme Court of India in its judgement in the case of THE REGIONAL PROVIDENT FUND COMMISSIONER (II) WEST BENGAL v/s VIVEKANANDA VIDYAMANDIR AND OTHERS on February 28, 2019 has clarified that any emolument paid universally, necessarily and ordinarily to all employees across the board is to be considered as basic wage and accordingly needs to be considered for calculation of Provident Fund contribution. The Group has made an estimate of the liability and as a matter of caution, the Group has made a provision ₹ 1,350 lakh for the year ended March 31, 2019. The Group would record any further effect in its financial statements, in the period in which it receives additional clarity on the said subject.

NOTE "30" (₹ in lakh)

OTHER EXPENSES	Year ended March 31, 2020	Year ended March 31, 2019
Advertisements and publicity	**3,534**	4,349
Brand Equity and Business Promotion	**2,685**	2,499
Corporate social responsibility expenses	**1,885**	1,808
Donations	**–**	2,000
Equipment hire charges	**171**	218
Information Technology expenses	**15,541**	14,377
Insurance charges	**1,622**	1,395
Incentive / commission/ brokerage	**437**	257
Legal and professional fees	**8,851**	18,018
Loan processing fees	**3,620**	4,111
Printing and stationery	**1,016**	1,269
Provision against assets held for sale	**(746)**	1,446
Power and fuel	**1,046**	1,188
Repairs and maintenance	**420**	367
Rent, rates and taxes	**1,069**	4,893
Stamp charges	**630**	807
Service providers' charges	**25,989**	21,560
Training and recruitment	**828**	962
Telephone, telex and leased line	**602**	862
Travelling and conveyance	**4,286**	4,491
Directors remuneration	**472**	357
Other miscellaneous expenses [Refer note 30(a) below]	**337**	1,821
Total	**74,295**	**89,055**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Auditors' remuneration (excl. Taxes)

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Audit fees	**236**	216
(ii) Tax audit fees	**13**	12
(iii) Other services*	**48**	12
(iv) Towards reimbursement of expenses	**2**	2
Total	**299**	**242**

(Auditors' remuneration is part of Other expenses)

*Includes certification expenses

(b) Corporate social responsibility expenses

(i) Gross amount required to be spent by the Group during the year was ₹ 1,885 lakh (PY: ₹ 1,808 lakh)

(ii) Amount spent during the year on:

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
On purposes other than construction/acquisition of any asset	**1,885**	1,808

NOTE "31"

The financial statements of the following subsidiaries have been consolidated as per Ind AS 110 on Consolidated Financial Statements as on March 31, 2020:-

Sr No.	Name of the Subsidiary	Country of Incorporation	% Holding as at March 31, 2020	% Holding as at March 31, 2019
1	Tata Securities Limited	India	**100.00**	100.00
2	Tata Capital Housing Finance Limited	India	**100.00**	100.00
3	Tata Capital Financial Services Limited	India	**100.00**	100.00
4	Tata Capital Growth Fund	India	**73.75**	73.75
5	Tata Cleantech Capital Limited	India	**80.50**	80.50
6	Tata Capital Pte. Limited	Singapore	**100.00**	100.00
7	Tata Capital Markets Pte. Limited (Subsidiary of Tata Capital Pte. Limited)	Singapore	**100.00**	100.00
8	Tata Capital Advisors Pte. Limited (Subsidiary of Tata Capital Pte. Limited)	Singapore	**100.00**	100.00
9	Tata Capital Plc (Subsidiary of Tata Capital Pte. Limited)	United Kingdom	**100.00**	100.00
10	Tata Capital General Partners LLP (Subsidiary of Tata Capital Pte. Limited)	Singapore	**80.00**	80.00
11	Tata Capital Healthcare General Partners LLP (Subsidiary of Tata Capital Pte. Limited)	Singapore	**100.00**	100.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sr No.	Name of the Subsidiary	Country of Incorporation	% Holding as at March 31, 2020	% Holding as at March 31, 2019
12	Tata Capital Healthcare II General Partners LLP (Subsidiary of Tata Capital Pte. Limited)	Singapore	**100.00**	100.00
13	Tata Opportunities General Partners LLP (Subsidiary of Tata Capital Pte. Limited)	Singapore	**90.00**	90.00
14	Tata Capital Growth II General Partners LLP	Singapore	**80.00**	80.00
15	Tata Capital Special Situation Fund	India	**28.20**	28.18
16	Tata Capital Innovation Fund	India	**27.69**	27.13
17	Tata Capital Growth Fund II	India	**–***	14.96
18	Tata Capital Healthcare Fund I	India	**32.17**	32.12
19	Tata Capital Healthcare Fund II	India	**–***	–
20	TCL Employee Welfare Trust	India	**–**	–

*Note:- Consolidated based on capital contributed towards portfolio investment and expenses

NOTE "32"

The Group has investments in the following associates, which are accounted under the Equity Method in accordance with the Ind AS 28 on Accounting for Investment in Associate in Consolidated Financial Statements as on March 31, 2020:-

(₹ In lakh)

Sr No	Name of Associates	As on	Country of Incorpo-rataion	Ownership Interest (%)	Original Cost of Investment	Amount of Goodwill/ (Capital Reserve) in original cost	Share of post acquisition Reserves & Surplus	Impairment	Carrying Amount of Investments
	Equity Shares								
1	Tata AutoComp Systems Limited	March 31, 2020	India	24.00%	18,528	12,145	17,163	–	35,691
		March 31, 2019	India	24.00%	18,528	12,145	16,761	–	35,289
2	Tata Technologies Limited	March 31, 2020	India	4.48%	4,707	(1,474)	2,597	–	7,304
		March 31, 2019	India	4.35%	4,707	(1,474)	2,533	–	7,240
3	Novalead Pharma Private Limited	March 31, 2020	India	20.34%	2,335	1,912	(42)	–	2,293
		March 31, 2019	India	20.34%	2,335	1,912	(36)	–	2,299
4	Shriji Polymers (India) Limited	March 31, 2020	India	2.60%	1,268	424	392	–	1,660
		March 31, 2019	India	2.60%	1,268	424	302	–	1,570
5	Vortex Engineering Private Limited	March 31, 2020	India	18.49%	2,900	2,141	–	(1,600)	1,300
		March 31, 2019	India	18.49%	2,900	2,141	–	(1,400)	1,500
6	Pluss Advanced Technologies Limited	March 31, 2020	India	36.61%	1,500	754	(134)	–	1,366
		March 31, 2019	India	37.50%	1,500	754	(131)	–	1,369
7	Sea6 Energy Private Limited	March 31, 2020	India	29.58%	3,500	2,200	(490)	–	3,010
		March 31, 2019	India	32.04%	3,500	2,200	(121)	–	3,379
8	Alef Mobitech Solutions Private Limited	March 31, 2020	India	25.70%	1,588	859	(508)	–	1,080
		March 31, 2019	India	28.01%	1,588	859	(267)	–	1,321

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lakh)

Sr No	Name of Associates	As on	Country of Incorpo-rataion	Ownership Interest (%)	Original Cost of Investment	Amount of Goodwill/ (Capital Reserve) in original cost	Share of post acquisition Reserves & Surplus	Impairment	Carrying Amount of Investments
9	Tema India Limited	March 31, 2020	India	0.01%	1	1	–	–	1
		March 31, 2019	India	0.01%	1	1	–	–	1
10	Kapsons Industries Private Limited	March 31, 2020	India	0.01%	1	1	–	–	1
		March 31, 2019	India	0.01%	1	1	–	–	1
11	Tata Projects Limited	March 31, 2020	India	2.21%	2,823	621	1,193	–	4,016
		March 31, 2019	India	2.21%	2,823	621	906	–	3,729
12	Tata Sky Limited	March 31, 2020	India	0.72%	5,242	6,272	885	–	6,127
		March 31, 2019	India	0.72%	5,242	6,272	502	–	5,744
13	TVS Supply Chain Solutions Limited	March 31, 2020	India	0.63%	1,465	1,036	1	–	1,466
		March 31, 2019	India	0.68%	1,465	1,036	87	–	1,552
14	Shriram Properties Private Limited	March 31, 2020	India	1.50%	3,935	3,004	–	(1,535)	2,400
		March 31, 2019	India	1.50%	3,935	3,004	–	(585)	3,350
15	Fincare Business Services Limited	March 31, 2020	India	0.78%	734	214	125	–	859
		March 31, 2019	India	0.80%	734	214	38	–	772
16	Roots Corporation Limited	March 31, 2020	India	2.43%	2,062	1,203	–	(625)	1,437
		March 31, 2019	India	2.43%	2,062	1,203	–	(128)	1,934
	Total	**March 31, 2020**			**52,589**	**31,313**	**21,182**	**(3,760)**	**70,011**
		March 31, 2019			**52,589**	**31,313**	**20,574**	**(2,113)**	**71,050**
	Preference Shares								
1	Lokmanaya Hospital Private Limited	March 31, 2020	India	–	2,464	–	–	–	2,464
		March 31, 2019	India	–	2,464	–	–	–	2,464
2	Shriji Polymers (India) Limited	March 31, 2020	India	–	3,278	–	–	–	3,278
		March 31, 2019	India	–	3,278	–	–	–	3,278
3	Tema India Limited	March 31, 2020	India	–	4,500	–	–	–	4,500
		March 31, 2019	India	–	4,500	–	–	–	4,500
4	Kapsons Industries Private Limited	March 31, 2020	India	–	6,000	–	–	(3,901)	2,099
		March 31, 2019	India	–	6,000	–	–	(901)	5,099
5	Pluss Advanced Technologies Limited	March 31, 2020	India	–	1,020	–	–	–	1,020
		March 31, 2019	India	–	1,000	–	–	–	1,000
6	Alef Mobitech Solutions Private Limited	March 31, 2020	India	–	1,712	–	–	–	1,712
		March 31, 2019	India	–	1,712	–	–	–	1,712
	Total	**March 31, 2020**			**18,974**	**–**	**–**	**(3,901)**	**15,073**
		March 31, 2019			**18,954**	**–**	**–**	**(901)**	**18,053**
	Grand Total	**March 31, 2020**			**71,563**	**31,313**	**21,182**	**(7,661)**	**85,084**
		March 31, 2019			**71,543**	**31,313**	**20,574**	**(3,014)**	**89,103**

Notes:

1) Consolidated based on unaudited financial statements as at the year/relevant period during the year.

NOTE "33"

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ In lakh)

Name of the entity	As at 31 March 2020		As at 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019	
	Net assets, i.e., total assets minus total liabilities				Share in profit and loss				Share in other comprehensive income				Share in total comprehensive income			
	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount
Parent:																
Tata Capital Limited	77.89	6,87,023	77.07	5,83,136	9.88	2,924	3.53	2,752	(43.26)	472	(5.51)	(198)	11.92	3,398	3.13	2,554
Subsidiaries																
Indian																
Tata Capital Financial Services Limited	70.44	6,21,336	53.44	4,04,358	38.39	11,361	56.05	43,711	124.66	(1,360)	(4.82)	(173)	35.09	10,001	53.37	43,538
Tata Capital Housing Finance Limited	31.42	2,77,177	12.94	97,893	51.48	15,235	6.47	5,047	4.58	(50)	(1.36)	(49)	53.28	15,185	6.13	4,998
Tata Cleantech Capital Limited	11.20	98,755	11.44	86,559	41.42	12,256	13.10	10,215	12.28	(134)	1.48	53	42.53	12,122	12.59	10,268
Tata Securities Limited	0.29	2,583	0.33	2,488	0.33	99	1.03	805	0.37	(4)	0.06	2	0.33	95	0.99	807
Tata Capital Growth Fund	0.88	7,767	1.04	7,857	2.99	885	39.14	30,528	15.95	(174)	5.96	214	2.49	711	37.68	30,742
Tata Capital Healthcare Fund I	1.10	9,718	1.28	9,648	(0.57)	(170)	24.92	19,438	–	–	–	–	(0.60)	(170)	23.83	19,438
Tata Capital Healthcare Fund II (w.e.f. 12.09.2019)	0.01	85	–	–	(1.97)	(584)	–	–	–	–	–	–	(2.05)	(584)	–	–
Tata Capital Special Situation Fund	0.76	6,698	1.28	9,678	(10.07)	(2,979)	(0.25)	(193)	–	–	–	–	(10.45)	(2,979)	(0.24)	(193)
Tata Capital Innovation Fund	1.07	9,400	3.65	27,599	(63.34)	(18,744)	1.44	1,121	–	–	–	–	(65.77)	(18,744)	1.37	1,121
Tata Capital Growth Fund II (w.e.f. 28.09.2018)	1.17	10,342	(0.06)	(423)	(0.53)	(156)	(0.54)	(423)	–	–	–	–	(0.55)	(156)	(0.52)	(423)
Tata Capital Employee Welfare Trust	0.19	1,705	0.20	1,519	0.61	181	0.90	698	–	–	–	–	0.64	181	0.86	698
Foreign																
Tata Capital Pte. Limited	4.38	38,626	4.37	33,056	9.76	2,887	3.37	2,630	(121.26)	1,323	103.06	3,702	14.77	4,210	7.76	6,332
Tata Capital Markets Pte. Limited	0.32	2,808	0.34	2,582	0.07	22	(0.24)	(188)	–	–	–	–	0.08	22	(0.23)	(188)
Tata Capital Advisors Pte. Limited	0.93	8,160	0.72	5,443	7.24	2,142	(0.20)	(156)	–	–	–	–	7.52	2,142	(0.19)	(156)
Tata Capital General Partners LLP	0.59	5,169	1.05	7,940	4.30	1,272	6.48	5,053	–	–	–	–	4.46	1,272	6.19	5,053

(₹ In lakh)

Name of the entity	As at 31 March 2020		As at 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019	
	Net assets, i.e., total assets minus total liabilities				Share in profit and loss				Share in other comprehensive income				Share in total comprehensive income			
	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount
Tata Capital Growth II General Partners LLP	0.00	16	0.00	14	–	1	–	–	–	–	–	–	0.00	1	–	–
Tata Capital Healthcare General Partners LLP	0.00	27	0.00	23	0.01	3	0.00	2	–	–	–	–	0.01	3	–	2
Tata Capital Healthcare II General Partners LLP	0.00	7	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Tata Opportunities General Partners LLP	0.00	14	0.00	11	0.01	3	0.00	2	–	–	–	–	0.01	3	–	2
Tata Capital PLC	0.12	1,102	0.20	1,494	0.11	33	(0.19)	(146)	–	–	–	–	0.12	33	(0.18)	(146)
Minority Interests in all subsidiaries																
Indian																
Tata Cleantech Capital Limited	2.18	19,260	2.23	16,879	(8.08)	(2,390)	(2.55)	(1,992)	(2.38)	26	(0.28)	(10)	(8.29)	(2,364)	(2.45)	(2,002)
Tata Capital Growth Fund	0.25	2,249	0.27	2,063	(0.79)	(233)	(10.04)	(7,827)	(4.22)	46	(1.56)	(56)	(0.66)	(187)	(9.66)	(7,883)
Tata Capital Healthcare Fund I	0.75	6,606	0.87	6,549	0.39	116	(16.75)	(13,063)	–	–	–	–	0.41	116	(16.01)	(13,063)
Tata Capital Healthcare Fund II (w.e.f. 12.09.2019)	0.01	59	–	–	1.94	575	–	–	–	–	–	–	2.02	575	–	–
Tata Capital Special Situation Fund	0.55	4,809	0.92	6,948	7.23	2,139	0.18	138	–	–	–	–	7.50	2,139	0.17	138
Tata Capital Innovation Fund	0.77	6,796	2.63	19,874	45.80	13,554	(1.03)	(807)	–	–	–	–	47.56	13,554	(0.99)	(807)
Tata Capital Growth Fund II (w.e.f. 28.09.2018)	0.79	6,961	(0.05)	(359)	2.35	695	0.46	359	–	–	–	–	2.44	695	0.44	359
TCL Employee Welfare Trust	0.19	1,700	0.20	1,519	(0.61)	(181)	(0.90)	(698)	–	–	–	–	(0.64)	(181)	(0.86)	(698)
Foreign																
Tata Capital Pte. Limited	0.12	1,016	0.22	1,658	(0.86)	(255)	(1.30)	(1,011)	–	–	–	–	(0.89)	(255)	(1.24)	(1,011)
Associates (Investment as per the equity method)																
Indian																
Equity shares																
Tata Autocomp Systems Limited	4.05	35,691	4.66	35,289	6.47	1,915	4.21	3,284	50.05	(546)	7.88	283	4.80	1,369	4.37	3,567
Tata Sky Limited	0.69	6,127	0.76	5,744	1.29	383	0.32	246	0.09	(1)	–	–	1.34	382	0.30	246
Roots Corporation Limited	0.16	1,437	0.26	1,934	–	–	–	–	–	–	–	–	–	–	–	–

(₹ In lakh)

Name of the entity	As at 31 March 2020		As at 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019	
	Net assets, i.e., total assets minus total liabilities				Share in profit and loss				Share in other comprehensive income				Share in total comprehensive income			
	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount	As % of consol-idated net assets	Amount
Tata Projects Limited	0.46	4,016	0.49	3,729	1.33	395	0.63	492	5.87	(64)	–	–	1.16	331	0.60	492
Fincare Business Services Limited	0.10	859	0.10	772	0.27	79	0.12	97	(0.64)	7	–	–	0.30	86	0.12	97
Shriram Properties Private Limited	0.27	2,400	0.44	3,350	–	–	–	–	–	–	–	–	–	–	–	–
TVS Supply Chain Solutions Limited	0.17	1,466	0.21	1,552	(0.28)	(83)	0.05	39	0.18	(2)	–	–	(0.30)	(85)	0.05	39
Varroc Engineering Private Limited	–	–	–	–	–	–	–	–	–	–	(7.02)	(252)	–	–	(0.31)	(252)
Tata Technologies Limited	0.83	7,304	0.96	7,240	3.34	988	2.14	1,672	11.73	(128)	5.99	215	3.02	860	2.31	1,887
Novalead Pharma Private Limited	0.26	2,293	0.30	2,299	(0.03)	(9)	(0.02)	(14)	–	–	–	–	(0.03)	(9)	(0.02)	(14)
Shriji Polymers (India) Limited	0.19	1,660	0.21	1,570	0.31	92	0.24	188	–	–	–	–	0.32	92	0.23	188
Tema India Limited	–	1	–	1	–	–	–	–	–	–	–	–	–	–	–	–
Kapsons Industries Private Limited	–	1	–	1	–	–	–	–	–	–	–	–	–	–	–	–
Pluss Advanced Technologies Limited	0.15	1,366	0.18	1,369	(0.01)	(3)	(0.03)	(27)	–	–	–	–	(0.01)	(3)	(0.03)	(27)
Vortex Engineering Private Limited	0.15	1,300	0.20	1,500	–	–	–	–	–	–	–	–	–	–	–	–
Sea6 Energy Private Limited	0.34	3,010	0.45	3,379	(1.24)	(368)	(0.19)	(147)	–	–	–	–	(1.29)	(368)	(0.18)	(147)
Alef Mobitech Solutions Private Limited	0.12	1,080	0.17	1,321	(0.81)	(240)	(0.18)	(143)	–	–	–	–	(0.84)	(240)	(0.18)	(143)
Preference Shares																
Lokmanaya Hospital Private Limited	0.28	2,464	0.33	2,464	–	–	–	–	–	–	–	–	–	–	–	–
Shriji Polymers (India) Limited	0.37	3,278	0.43	3,278	–	–	–	–	–	–	–	–	–	–	–	–
Tema India Limited	0.51	4,500	0.59	4,500	–	–	–	–	–	–	–	–	–	–	–	–
Kapsons Industries Private Limited	0.24	2,099	0.67	5,099	–	–	–	–	–	–	–	–	–	–	–	–
Pluss Advanced Technologies Limited	0.12	1,020	0.13	1,000	–	–	–	–	–	–	–	–	–	–	–	–
Alef Mobitech Soluations Private Limited	0.19	1,712	0.23	1,712	–	–	–	–	–	–	–	–	–	–	–	–
Eliminations	(118.01)	(10,40,962)	(88.35)	(6,68,474)	(48.15)	(14,248)	(30.38)	(23,694)	46.01	(502)	(3.87)	(139)	(51.76)	(14,752)	(29.21)	(23,833)
Total	**100.00**	**8,82,096**	**100.00**	**7,56,634**	**100.00**	**29,592**	**100.00**	**77,988**	**100.00**	**(1,091)**	**100.00**	**3,592**	**100.00**	**28,501**	**100.00**	**81,580**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "34"

Disclosure pursuant to Ind AS 112 "Disclosure of Interest in other entities": Material Associates

i. Summarised Statement of Profit and Loss (₹ in lakh)

Particulars	Tata AutoComp Systems Limited	
	FY 2019-20 (Unaudited)	FY 2018-19 (Audited)
Revenue	**3,74,477**	4,20,653
Profit/(loss) for the year	**1,430**	13,199
Other comprehensive income for the year	**(1,899)**	1,179
Total comprehensive income	**(469)**	14,378
Dividend received from associate	**966**	966

ii. Summarised Balance Sheet (₹ in lakh)

Particulars	Tata AutoComp Systems Limited	
	FY 2019-20 (Unaudited)	FY 2018-19 (Audited)
Non-current asset	**2,75,263**	2,34,486
Current asset	**1,52,687**	1,33,543
Non-current liabilities	**1,25,046**	39,441
Current liabilities	**1,74,441**	2,16,252
Non-controlling interest	**30,354**	17,512
Equity attributable to equity shareholders	**98,109**	94,823
Group's share in %	**24%**	24%
Group's share	**23,546**	22,758
Add: Goodwill	**12,145**	12,145
Other adjustments	**–**	386
Carrying amount	**35,691**	**35,289**

iii. Financial Information in respect of individually non-material associate (₹ in lakh)

Particulars	FY 2019-20	FY 2018-19
Aggregate carrying amount of investment in individually non-material associate	**38,080**	37,873
Aggregate amounts of the Group's share of:		
Profit/(loss) for the year	**1,236**	2,404
Other comprehensive income for the year	**(189)**	214
Total comprehensive income for the year	**1,047**	**2,618**

iv. Carrying amount of investments in individually non-material associate (₹ in lakh)

Particulars	FY 2019-20	FY 2018-19
Non-material associate	**38,080**	37,873
Material associate	**35,691**	35,289
	73,771	**73,162**

v. Share in profit /(loss) of associates (net) (₹ in lakh)

Particulars	FY 2019-20	FY 2018-19
Non-material associate	**1,236**	2,404
Material associate	**1,913**	3,283
Total	**3,149**	**5,687**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "35"

Provisions and Contingent Liabilities :

(i) Movement in Contingent provisions against Standard Assets (stage I & II) during the year is as under:

(₹ in lakh)

Particulars	For the Year ended	
	March 31, 2020	March 31, 2019
Opening Balance	**1,85,938**	1,92,114
Net additions during the year	**37,070**	–
Net utilised during the year	**–**	(6,176)
Closing Balance	**2,23,008**	**1,85,938**

(ii) Movement in other provisions during the year is as under: (₹ in lakh)

Particulars	For the Year ended	
	March 31, 2020	March 31, 2019
Opening Balance	**2,813**	2,979
Net additions during the year	**309**	–
Net utilised during the year	**–**	(166)
Closing Balance	**3,122**	**2,813**

(iii) Claims not acknowledged by the Group relating to cases contested by the Group and which are not likely to be devolved on the Group relating to the following areas :

(₹ in lakh)

	As at March 31, 2020	As at March 31, 2019
Income Tax (Pending before Appellate Authorities)	**15,782**	13,120
VAT (Pending before Sales Tax Appellate Authorities)	**607**	347
Suits filed against the Group	**429**	–
Total	**16,818**	**13,467**

As at March 31, 2020, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹ 15,782 lakhs. These claims against the Group are arising on account of multiple issues of disallowances on completion of assessment proceedings under the Income-tax Act, 1961, such as disallowance of expenditure incurred in relation to income not includible in total income u/s 14A of the Income Tax Act, 1961 and disallowance of interest expenditure on perpetual NCDs. These matters are pending before various appellate authorities and the Management expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position. Hence, the Group has not recognized these uncertain tax positions in its books.

One of our subsidiary Tata Capital Financial Services Limited is in receipt of an inspection report dated April 25, 2020 for financial position as on March 31, 2019, from Reserve Bank of India (RBI/Regulator), under section 45N of the Reserve Bank of India Act, 1934 (RBI Act), wherein the Regulator has interalia observed that the Company should have considered for Capital Adequacy purposes and make a provision of ₹ 2,831 lakh, for amounts which are shown as contingent tax liabilities in the financial statements. These contingent tax liability pertained to Income Tax and VAT cases pending before various Appellate Authorities.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The Group has been asked by the Regulator to submit its comments on the observations and has contested this observation as it believes the contingent liability will not fructify considering various favourable precedent judicial decisions, an appellate order in its own case in an earlier year and legal opinions which support the tax position of the Group. The details of corresponding Contingent Liabilities outstanding as on March 31st 2020 are as under:

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	Rationale for treating tax liability as contingent instead of provision
Disallowance of expenses for earning exempt dividends u/s. 14A	**1,151**	1,095	Favourable Appellate Tribunal Order in an earlier year and decisions of jurisdictional High Court.
Disallowance on Interest on Perpetual Debentures	**3,518**	1,491	Legal opinions supporting our tax position.
Disallowance of VAT Input tax credit (Indirect Tax)	**331**	245	claim supported by valid tax invoices.
Total	**5,000**	**2,831**	

(iii) Commitments :

(i) Commitment to co-invest with Omega TC Holdings Pte. Ltd USD 15.09 Million (₹ 11,281 lakhs) (as at March 31, 2019 : USD 15.09 Million (₹ 10,463 lakhs))

(ii) Commitment to invest in Tata Equity Plus Absolute Return Fund amounting to ₹ Nil lakhs (as at March 31, 2019 : ₹ 1,000 lakhs)

(iii) Commitment to invest in Tata Absolute Return Fund amounting to ₹ Nil lakhs (as at March 31, 2019 : ₹ 1000 lakhs)

(iv) Guarantees issued to National Housing Bank on behalf of Tata Capital Housing Finance Limited ₹ 1,20,000 lakhs (As at March 31, 2019 : ₹ 1,20,000 lakhs) against which the amount liable by Tata Capital Housing Finance Limited is ₹ 39,867 lakhs as at March 31, 2020 (As at March 31, 2019 ₹ 54,334 lakhs) Pursuant to the terms of the Guarantee, the Group's liability on invocation is capped at the outstanding amount.

(v) Uncalled liability on 1,080 partly paid equity shares of Tata Steel Limited amounting to ₹ 5 lakhs (as at March 31, 2019 : ₹ 5 lakhs)

(vi) Commitment in respect of uncalled capital investment in Partners' Capital in Pitango Venture Capital Fund amounting to ₹ 2,084 lakhs (as at March 31, 2019 : ₹ 2,998 lakhs)

(vii) Undrawn Commitment given to Borrowers:

- As on March 31, 2020 ₹ 752,168 lakh (March 31, 2019: ₹ 743,612 lakhs)
- Less than 1 Year: ₹ 305,190 lakh (March 31, 2019: ₹ 294,859 lakhs)
- More than 1 Year: ₹ 446,978 lakh (March 31, 2019: ₹ 448,753 lakhs)

(viii) Letter of Credit, Buyers Credit and Other Guarantees ₹ 7,957 lakh (Year ended March, 31, 2019 : ₹ 7,909 lakh)

(ix) Leases entered but not executed ₹ 60,842 lakh (March 31, 2019: ₹ 88,210 lakhs)

(x) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1,056 lakh (March 31, 2019: ₹ 1,609 lakhs)

- Tangible: ₹ 433 lakh (March 31, 2019 : ₹ 956 lakhs)
- Intangible: ₹ 623 lakh (March 31, 2019 : ₹ 653 lakhs)

(xi) Letter of Comfort ₹ 1,935 lakh (March 31, 2019: ₹ 12,994 lakhs)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "36"

Employee benefit expenses

The Group is required to present disclosures as required by Para 43 and Para 9.5.4 of 'GN on Division II - Ind AS Schedule III' and Para 138 - 147, of Ind AS 19 'Employee benefits' and Para 125 and 129 of 'Presentation of Financial Statements', which require at least the following disclosures, along with additional information as stated below:

A. Defined contribution plans

The Group makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group have recognised ₹ 2,548.2 Lakhs (Year ended 31 March 2019 : ₹ 2,110.7 Lakhs) for Provident Fund contributions and ₹ 168.2 Lakhs (Year ended 31 March 2019 : ₹ 176.0 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

B. Defined benefit plans

The Group provides gratuity for employees in India as per payment of Gratuity Act, 1972. The gratuity scheme for employees is as under:

Eligibility	Continuous service for 5 years (not applicable in case of death or disability while in service)
Benefit payable upon	Retirement, Withdrawal, Death/Diability
Benefit payable	For service less than 10 years: 15/26 X Salary X Service
	For service greater than 10 years: Salary X Service
Salary definition	Last drawn monthly basic salary + Dearness Allowance
Service definition	Number of years of service rounded to the nearest integer
Normal retirement age	60 years

There are no statutory minimum funding requirements for gratuity plans mandated in India. However, a Company can fund the benefits by way of a separate irrevocable Trust to take advantage of tax exemptions and also to ensure security of benefits.

The Tata Capital Limited Gratuity Scheme is funded by way of a separate irrevocable Trust and the Group is expected to make regular contributions to the Trust. The fund is managed internally by the Group and the assets are invested as per the pattern prescribed under Rule 67 of IT Rules. The asset allocation of the Trust is set by Trustees from time to time, taking into account the membership profile, the liquidity requirements of the plan and risk appetite of the plan sponsor as per the investment norms.

The Tata Capital Limited Gratuity Scheme is funded by way of a separate irrevocable Trust. The Trustees are responsible for the investment of the assets of the Trust as well as the day to day administration of the scheme. The asset allocation of the Trust is set by the Trustees from time to time, taking into account the membership profile, the liquidity requirements of the Plan and risk appetite of the Plan sponsor as per the investment norms. Administrative expenses of the trust are met by the Group. The Trustees are required to conduct necessary business e.g. Approval of Trust's Financial Statements, Review Investment performance.

Defined benefit plans provide for a lumpsum payment made on exit, either by way of retirement, death, diability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lumpsum at exit.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

1. Market risk: : Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
2. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
3. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.
4. Investment risk : For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
5. Legislative risk : Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.
6. Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Movement in net defined benefit (asset) liability

a) Reconciliation of balances of Defined Benefit Obligations (₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Defined Obligations at the beginning of the year	**6,129**	**–**	**5,492**	**–**
Current service cost	**855**	**–**	809	–
Interest cost	**407**	**–**	370	–
Benefits paid	**–**	**–**	(37)	–
Amalgamations / Acquisitions	**–**	**–**	–	–
Due to change in financial assumptions	**431**	**–**	750	–
Due to change in experience adjustments	**237**	**–**	151	–
Due to experience adjustments	**–**	**–**	(75)	–
Benefits paid directly by the Group	**(947)**	**–**	(1,331)	–
Defined Obligations at the end of the year	**7,112**	**–**	**6,129**	**–**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b) Reconciliation of balances of Fair Value of Plan Assets (₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Fair Value at the beginning of the year	**6,452**	**–**	**5,602**	**–**
Expected return on plan assets	**(546)**	**–**	(12)	–
Employer contributions	**428**	**–**	452	–
Benefits paid	**–**	**–**	(37)	–
Amalgamations / Acquisitions	**–**	**–**	–	–
Interest Income on Plan Assets	**480**	**–**	447	–
Fair Value of Plan Assets at the end of the year	**6,814**	**–**	**6,452**	**–**

c) Funded status (₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Deficit of plan assets over obligations	**–**	**–**	–	–
Surplus of plan assets over obligations	**(298)**	**–**	323	–
Total	**(298)**	**–**	**323**	**–**

d) Categories of plan assets (₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Corporate bonds	**1,462**	**–**	2,778	–
Equity shares	**392**	**–**	675	–
Government securities	**1,571**	**–**	2,940	–
Insurer managed funds - ULIP Product	**3,382**	**–**	–	–
Cash	**7**	**–**	59	–
Total	**6,814**	**–**	**6,452**	**–**

e) Amount recognised in Balance sheet (₹ in lakh)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Present value of the defined benefit obligation	**7,112**	**–**	6,129	–
Fair value of plan assets	**6,814**	**–**	6,452	–
Net asset / (liability) recognised in the Balance Sheet	**(298)**	**–**	**323**	**–**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

f) Amount recognised in Statement of Profit and Loss (₹ in lakh)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Current Service Cost	**855**	**–**	809	–
Interest Cost (net)	**(73)**	**–**	(77)	–
Total	**782**	**–**	732	–

g) Amount recognised in OCI (₹ in lakh)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
a. Due to change in financial assumptions	**431**	**–**	750	–
b. Due to change in experience adjustments	**237**	**–**	151	–
c. Due to experience adjustments	**–**	**–**	(75)	–
d. (Return) on plan assets (excl. interest income)	**546**	**–**	12	–
Total	**1,214**	**–**	**838**	**–**
Total defined benefit cost recognized in P&L and OCI	**1,996**	**–**	**1,570**	**–**

h) Expected cash flows for the following year (₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expected total benefit payments	**10,735**	9,814
Year 1	**722**	660
Year 2	**805**	750
Year 3	**762**	802
Year 4	**951**	855
Year 5	**1,036**	951
Next 5 years	**6,459**	5,796

i) Major Actuarial Assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate (%)	6.30%	7.20%
Salary Escalation/ Inflation (%)	Non CRE: 8.25%, CRE & J Grade:6%	Non CRE: 8.25%, CRE & J Grade:6%
Expected Return on Plan assets (%)	6.30%	7.20%
Mortality Table	Indian assured lives Mortality (2006-08) (modified) Ult.	Indian assured lives Mortality (2006-08) (modified) Ult.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Withdrawal (rate of employee turnover)	CRE and J Grade : 40%; Non CRE :Less than 5years 25% and more than 5 years 10%	CRE and J Grade : 40%; Non CRE :Less than 5years 25% and more than 5 years 10%
Retirement Age	60 years	60 years
Estimate of amount of contribution in the immediate next year	722	660

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

j) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in lakh)

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(477)	540	(392)	442
Future salary growth (1% movement)	526	(473)	434	(392)
Others (Withdrawal rate 5% movement)	(435)	654	(273)	386

k) Provision for leave encashment

(₹ in lakh)

Particulars	March 31, 2020		March 31, 2019	
	Non current	Current	Non current	Current
Liability for compensated absences	1,696	508	1,400	509

l) Experience adjustments

(₹ in lakh)

Particulars	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
Funded					
2019-20	7,112	6,813	(299)	(237)	(546)
2018-19	6,129	6,452	323	(151)	(12)
2017-18	5,492	5,602	110	59	9
2016-17	48	52	4	(5)	1
2015-16	30	26	(4)	(3)	(1)
2014-15	25	24	(1)	(1)	2

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE “37”

Impact of transition to Ind AS 116:

As a lessee the Group classified property leases as operating leases under Ind AS 116. These include office premises taken on lease. The leases typically run for a period of one to nine years. Leases include conditions such as non-cancellable period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation in prices.

At transition, for leases classified as operating leases under Ind AS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group’s incremental borrowing rates at the date of initial application. Right-of-use assets is measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee’s borrowing rate at the initiation of lease.

The Group used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

(1) Excluded initial direct costs from measuring the right-of-use asset at the date of initial application

(2) Used hindsight when determining the lease term if the contract contains option to extend or terminate the lease.

Impacts on transition

On transition to Ind AS 116, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

(₹ in lakh)

Particulars	As on April 1, 2019
Right-of-use assets presented in property, plant and equipment	10,068
Lease liabilities	11,704
Retained earnings (before tax)	1,636
Less: Tax	(413)
Retained earnings (after tax)	1,223

Information about leases for which the Group is a lessee is presented below.

(I) Right-of-use assets

Right-of-use assets relate to building that are presented seperatly within property and equipment (see note 12)

(₹ in lakh)

Particulars	Amount
Balance at 1 April,2019	10,424
Additions during the year	2,196
Deletion during the year	(40)
Depreciation charge for the year	(2,698)
Balance at 31 March,2020	**9,882**

(II) Movement of lease liabilities

Right-of-use assets relate to building that are presented separately within property and equipment (see note 12)

(₹ in lakh)

Particulars	Amount
Balance at 1 April,2019	11,704
Additions during the year	2,192
Deletion during the year	(53)
Finance cost	1,036
Foreign currency translation	(5)
Payment of lease liabilities	(3,500)
Balance at March 31, 2020	**11,374**

(III) Future minimum lease payments under non-cancellable operating leases were payable as follows:

(₹ in lakh)

Particulars	Amount
Less than one month	91
Between one and three months	660
Between three months and one year	2,107
Between one and five years	8,472
More than five years	1,365
Total undiscounted lease liabilities	**12,695**

(IV) Amounts recognized in the Statement of Profit and Loss

(₹ in lakh)

Particulars	Amount
Interest on lease liabilities	1,036
Depreciation of ROU lease asset	2,698
Write off/(Write back) of ROU lease asset	(13)

(V) Amounts recognised in statement of cash flows

(₹ in lakh)

Particulars	Amount
Total cash outflow for leases	(3,500)

Note:

1. Group has considered entire lease term for the purpose of determination of Right of Use assets and Lease liabilities.
2. Prepaid rent component as at April 01, 2019, arising on fair valuation of Security Deposits given for the above mentioned properties as per Ind AS 109, amounting to ₹ 356 lakh has been reclassed to Right-of-use asset. This amount shall be depreciated over the remaining period of lease.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "38"

Earnings per Share (EPS):

Particulars		2019-20	2018-19
Profit for the year attributable to Owners of the company	₹ in lakh	**29,592**	77,988
Weighted average number of equity shares used in computing EPS	Nos	**3,37,44,66,256**	3,03,32,57,327
Face value of equity shares	Rupees	**10**	10
Basic EPS/Diluted EPS	**Rupees**	**0.88**	**2.57**

NOTE "39"

Operating segments -Basis for segmentation

See accounting policy in 2(xviii)

A. Basis for segmentation

In accordance with Ind AS 108 on Segment Reporting, the Group has identified three business segments i.e. Financing Activity, Investment Activity and Others, and one Geographical Segment viz. India, as secondary segment. These divisions offer different products and services, and are managed separately based on the Group's management.

Reportable segments	Operations
Financing activity	Loans for retail and corporate borrowers. Products offered include asset financing, term loans (corporate and retail), channel financing, credit substitutes, investments linked to/arising out of lending business, bill and invoice discounting, Power project finance.
Investment activity	Corporate investments
Others	advisory services, wealth management, distribution of financial products, private equity fund management and leasing

The Board of Directors review the performance of each division on a quarterly basis

a. Operating segment disclosures are consistent with the information reviewed by the chief operating decision maker (CODM). The basis of measurement of segment information is consistent with the basis of preparation of financial statements. The reconciling items are limited to items that are not allocated to reportable segments, as opposed to a difference in the basis of preparation of the information.

b. When two or more operating segments are aggregated into a single operating segment, the judgements made in applying the aggregation criteria are disclosed by the Group. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "39"

Operating segments - Information about reportable segments

In accordance with Ind AS 108, the Group has identified three business segments i.e. Financing Activity, Investment Activity, and Others and one Geographical Segment viz. India, as secondary segment.

(₹ in lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Segment Revenue		
a) Financing Activity	**9,18,425**	7,74,515
b) Investment Activity	**31,938**	1,17,506
c) Others	**72,775**	98,354
Total	**10,23,138**	**9,90,375**
Less : Inter Segment Revenue	**44,084**	69,944
Add : Interest on Income Tax Refund	**4**	161
Total Income	**9,79,058**	**9,20,592**
Segment Results		
a) Financing Activity	**1,23,562**	1,24,580
b) Investment Activity	**(49,204)**	19,146
c) Others	**997**	29,185
Total	**75,355**	**1,72,911**
Less : Unallocated Corporate Expenses	**11,729**	37,066
Add: Share of profit of associates	**3,149**	5,687
Profit before taxation	**66,775**	**1,41,532**
Less : Provision for taxation	**51,203**	38,645
Profit after taxation	**15,572**	**1,02,887**

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Segment Assets		
a) Financing Activity	**79,52,272**	76,03,025
b) Investment Activity	**1,51,125**	1,85,559
c) Others	**1,19,529**	1,59,985
d) Unallocated	**1,05,114**	1,43,900
Total	**83,28,040**	**80,92,469**
Segment Liabilities		
a) Financing Activity	**69,39,941**	67,38,017
b) Investment Activity	**3,00,869**	3,37,665
c) Others	**1,26,012**	1,53,616
d) Unallocated	**29,666**	51,406
Total	**73,96,488**	**72,80,704**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Capital Expenditure (Including Capital Work-In-Progress)		
a) Financing Activity	**22,673**	851
b) Investment Activity	**–**	–
c) Others	**299**	53,395
d) Unallocated	**40**	2,498
Total	**23,012**	**56,744**
Depreciation and Amortisation		
a) Financing Activity	**3,941**	1,220
b) Investment Activity	**–**	29
c) Others	**31,974**	25,304
d) Unallocated	**2,665**	2,275
Total	**38,580**	**28,828**

Geographical information:

(₹ in lakh)

Particulars	Revenue by location of customers	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) India	**9,68,927**	9,00,468
b) Singapore	**9,866**	20,114
c) United Kingdom	**265**	10
Total	**9,79,058**	**9,20,592**

(₹ in lakh)

Particulars	Non current assets by location of customers	
	As at March 31, 2020	As at March 31, 2019
a) India	**1,40,007**	1,24,949
b) Singapore	**109**	33
Total	**1,40,116**	**1,24,982**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "40"

DISCLOSURE PERSUANT TO IND AS 7 "STATEMENT OF CASH FLOWS"

Changes in Liabilities arising from financing activities

March 31, 2020 (₹ in lakh)

Particulars	April 1, 2019	Cash Flows	Exchange Difference	Others*	March 31, 2020
Debt Securities	31,76,803	(1,30,655)	–	(5,082)	30,41,066
Borrowings (Other than debt securities)	32,33,232	2,60,728	15,017	(1,457)	35,07,520
Subordinated liabilities	5,70,021	(35,003)	–	169	5,35,187
Total	**69,80,056**	**95,070**	**15,017**	**(6,370)**	**70,83,773**

Note: *Includes the effect of amortisation of borrowing cost, amortisation of premium/discount on CPs/NCDs (Including subordinated debts)

March 31, 2019 (₹ in lakh)

Particulars	April 1, 2018	Cash Flows	Exchange Difference	Others*	March 31, 2019
Debt Securities	29,04,109	2,65,859	–	6,835	31,76,803
Borrowings (Other than debt securities)	21,00,502	11,37,721	375	(5,366)	32,33,232
Subordinated liabilities	5,19,523	49,486	–	1,012	5,70,021
Total	**55,24,134**	**14,53,066**	**375**	**2,481**	**69,80,056**

Note: *Includes the effect of amortisation of borrowing cost, amortisation of premium/discount on CPs/NCDs (Including subordinated debts)

NOTE "41"

REVENUE FROM CONTRACTS WITH CUSTOMERS

Below table provides disaggregation of the Group's revenue from contracts with customers

(₹ in lakh)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i	**Type of revenue**		
	- Fee and commission income	15,872	13,517
	- Branch advertisement income	3,980	832
	- Income from advisory services	3,421	–
	- Income from managerial services	14,328	24,740
	Total	**37,601**	**39,089**
ii.	**Primary geographical market:**		
	– Outside India	12,574	15,887
	– India	25,027	23,202
	Total revenue from contracts with customer	**37,601**	**39,089**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
iii. Timing of revenue recognition		
– at a point in time upon rendering services	**28,158**	22,842
– over period of time upon rendering services	**9,443**	16,247
Total	**37,601**	**39,089**
iv. Trade receivables towards contracts with customers		
– Opening Balance	**12,814**	1,883
– Closing Balance	**2,151**	12,457
v. Impairment on trade receivables towards contracts with customers	**(241)**	62

As on March 2020/2019, the Group doesn't have any unsatisified/partially satisfied performance obligation.

NOTE "42"

Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

List of related parties and relationship:

Holding Company	Tata Sons Private Limited
Associates	Tata Autocomp Systems Limited
	Roots Corporation Limited
	Tata Projects Limited
	Tata Sky Limited
	TVS Supply Chain Solutions Limited
	Shriram Properties Private Limited
	Fincare Business Services Limited
	Kapsons Industries Limited
	Vortex Engineering Private Limited
	Pluss Advanced Technologies Limited (formerly Pluss Polymer Private Limited)
	Sea6 Energy Private Limited
	Alef Mobitech Solutions Private Limited
	Novalead Pharma Private Limited
	Shriji Polymers (India) Limited
	Lokmanaya Hospital Private Limited
	Tata Technologies Limited
	Tema India Private Limited
	Star Health & Allied Insurance Company Limited (ceased w.e.f 28.03.2019)
	Sai Life Sciences Limited (ceased w.e.f. 25.07.2018)
	Varroc Engineering Private Limited (ceased w.e.f. 06.07.2018)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Post Employment Benefit Plan	Tata Capital Limited Gratuity Scheme Tata Capital Limited Employees Provident Fund Trust Tata Capital Limited Superannuation Scheme
Key Management Personnel (KMP)	Mr. Saurabh Agrawal - Chairman Mr. F. N. Subedar - Non-Executive Director Ms. Aarthi Subramanian - Non-Executive Director Mr. Nalin M. Shah - Independent Director Mr. Mehernosh B. Kapadia - Independent Director Ms. Varsha Purandare- Independent Director (w.e.f 01.04.2019) Mr. Rajiv Sabharwal - Managing Director & CEO Ms. Avan Doomasia - Company Secretary Mr. Rakesh Bhatia- Chief Financial Officer (appointed w.e.f 02.03.2020) Mr. Puneet Sharma- Chief Financial Officer (resigned w.e.f 16.02.2020)
Key Management Personnel - relatives	Mrs Sangeeta Sabharwal
Other Related Parties (with which the Company had transactions)	Automotive Stampings and Assemblies Limited Infiniti Retail Limited Niskalp Infrastructure Services Limited TATA Advanced Materials Limited Tata Advanced Systems Limited Tata AIG General Insurance Company Limited Tata Asset Management Limited Tata Communications Collaboration Services Private Limited Tata Communications Limited Tata Communications Transformation Services Limited Tata Consultancy Services Limited Tata Consulting Engineers Limited Tata Industries Limited Tata International Limited Tata Teleservices (Maharashtra) Limited Tata Teleservices Limited Conneqt Business Solutions Limited Tata Chemicals Limited Tata Global Beverages Limited Tata Motors Limited The Associated Building Company Limited The Indian Hotels Company Limited The Tata Power Company Limited Titan Company Limited Trent Limited

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	Voltas Limited Coastal Gujarat Power Limited Concorde Motors (India) Limited Fiora Hypermarket Limited Indian Steel & Wire Products Limited Maithon Power Limited Nelco Limited Piem Hotels Limited Tata Metaliks Limited Tata Motors Finance Limited Tata Power Delhi Distribution Limited Tata Power Solar Systems Limited Tata Power Trading Company Limited Tata Steel Utilities and Infrastructure Services Limited Tayo Rolls Limited TP Ajmer Distribution Limited United Hotels Limited Air International TTR Thermal Systems Private Limited AirAsia (India) Limited Mikado Realtors Private Limited Tata AIA Life Insurance Company Limited Tata AutoComp GY Batteries Private Limited Tata Boeing Aerospace Limited Tata International DLT Private Limited Tata Lockheed Martin Aerostructures Limited Tata Precision Industries (India) Limited Tata Sikorsky Aerospace Limited Tata Toyo Radiator Limited Tata Sky Broadband Private Limited Sir Dorabji Tata Trust Sir Ratan Tata Trust Calsea Footwear Private Limited Smart Value Homes (Peenya Project) Private Limited Tata Steel Limited Tata Elxsi Limited Tata Trustee Company Limited Tata Investment Corporation Limited Ewart Investments Limited Af-Taab Investment Company Limited Jaguar Land Rover Automotive plc

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "42"

Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

Transactions with related parties

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
1	**Tata Sons Private Limited**	**Income**		
		Finance Lease Interest	**62**	48
		Op. Lease Rental	**816**	469
		Income from managerial services	**–**	12
		Expenses		
		BEBP Expenses	**2,685**	2,499
		Legal & Professional Fees	**5**	–
		Staff Welfare Expenses	**2**	1
		Training Expenses	**3**	28
		* Other Expenses	**–**	3
		Rates & Taxes	**1**	–
		Other transactions		
		Facility provided during year	**–**	681
		Facility repayment received during year	**170**	95
		Issue of Equity Shares (including Premium)	**1,00,000**	2,50,000
		Assets		
		Finance Lease Facility Principal receivable	**465**	635
		Finance lease accrued income & other receivables	**8**	6
		Liabilities		
		Balance Payable	**2,687**	2,502
		Equity shares Held	**3,32,458**	3,12,851
		Commitments		
		Off balance sheet exposure	**–**	30
2	**Tata Autocomp Systems Limited**	**Income**		
		Op. Lease Rental	**574**	21
		Management Fees	**19**	45
		Advisory Fees	**–**	7
		Dividend income	**966**	966
		* Recovery of Hotel expenses	**–**	1
		Other transactions		
		Security deposit received during year	**248**	326
		Assets		
		Balance Receivable / (Payable)	**(2)**	7
		Investment in Equity Shares	**35,691**	35,290
		Liabilities		
		Security deposit payable	**574**	326
		Commitments		
		Off balance sheet exposure	**10,808**	350

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
3	**Roots Corporation Limited**	**Expenses**		
		* Training expenses	**–**	–
		Provision for Diminution in value of Investment	**497**	8
		Other Transactions		
		Investment in Equity Shares	**–**	182
		Assets		
		Investment in Equity Shares	**2,062**	2,062
		Provision for Diminution in value of Investment	**(625)**	(128)
4	**Tata Projects Limited**	**Income**		
		Finance Lease Interest	**155**	99
		Operating Lease Rental	**2,902**	1,716
		Management Fees	**12**	–
		Dividend income	**45**	45
		Other transactions		
		Facility provided during year	**2,245**	802
		Facility repayment received during year	**227**	122
		Security deposit received during year	**202**	337
		Security deposit repaid during year	**87**	–
		Assets		
		Finance Lease Facility Principal receivable	**2,698**	680
		Finance lease accrued income & other receivables	**455**	19
		Balance Receivable / (Payable)	**(2)**	–
		Investment in Equity Shares	**4,016**	3,729
		Liabilities		
		Security deposit payable	**608**	492
		Commitments		
		Off balance sheet exposure	**6,834**	10,982
5	**Tata Sky Limited**	**Assets**		
		Investment in Equity Shares	**6,127**	5,744
6	**TVS Supply Chain Solutions Limited**	**Income**		
		Dividend income	**–**	3
		Term Loan Interest Income	**1,664**	416
		Invoice Discounting	**7**	5
		Management Fees	**27**	15
		Other transactions		
		Loan given during year	**20,000**	4,220
		Loan repayment received during year	**12,953**	833

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
		Invoice discounted during year	**1,180**	80
		Invoice discounted repayment received during year	**1,053**	53
		Assets		
		Term Loan Principal receivable	**5,705**	5,678
		Term Loan accrued income	**43**	3
		# Term Loan Principal receivable	**7,020**	–
		# Term Loan accrued income	**60**	–
		# Invoice Discounted receivable	**229**	102
		# Invoice Discounting other receivables*	**4**	–
		Investment in Equity Shares	**1,466**	1,552
		Commitments		
		Off balance sheet exposure	**–**	1,040
7	**Shriram Properties Private Limited**	**Assets**		
		Investment in Equity Shares	**3,935**	3,935
		Provision for Diminution in value of Investment	**(1,535)**	(585)
8	**Fincare Business Services Limited**	**Assets**		
		Investment in Equity Shares	**859**	772
9	**Kapsons Industries Limited**	**Assets**		
		Investment in Equity Shares	**1**	1
		Investment in Preference Shares	**6,000**	6,000
10	**Vortex Engineering Private Limited**	**Assets**		
		Investment in Equity Shares	**2,900**	2,900
11	**Pluss Advanced Technologies Limited**	**Assets**		
		Investment in Equity Shares	**1,366**	1,369
		Investment in Preference Shares	**1,020**	1,000
12	**Sea6 Energy Private Limited**	**Assets**		
		Investment in Equity Shares	**3,010**	3,379
13	**Alef Mobitech Solutions Private Limited**	**Assets**		
		Investment in Equity Shares	**1,080**	1,321
		Investment in Preference Shares	**1,712**	1,712
14	**Novalead Pharma Private Limited**	**Assets**		
		Investment in Equity Shares	**2,293**	2,299
15	**Shriji Polymers (India) Limited**	**Income**		
		Dividend Income	**1**	1
		Assets		
		Investment in Equity Shares	**1,660**	1,570
		Investment in Preference Shares	**3,278**	3,278

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
16	**Lokmanaya Hospital Private Limited**	**Assets**		
		Investment in Preference Shares	**2,464**	2,464
17	**Tata Technologies Limited**	**Income**		
		Finance Lease Interest	**13**	12
		* Management Fees	**–**	–
		Dividend Income	**749**	562
		Expenses		
		Information Technology Expenses	**43**	47
		Dividend on Cumulative Redeemable Preference Shares	**23**	42
		Other transactions		
		Facility provided during year	**16**	24
		Facility repayment received during year	**28**	15
		Redemption of Cumulative Redeemable Preference shares	**333**	–
		Premium paid on redemption of Cumulative Redeemable Preference shares	**167**	–
		Assets		
		Finance Lease Facility Principal receivable	**70**	82
		Finance lease accrued income & other receivables	**2**	1
		Balance Receivable	**–**	10
		Investment in Equity Shares	**7,304**	7,240
		Liabilities		
		# Cumulative Redeemable Preference shares held	**–**	333
		Commitments		
		Off balance sheet exposure	**100**	349
18	**Tema India Private Limited**	**Income**		
		Term Loan Interest Income	**5**	–
		Management Fees	**11**	–
		Dividend Income	**45**	45
		Other transactions		
		Loan given during year	**86**	–
		Assets		
		Term Loan Principal receivable	**86**	–
		Term Loan accrued income	**1**	–
		Investment in Equity Shares	**1**	1
		Investment in Preference Shares	**4,500**	4,500

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
19	**Tata Capital Limited Gratuity Scheme**	**Expenses**		
		Contribution to Gratuity fund	**428**	414
		Provision for Trust's exposure to investment in IL&FS	**(12)**	152
		Liabilities		
		Provision for Trust's exposure to investment in IL&FS	**140**	152
20	**Tata Capital Limited Employees Provident Fund Trust**	**Expenses**		
		Contribution to Provident Fund	**1,747**	1,425
		Provision for Trust's exposure to investment in IL&FS	**63**	223
		Trust's charges	**1**	1
		Other transactions		
		Employees Contribution to Provident Fund	**2,937**	2,342
		Provision for Trust's exposure to investment in IL&FS	**285**	223
21	**Tata Capital Limited Superannuation Scheme**	**Expenses**		
		Contribution to Superannuation	**168**	181
		Other transactions		
		Loan given	**–**	38
		Loan repaid back	**–**	38
		Assets		
		Balance Receivable	**61**	1
22	**Automotive Stampings and Assemblies Limited**	**Income**		
		Term Loan Interest Income	**25**	89
		WCDL Interest Income	**433**	387
		Operating Lease Rental	**31**	62
		Management Fees	**13**	8
		Other transactions		
		Term Loan / WCDL given during year	**15,025**	17,160
		Term Loan / WCDL repayment received during year	**14,775**	15,520
		Assets		
		Term Loan / WCDL Principal receivable	**–**	434
		# Term Loan / WCDL Principal receivable	**4,474**	3,790
		# Term Loan / WCDL accrued income	**38**	39
		* Balance Receivable / (Payable)	**–**	–
		Commitments		
		Off balance sheet exposure	**1,526**	709

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
23	Infiniti Retail Limited	**Income**		
		Operating Lease Rental	**211**	211
		Management Fees	**6**	–
		Expenses		
		Commission on Cards	**75**	101
		DMA Commission	**69**	167
		Fixed Assets Purchased	**5**	3
		* Staff Welfare Expenses	**–**	–
		* Repairs and Maintenance	**–**	–
		Other transactions		
		Facility provided during year	**18**	–
		NSR Payment	**2,192**	1,243
		* Security deposit repaid during year	**–**	–
		Assets		
		Finance Lease Facility Principal receivable	**18**	–
		Finance lease accrued income & other receivables	**4**	–
		Balance Receivable	**38**	2
		Liabilities		
		Security deposit payable	**75**	75
		Commitments		
		Off balance sheet exposure	**119**	–
24	Niskalp Infrastructure Services Limited	**Income**		
		* Recovery Rent and other expenses	**–**	–
25	TATA Advanced Materials Limited	**Income**		
		Finance Lease Interest	**1**	–
		Other transactions		
		Facility provided during year	**14**	–
		Facility repayment received during year	**1**	–
		Assets		
		Finance Lease Facility Principal receivable	**14**	–
		Finance lease accrued income & other receivables	**8**	–
		Commitments		
		Off balance sheet exposure	**122**	–
26	Tata Advanced Systems Limited	**Income**		
		Finance Lease Interest	**19**	12
		Other transactions		
		Facility provided during year	**89**	85
		Facility repayment received during year	**35**	11

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
		Assets		
		Finance Lease Facility Principal receivable	**180**	126
		Finance lease accrued income & other receivables	**59**	4
		Commitments		
		Off balance sheet exposure	**345**	122
27	**Tata AIG General Insurance Company Limited**	**Income**		
		Insurance Commission	**1,049**	857
		Expenses		
		Insurance Expenses	**25**	22
		Assets		
		Balance Receivable	**48**	2
		# Balance Receivable	**162**	165
28	**Tata Asset Management Limited**	**Income**		
		PMS Income	**403**	18
		Fee Income	**326**	41
		Assets		
		# Balance Receivable	**189**	25
29	**Tata Communications Collaboration Services Private Limited**	**Expenses**		
		Telephone Expenses	**1**	–
30	**Tata Communications Limited**	**Income**		
		Finance Lease Interest	**3**	5
		* Foreclosure Charges	**–**	–
		Expenses		
		Information Technology Expenses	**273**	311
		Other transactions		
		Facility repayment received during year	**19**	16
		Assets		
		Finance Lease Facility Principal receivable	**18**	36
		* Finance lease accrued income & other receivables	**–**	2
		Commitments		
		Off balance sheet exposure	**–**	360
31	**Tata Communications Transformation Services Limited**	**Income**		
		Finance Lease Interest	**3**	4
		Other transactions		
		Facility repayment received during year	**11**	13

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
		Assets		
		Finance Lease Facility Principal receivable	**12**	23
		Finance lease accrued income & other receivables / (Payables)	**1**	(1)
32	**Tata Consultancy Services Limited**	**Income**		
		Finance Lease Interest	**38**	37
		Operating Lease Rental	**186**	–
		Expenses		
		Information Technology Expenses	**7,116**	7,716
		Advertisements and publicity	**–**	200
		Other transactions		
		Facility provided during year	**63**	38
		Facility repayment received during year	**38**	29
		Security deposit received during year	**129**	–
		Security deposit repaid during year	**49**	–
		Assets		
		Finance Lease Facility Principal receivable	**245**	220
		Finance lease accrued income & other receivables	**1**	38
		Balance Receivable / (Payable)	**(4)**	–
		Liabilities		
		Balance Payable	**3,962**	3,028
		Security deposit payable	**80**	–
		Commitments		
		Off balance sheet exposure	**1,751**	1,542
33	**Tata Consulting Engineers Limited**	**Income**		
		Term Loan Interest Income	**77**	–
		Management Fees	**15**	–
		Financial Advisory	**5**	–
		* Recovery of Travelling Exp	**–**	–
		Other transactions		
		Loan given during year	**1,500**	–
		Loan repayment received during year	**1,500**	–
		Assets		
		Balance Receivable	**6**	–
34	**Tata Industries Limited**	**Income**		
		Finance Lease Interest	**121**	413
		Sale of Assets	**61**	–
		* Recovery of Expenses	**–**	–

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
		Other transactions		
		Facility provided during year	**1,148**	20
		Facility repayment received during year	**168**	46
		Assets		
		Finance Lease Facility Principal receivable	**1,160**	178
		Finance lease accrued income & other receivables	**989**	77
		* Balance Receivable	**–**	–
		Liabilities		
		Equity shares held	**227**	227
		Commitments		
		Off balance sheet exposure	**836**	1,876
35	Tata International Limited	**Income**		
		Finance Lease Interest	**5**	–
		Expenses		
		Staff Welfare Expenses	**10**	–
		Other transactions		
		Facility provided during year	**84**	–
		Facility repayment received during year	**4**	–
		Security deposit received during year	**21**	–
		Assets		
		Finance Lease Facility Principal receivable	**80**	–
		Finance lease accrued income & other receivables	**28**	–
		Liabilities		
		Security deposit payable	**21**	–
		Equity shares held	**79**	79
		Commitments		
		Off balance sheet exposure	**63**	–
36	Tata Teleservices (Maharashtra) Limited	**Expenses**		
		Telephone Expenses	**140**	217
		Income		
		Operating Lease Rental	**–**	12
		Liabilities		
		* Balance Payable	**–**	–
37	Tata Teleservices Limited	**Income**		
		Finance Lease Interest	**20**	48
		Operating Lease Rental	**3**	165
		Management Fees	**2**	–
		* Foreclosure Charges	**–**	–

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
		Expenses		
		Electricity Expenses	**14**	21
		Rent Expenses	**39**	70
		Telephone Expenses	**37**	112
		Other transactions		
		Facility provided during year	**137**	21
		Facility repayment received during year	**150**	495
		Assets		
		Finance Lease Facility Principal receivable	**139**	151
		Finance lease accrued income & other receivables / (payables)	**(29)**	4
		Balance Receiavble	**–**	2
		Security Deposit receivable	**8**	8
		Commitments		
		Off balance sheet exposure	**491**	4
38	**Conneqt Business Solutions Limited**	**Income**		
		Finance Lease Interest	**124**	240
		Operating Lease Rental	**279**	410
		Management Fees	**2**	–
		Sale of Assets	**–**	29
		Recovery Electricity expenses	**202**	392
		Recovery Rent and Guest house expenses	**129**	–
		Rental Income	**544**	263
		Expenses		
		Outsourcing Expenses	**8,980**	6,753
		Other transactions		
		Facility provided during year	**418**	–
		Facility repayment received during year	**397**	140
		Loan repayment received during year	**–**	2,000
		Assets		
		Finance Lease Facility Principal receivable	**1,063**	1,042
		Finance lease accrued income & other receivables	**46**	101
		Balance Receivable	**219**	244
		Other Receivables	**15**	57
		Provision for bad & doubtful debts	**–**	(179)
		Liabilities		
		Trade Payable	**1,072**	1,889
		Security deposit payable	**37**	37

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
		Commitments		
		Off balance sheet exposure	**716**	–
39	**Tata Chemicals Limited**	**Income**		
		Finance Lease Interest	**9**	–
		Operating Lease Rental	**11**	–
		Other transactions		
		Facility provided during year	**112**	–
		Facility repayment received during year	**11**	–
		Assets		
		Finance Lease Facility Principal receivable	**101**	–
		Finance lease accrued income & other receivables	**22**	–
		Balance Receivable	**5**	–
		Liabilities		
		Equity shares held	**323**	323
		Commitments		
		Off balance sheet exposure	**310**	–
40	**Tata Global Beverages Limited**	**Income**		
		Operating Lease Rental	**49**	49
		Liabilities		
		Equity shares held	**61**	61
41	**Tata Motors Limited**	**Income**		
		Finance Lease Interest	**27**	53
		Management Fees	**540**	–
		Foreclosure Charges	**20**	–
		Interest Income	**289**	287
		Other transactions		
		Facility repayment received during year	**124**	223
		Loan Given during period	**15,002**	–
		Assets		
		Finance Lease Facility Principal receivable	**235**	359
		Finance lease accrued income & other receivables	**(181)**	6
		# PTC loan receivable	**15,002**	–
		Investment in Debentures	**7,941**	7,905
		Liabilities		
		Equity shares held	**433**	433
		Commitments		
		Off balance sheet exposure	**–**	74

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
42	**The Associated Building Company Limited**	**Income**		
		Term Loan Interest Income	**68**	713
		Expenses		
		Legal & Professional Fees	**1**	–
		Other transactions		
		Loan given during year	**100**	7,500
		Loan repayment received during year	**4,244**	7,175
		Assets		
		# Term Loan Principal receivable	**–**	4,144
		# Term Loan accrued income	**–**	151
		Commitments		
		Off balance sheet exposure	**97**	243
43	**The Indian Hotels Company Limited**	**Income**		
		Finance Lease Interest	**19**	21
		Operating Lease Rental	**7**	–
		* Dividend income	**–**	–
		Expenses		
		Hotel Expenses	**62**	25
		Training Expenses	**6**	–
		Business promotion Expenses	**–**	74
		Staff Welfare Expenses	**–**	11
		Membership expenses	**2**	2
		Other transactions		
		Facility provided during year	**22**	–
		Facility repayment received during year	**55**	17
		Assets		
		Finance Lease Facility Principal receivable	**110**	143
		Finance lease accrued income & other receivables	**10**	3
		Balance Receivable	**–**	5
		Investment in Equity Shares	**13**	27
		Commitments		
		Off balance sheet exposure	**–**	231
44	**The Tata Power Company Limited**	**Income**		
		Finance Lease Interest	**142**	88
		Management Fees	**10**	–
		Other transactions		
		Facility provided during year	**340**	647
		Facility repayment received during year	**174**	70

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
		Assets		
		Finance Lease Facility Principal receivable	**1,074**	908
		Finance lease accrued income & other receivables	**71**	23
		Commitments		
		Off balance sheet exposure	**260**	–
45	**Titan Company Limited**	**Expenses**		
		Staff Welfare Expenses	**24**	41
		Interest Expenses	**60**	426
		Other transactions		
		ICD Repaid	**5,000**	8,000
		ICD Taken	**–**	13,000
		NSR payment	**–**	6
		Assets		
		Balance Receivable	**2**	40
		Liabilities		
		# ICD Balance	**–**	5,000
46	**Trent Limited**	**Expenses**		
		Dividend on Cumulative Redeemable Preference Shares	**30**	83
		Other transactions		
		NSR Payment	**295**	282
		Redemption of Cumulative Redeemable Preference shares	**1,000**	–
		Assets		
		* Balance Receivable	**–**	–
		Liabilities		
		# Cumulative Redeemable Preference shares held	**–**	1,000
47	**Voltas Limited**	**Expenses**		
		Fixed Assets Purchased	**22**	37
		Incentive payment dealers	**17**	29
		Repairs and Maintenance	**35**	43
		Dividend on Cumulative Redeemable Preference Shares	**366**	337
		Interest paid on application money	**–**	1
		Income		
		Subvention Income	**–**	60
		Bill Discounting	**–**	31

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
		Other Transactions		
		Issue of Cumulative Redeemable Preference shares	–	2,000
		Assets		
		Balance Receivable	–	64
		Invoice Discounted receivable	–	1
		Liabilities		
		# Cumulative Redeemable Preference shares held	**5,000**	5,000
48	**Coastal Gujarat Power Limited**	**Income**		
		Finance Lease Interest	**13**	–
		Term Loan Interest Income	**854**	2,037
		Management Fees	**15**	83
		Other transactions		
		Facility provided during year	**50**	60
		Facility repayment received during year	**13**	5
		Loan given during year	–	32,500
		Loan repayment received during year	**32,500**	–
		Assets		
		Finance Lease Facility Principal receivable	**103**	66
		Finance lease accrued income & other receivables	**(16)**	–
		# Term Loan Principal receivable	–	32,500
		# Term Loan accrued income	–	18
49	**Concorde Motors (India) Limited**	**Income**		
		Trade Advance Interest Income	**1,046**	1,854
		Operating Lease Rental	**460**	486
		Management Fees	**20**	19
		Expenses		
		Fixed Assets Purchased	**9**	23
		* Insurance Expenses	–	–
		Other transactions		
		Loan given during year	**33,890**	1,08,463
		Loan repayment received during year	**52,677**	1,06,788
		Assets		
		# Term Loan Principal receivable	–	18,787
		# Term Loan accrued income	–	173
		Balance Receivable	**9**	–
		# Balance Receivable	**16**	–
		Commitments		
		Off balance sheet exposure	**18,106**	2,548

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
50	**Fiora Hypermarket Limited**	**Expenses**		
		Commission on Cards	**7**	9
		Other transactions		
		NSR Payment	**233**	129
51	**Indian Steel & Wire Products Limited**	**Income**		
		Finance Lease Interest	**7**	–
		Management Fees	**1**	–
		Other transactions		
		Facility provided during year	**99**	–
		Facility repayment received during year	**18**	–
		Assets		
		Finance Lease Facility Principal receivable	**81**	–
		Finance lease accrued income & other receivables	**1**	–
		Commitments		
		Off balance sheet exposure	**32**	–
52	**Maithon Power Limited**	**Income**		
		Finance Lease Interest	**3**	1
		Syndication fees	**135**	1
		Other transactions		
		Facility provided during year	**11**	21
		Facility repayment received during year	**3**	1
		Assets		
		Finance Lease Facility Principal receivable	**29**	21
		* Finance lease accrued income & other receivables / (payables)	**–**	(1)
53	**Nelco Limited**	**Income**		
		Finance Lease Interest	**6**	2
		Expenses		
		* Information technology expenses	**–**	–
		Other transactions		
		Facility provided during year	**39**	12
		Facility repayment received during year	**6**	7
		Assets		
		Finance Lease Facility Principal receivable	**48**	16
		* Finance lease accrued income & other receivables	**1**	–
		Commitments		
		Off balance sheet exposure	**94**	418

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
54	Piem Hotels Limited	**Expenses**		
		Hotel Expenses	**12**	11
55	Tata Metaliks Limited	**Income**		
		Operating Lease Rental	**25**	13
		Other transactions		
		Security deposit received during year	**6**	8
		Assets		
		Balance Receivable	**2**	–
		Liabilities		
		Security deposit payable	**14**	8
		Commitments		
		Off balance sheet exposure	**361**	–
56	Tata Motors Finance Limited	**Income**		
		Interest on Bonds	**176**	218
		Expenses		
		Rent and Guest house expenses	**9**	2
		Property, plant and equipments Purchased	**–**	2
		Dividend on Cumulative Redeemable Preference Shares	**3**	8
		Other transactions		
		Proceeds from Divestments	**2,000**	–
		Redemption of Cumulative Redeemable Preference shares	**67**	–
		Premium paid on redemption of Cumulative Redeemable Preference shares	**33**	–
		Assets		
		Investment in Bonds	**–**	2,000
		Investment in Bonds Accrued Interest	**–**	42
		Balance Receivable	**–**	214
		Liabilities		
		Balance Payable	**32**	216
		# Cumulative Redeemable Preference shares held	**–**	67
57	Tata Power Delhi Distribution Limited	**Expenses**		
		* Legal & Professional Fees	**–**	–
58	Tata Power Solar Systems Limited	**Income**		
		Finance Lease Interest	**19**	4
		Management Fees	**1**	–

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
		Other transactions		
		Facility provided during year	**148**	26
		Facility repayment received during year	**31**	14
		Assets		
		Finance Lease Facility Principal receivable	**129**	13
		Finance lease accrued income & other receivables /(Payables)	**(9)**	(12)
		Commitments		
		Off balance sheet exposure	**500**	229
59	**Tata Power Trading Company Limited**	**Income**		
		Finance Lease Interest	**1**	1
		Other transactions		
		Facility repayment received during year	**1**	1
		Assets		
		Finance Lease Facility Principal receivable	**5**	6
		* Finance lease accrued income & other receivables/(payable)	**(5)**	–
60	**Tata Steel Utilities and Infrastructure Services Limited**	**Income**		
		Finance Lease Interest	**7**	–
		Operating Lease Rental	**32**	–
		Other transactions		
		Facility provided during year	**72**	–
		Facility repayment received during year	**20**	–
		Security deposit received during year	**–**	9
		Assets		
		Finance Lease Facility Principal receivable	**52**	–
		Finance lease accrued income & other receivables	**1**	–
		Balance Receivable / (Payables)	**(2)**	–
		Liabilities		
		Security deposit payable	**9**	9
		Commitments		
		Off balance sheet exposure	**15**	15
61	**Tayo Rolls Limited**	**Income**		
		ODC Income	**–**	1
		Other transactions		
		Loan repayment received during year	**3**	–
		Assets		
		# Loan outstanding	**–**	3

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
62	**TP Ajmer Distribution Limited**	**Income**		
		Finance Lease Interest	**3**	3
		Management Fees	**1**	–
		Other transactions		
		Facility provided during year	**11**	16
		Facility repayment received during year	**6**	4
		Assets		
		Finance Lease Facility Principal receivable	**22**	17
		* Finance lease accrued income & other receivables	**1**	–
63	**United Hotels Limited**	**Income**		
		Finance Lease Interest	**2**	–
		Expenses		
		* Hotel Expenses	**–**	–
		Other transactions		
		Facility provided during year	**29**	–
		Facility repayment received during year	**1**	–
		Assets		
		Finance Lease Facility Principal receivable	**28**	–
		Finance lease accrued income & other receivables	**3**	–
		Commitments		
		Off balance sheet exposure	**53**	–
64	**Air International TTR Thermal Systems Private Limited**	**Income**		
		Operating Lease Rental	**26**	–
		* Management Fees	**–**	–
		Other transactions		
		Security deposit received during year	**5**	13
		Liabilities		
		Security deposit payable	**18**	13
		Commitments		
		Off balance sheet exposure	**1,823**	–
65	**AirAsia (India) Limited**	**Income**		
		Term Loan Interest Income	**767**	358
		Trade Advance Interest Income	**287**	–
		Management Fees	**59**	50
		Other transactions		
		Loan given during year	**10,000**	10,000
		Loan repayment received during year	**10,000**	–

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
		Assets		
		Term Loan Principal receivable	**–**	10,000
		Term Loan accrued income	**–**	80
		# Term Loan Principal receivable	**10,000**	–
		# Term Loan accrued income	**96**	–
		Commitments		
		Off balance sheet exposure	**10,000**	–
66	**Mikado Realtors Private Limited**	**Income**		
		Term Loan Interest Income	**29**	–
		Management Fees	**2**	–
		Other transactions		
		Loan given during year	**1,500**	–
		Assets		
		# Term Loan Principal receivable	**1,500**	–
		# Term Loan accrued income	**29**	–
		Commitments		
		Off balance sheet exposure	**2,500**	–
67	**Tata AIA Life Insurance Company Limited**	**Income**		
		* Finance Lease Interest	**–**	–
		Insurance Commission	**193**	69
		Expenses		
		Insurance Expenses	**119**	57
		Other transactions		
		Facility provided during year	**10**	–
		Assets		
		Finance Lease Facility Principal receivable	**10**	–
		Finance lease accrued income & other receivables	**36**	–
		Balance Receivable	**93**	90
		# Balance Receivable	**6**	2
		Commitments		
		Off balance sheet exposure	**150**	–
68	**Tata AutoComp GY Batteries Private Limited**	**Income**		
		Trade Advance Interest Income	**12**	37
		Management Fees	**3**	–
		Other transactions		
		Loan given during year	**1,000**	3,500
		Loan repayment received during year	**1,500**	4,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
		Assets		
		# Term Loan Principal receivable	**–**	500
		# Term Loan accrued income	**–**	1
		Commitments		
		Off balance sheet exposure	**1,000**	500
69	Tata Boeing Aerospace Limited	**Income**		
		* Finance Lease Interest	**1**	–
		Other transactions		
		Facility provided during year	**–**	6
		* Facility repayment received during year	**1**	–
		Assets		
		Finance Lease Facility Principal receivable	**5**	6
		* Finance lease accrued income & other receivables	**4**	–
		Commitments		
		Off balance sheet exposure	**138**	–
70	Tata International DLT Private Limited	**Income**		
		Term Loan Interest Income	**36**	55
		Other transactions		
		Loan repayment received during year	**200**	200
		Assets		
		Term Loan Principal receivable	**225**	425
		Term Loan accrued income	**1**	2
71	Tata Lockheed Martin Aerostructures Limited	**Income**		
		Finance Lease Interest	**7**	5
		Other transactions		
		Facility given during year	**–**	70
		Facility repayment received during year	**14**	13
		Assets		
		Finance Lease Facility Principal receivable	**47**	61
		Finance lease accrued income & other receivables / (payables)	**(1)**	1
72	Tata Precision Industries (India) Limited	**Income**		
		Term Loan Interest Income	**8**	10
		Other transactions		
		Loan repayment received during year	**23**	23
		Assets		
		Term Loan Principal receivable	**45**	68
		* Term Loan accrued income	**–**	–

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
73	**Tata Sikorsky Aerospace Limited**	**Income**		
		Finance Lease Interest	**2**	1
		Other transactions		
		Facility provided during year	**8**	8
		Facility repayment received during year	**3**	1
		Assets		
		Finance Lease Facility Principal receivable	**11**	7
		* Finance lease accrued income & other receivables	**–**	–
		Commitments		
		Off balance sheet exposure	**139**	–
74	**Tata Toyo Radiator Limited**	**Income**		
		Operating Lease Rental	**1,093**	144
		Management Fees	**12**	14
		Other transactions		
		Security deposit received during year	**458**	–
		Assets		
		Balance receivable	**(8)**	1
		Liabilities		
		Security deposit payable	**948**	490
		Commitments		
		Off balance sheet exposure	**10,215**	–
75	**Tata Sky Broadband Private Limited**	**Income**		
		Syndication fees	**35**	–
76	**Sir Dorabji Tata Trust**	**Expenses**		
		CSR Expenditure	**100**	–
77	**Sir Ratan Tata Trust**	**Income**		
		* Finance Lease Interest	**–**	1
		Other transactions		
		Facility repayment received during year	**3**	4
		Assets		
		Finance Lease Facility Principal receivable	**–**	3
		Commitments		
		Off balance sheet exposure	**–**	36
78	**Calsea Footwear Private Limited**	**Income**		
		Interest income on Inter-Corporate Deposit	**–**	110
		Other transactions		
		ICD repayment received during period	**–**	1,500
79	**Smart Value Homes (Peenya Project) Private Limited**	**Income**		
		Referral Fees	**–**	1

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
80	Tata Steel Limited	**Expenses**		
		Rent and Other Expenses	–	1
		Income		
		Dividend income	2	2
		Interest Income	203	229
		Other Transactions		
		Proceeds from Divestments	4,858	–
		Assets		
		Investment in Equity Shares (Fully paid)	42	82
		* Investment in Equity Shares (Partly paid)	–	1
		Investment in Debentures	784	5,517
		Commitments		
		Uncalled Liability on partly paid shares	5	5
81	Tata Elxsi Limited	**Expenses**		
		Staff Welfare Expenses	–	9
82	Tata Trustee Company Limited	**Expenses**		
		Miscellaneous Expenses	29	23
		Liabilities		
		Balances payable	4	3
83	Tata Investment Corporation Limited	**Liabilities**		
		Equity shares held	7,720	7,720
84	Ewart Investments Limited	**Expense**		
		Rent expenses	–	21
		Other Transactions		
		Security Deposit refund received	–	190
85	Af-Taab Investment Company Limited	**Liabilities**		
		Equity shares held	233	233
86	Jaguar Land Rover Automotive plc	**Income**		
		Interest Income	83	7
		Assets		
		Investment in Debentures	1,353	1,325
87	Mrs Sangeeta Sabharwal (Relative of KMP)	**Expense**		
		Dividend on Cumulative Redeemable Preference Shares	4	3
		Other Transactions		
		Issue of Cumulative Redeemable Preference Shares	–	50
		* Interest paid on application money	–	–
		Liabilities		
		Cumulative Redeemable Preference shares held	50	50

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	FY 19-20	FY 18-19
88	**Key Management Personnel (KMP)**	**Expenses**		
		Remuneration to KMP		
		Short Term Employee Benefits	**1,207**	1,387
		Post Employment Benefits	**47**	45
		Other Long Term benefits	**–**	–
		Termination benefits	**71**	–
		Director Sitting Fees & Commission		
		Director Sitting Fees & Commission (on payment basis)	**116**	99
		Dividend paid on Cumulative Redeemable Preference shares	**18**	17
		Other Transactions		
		Issue of Cumulative Redeemable Preference Shares	**–**	125
		* Interest paid on application money	**–**	–
		Redemption of Cumulative Redeemable Preference shares	**45**	–
		Premium paid on redemption of Cumulative Redeemable Preference shares	**23**	–
		Liabilities		
		Equity Shares held	**79**	66
		Cumulative Redeemable Preference shares held	**213**	257
		Share based payments (No. of Shares)		
		Options granted	**21,00,000**	21,25,000
		Options exercised	**78,950**	20,000
		Total Options granted till date	**49,34,223**	27,84,072
		Total Options exercised till date	**7,88,172**	6,59,071

Notes :

a) * less than ₹ 50,000/-

b) # all the loans / borrowings balance above are not secured

c) Expected credit loss provision for parties listed above have not been considered as provision for doubtful debts, hence not disclosed

d) The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

e) All transactions with these related parties are priced on an arm's length and in the ordinary course of business. Outstanding amount as at the end of the year, in respect of loan and advances to be settled in cash and / or adjusted against goods or services.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "43"

FAIR VALUES OF FINANCIAL INSTRUMENTS

See accounting policy in Note 2(xiii)

A. Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date

b) Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

c) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities that the Group can access at measurement date. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. Valuation techniques include net present value and discounted cash flow models, income approach, comparison with similar instruments for which observable market prices exist, option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free returns, benchmark interest rates and credit spreads used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models to determine the fair value of financial instruments, such as forward rate agreement, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and may be derived from market prices or rates or estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, determination of expected volatilities and correlations and selection of appropriate discount rates.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and the counterparty where appropriate. Model inputs and values are calibrated against historical data, where possible, against current or recent observed transactions in different instruments. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management uses judgement to select the most appropriate point in the range.

Discounting of the cash flows of financial asset/ financial liability for computing the fair value of such instrument: the future contractual cash flows of instrument over the remaining contractual life of the instrument are discounted using comparable rate of lending/borrowing as applicable to financial asset/ financial liability in the month of reporting for a similar class of instruments. For shorter tenure financial assets such as channel finance, the remaining tenure is assumed to be six months.

Derivatives held for risk management :

The Group enters into structured derivatives to mitigate the currency exchange risk. Some of these instruments are valued using models with significant unobservable inputs, principally expected long-term volatilities and expected correlations between different underlyings

B. Valuation framework

The Group has a established a policy for the measurement of fair values addressing the requirement to independently verify the results of all significant fair value measurements. Specific controls include:

1) verification of observable pricing basis actual market transactions;
2) re-performance of model valuations;
3) a review and approval process for new models and changes to models
4) annual calibration and back-testing of models against observed market transactions;
5) analysis and investigation of significant annual valuation movements; and
6) review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous year.

When third party information, such as valuation agency report is used to measure fair value, the Group assesses the documents and evidence used to support the conclusion that the valuations meet the requirements of Ind AS. This includes:

1) understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
2) when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
3) if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes. “

Significant valuation issues are reported to the Audit Committee.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

C. Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

(₹ in lakh)

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortised cost	Total Carrying Value
Financial Assets:				
Cash and cash equivalents	–	–	4,30,224	4,30,224
Bank balances other than above	–	–	1,782	1,782
Derivative assets	–	12,374	–	12,374
Trade receivables	–	–	4,527	4,527
Other receivables	–	–	132	132
Loans including credit substitutes	1,000	67,696	73,96,257	74,64,953
Investments (Other than associates)	49,833	3,939	11,121	64,893
Other financial assets	–	–	40,112	40,112
Total	**50,833**	**84,009**	**78,84,155**	**80,18,997**
Financial Liabilities:				
Derivative liabilities	–	5,828	–	5,828
Payables	–	–	63,070	63,070
Debt securities	–	–	30,41,066	30,41,066
Borrowings	–	–	35,07,520	35,07,520
Subordinated liabilitites	–	–	5,35,187	5,35,187
Other financial liabilities	–	–	2,20,601	2,20,601
Total	**–**	**5,828**	**73,67,444**	**73,73,272**

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

(₹ in lakh)

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortised cost	Total Carrying Value
Financial Assets:				
Cash and cash equivalents	–	–	1,87,773	1,87,773
Bank balances other than above	–	–	53,732	53,732
Derivative assets	–	347	–	347
Trade receivables	–	–	14,323	14,323
Other receivables	–	–	24	24
Loans including credit substitutes	–	82,010	73,05,749	73,87,759
Investments (Other than associates)	66,160	12,398	10,955	89,513
Other financial assets	–	–	34,720	34,720
Total	**66,160**	**94,755**	**76,07,276**	**77,68,191**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortised cost	Total Carrying Value
Financial Liabilities:				
Derivative liabilities	–	357	–	357
Payables	–	–	74,464	74,464
Debt securities	–	–	31,76,803	31,76,803
Borrowings	–	–	32,33,232	32,33,232
Subordinated liabilitites	–	–	5,70,021	5,70,021
Other financial liabilities	–	–	1,96,340	1,96,340
Total	**–**	**357**	**72,50,860**	**72,51,217**

Investment in associates:

The Group has elected to measure Investment in associates at cost and accordingly the requirement of disclosure of fair value of the instrument under Ind AS 107 does not apply.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis :

As at March 31, 2020 (₹ in lakh)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments				
Mutual fund units	–	3,025	–	3,025
Equity Shares	9,536	–	13,643	23,179
Structured product	–	1,568	–	1,568
Multi Asset Fund	–	–	2,990	2,990
Alternate Investment Funds	–	–	2,040	2,040
Venture Capital Fund	–	–	14,400	14,400
Preference shares	2,212	–	–	2,212
Security Receipts	–	419	–	419
Debt securities	3,939	–	–	3,939
Loans including credit substitutes *	–	1,000	67,696	68,696
Derivative asset	–	12,374	–	12,374
Total	**15,687**	**18,386**	**1,00,769**	**1,34,842**

* Loans including credit substitutes under level 2 includes investment in compulsorily convertible debentures.

Particulars	Level 1	Level 2	Level 3	Total
Financial Liabilities:				
Derivative liabilities	–	5,828	–	5,828
Total	**–**	**5,828**	**–**	**5,828**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019 (₹ in lakh)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments				
Mutual fund units	53	2,677	–	2,730
Equity Shares	24,764	–	4,311	29,075
Structured product	–	–	–	–
Multi Asset Fund	–	–	–	–
Alternate Investment Funds	–	–	–	–
Venture Capital Fund	–	–	11,422	11,422
Preference shares	–	–	22,807	22,807
Security Receipts	–	126	–	126
Debt securities	12,398	–	–	12,398
Loans including credit substitutes *	–	–	82,010	82,010
Derivative asset	–	347	–	347
Total	**37,215**	**3,150**	**1,20,550**	**1,60,915**

* Loans including credit substitutes under level 2 includes investment in compulsorily convertible debentures.

Particulars	Level 1	Level 2	Level 3	Total
Financial Liabilities:				
Derivative liabilities	–	357	–	357
Total	–	357	–	357

The following table summarises disclosure of fair value of financial assets and liabilities measured at amortised cost:

(₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets at amortised cost:				
Loans including credit substitutes	**73,96,257**	**74,24,093**	73,05,749	73,35,431
Investments (Other than in Associates)	**11,121**	**11,121**	10,955	10,955
Total	**74,07,378**	**74,35,214**	**73,16,704**	**73,46,386**
Financial Liabilities at amortised cost:				
Borrowings (includes debt securities and subordinated liabilities)	**70,83,773**	**70,38,035**	69,80,056	69,85,975
Total	**70,83,773**	**70,38,035**	**69,80,056**	**69,85,975**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2020 and March 31, 2019 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Fair value of the Financial intruments measured at amortised cost

The fair value of loans given is based on observable market transactions, to the extent available. Wherever the observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes interest rates, prepayment rates, primary origination or secondary market spreads. Input into the models may include information obtained from other market participants, which includes observed primary and secondary transactions.

To improve the accuracy of the valuation estimate for retail and smaller commercial loans, homogeneous loans are grouped into portfolios with similar characteristics such as product.

The fair value of borrowings from banks is estimated using discounted cash flow techniques, applying the rates that are offered for loans of similar maturities and terms.

D The following table summarises valuation techniques used to determine fair value, fair value measurements using significant unobservable inputs (Level 3) and valuation inputs and relationship to fair value:

(₹ in lakh)

Financial instruments	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2020	As at March 31, 2019				
Financial Assets at fair value						
Equity Shares - unquoted**	13,643	4,311	Level 3	Valuation is based on a) Net asset value as per valuation report and b) Latest financial statements of the investee company and estimated earnings up to the reporting date	Forecast of annual revenue is based on the earnings for the latest reported financial year	The estimated fair value would increase (decrease) if the annual revenue growth were higher (lower)
Preference shares-NCRPS	–	3,500	Level 3	Dividend accrued, as per the sanction letter.	Forecast of revenue is based on dividend receivable as per coupon rate mentioned in sanction letter	The estimated fair value would increase (decreases) if accrued dividend increases (decreases)
Preference shares	–	19,307	Level 3	1) Income approach - Discounted Cash Flow Method 2) Market Approach: Guideline Public Companies Method 3) Net Asset Value, based on the independent valuation report or financial statements of the company.	1) Discount rate 2) Terminal rate	1) Higher the discount rate, lower the fair value. 2) Higher the terminal rate, higher the fair value
Loans	67,696	82,010	Level 3	Discounted contractual cash flows.	Discounting rate of 10% to 11% (previous year : 10% to 11%) and future cash flows.	Higher the discounting rate lower the fair value of loans
Alternative Investment Fund	2,040	–	Level 3	Net asset value	Net Asset Value	Higher the Net Asset Value higher the fair value of unquoted units

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Financial instruments	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2020	As at March 31, 2019				
Multi Asset Fund	2,990	–	Level 3	Net asset value	Net Asset Value	Higher the Net Asset Value higher the fair value of unquoted units
Venture capital fund	14,400	11,422	Level 3	Net asset value	Net Asset Value	Higher the Net Asset Value higher the fair value of unquoted units
Financial Assets at FVTPL/ FVTOCI	**1,00,769**	**1,20,550**				

**Fair value of the unquoted equity investment received upon settlement of loan is computed based on the net asset value (NAV) as per the latest financial statements. Absent information available, the assets are carried at nil value.

E Level 3 fair value measurements

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

(₹ in lakh)

Particulars	FVTOCI	FVTPL	Total
	Loans	Investments	
As at April 1, 2019	**82,010**	**38,540**	**1,20,550**
Total gains or losses:			
recognised in profit or loss	–	(14,059)	(14,059)
in OCI	106	569	675
Purchases	22,008	14,960	36,968
Settlements	(36,428)	(3,500)	(39,928)
Transfers into Level 3	–	–	–
Transfers out of Level 3	–	(3,437)	(3,437)
As at March 31, 2020	**67,696**	**33,073**	**1,00,769**

(₹ in lakh)

Particulars	FVTOCI	FVTPL	Total
	Loans	Investments	
As at April 1, 2018	**36,394**	**29,302**	**65,696**
Total gains or losses:			
in profit or loss	–	4,845	4,845
in OCI	(213)	184	(29)
Purchases	66,913	4,585	71,498
Settlements	(21,084)	(376)	(21,460)
Transfers into Level 3	–	–	–
Transfers out of Level 3	–	–	–
As at March 31, 2019	**82,010**	**38,540**	**1,20,550**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE "44"

FINANCIAL RISK REVIEW

This note presents information about the Group's exposure to financial risks and its management of capital.

For information on the financial risk management framework, refer Note 45

A. Credit risk

- i. Credit quality analysis
- ii. Collateral held and other credit enhancements
- iii. Amounts arising from ECL
- iv. Concentration of Credit Risk

B. Liquidity risk

- i. Exposure to liquidity risk
- ii. Maturity analysis for financial liabilities and financial assets
- iii. Financial assets available to support future funding
- iv. Financial assets pledged as collateral

C. Market risk

- i. Exposure to interest rate risk – Non-trading portfolios
- ii. Exposure to currency risks – Non-trading portfolios
- iii. Foreign currency risk exposure- Subsidiaries

A. Credit risk

For the definition of credit risk and information on how credit risk is mitigated by the Group, see Note 45.

i. Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost. The amounts in the table represent gross carrying amounts for financial assets. For loan commitments, the amounts in the table represent the amounts committed.

Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 2(xiii).

Loan exposure by Financing division

(₹ in lakh)

	Particulars	As at March 31, 2020	As at March 31, 2019
	Loans by Division		
(i)	Commercial and SME finance	**24,94,910**	25,87,450
(ii)	Consumer and housing finance and advisory business	**46,74,446**	45,13,491
(iii)	Infrastructure finance	**5,36,195**	4,90,980
(iv)	Others	**1,426**	4,816
	Total - Gross carrying value of loans	**77,06,977**	**75,96,737**
	Less : Impairment loss allowance	**(2,23,028)**	(1,86,021)
Total- Net Loans		**74,83,949**	**74,10,716**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note:

1. Gross carrying amount does not include loan commitments ₹ 697,770 lakh (As on March 31, 2019: ₹ 765,925 lakh). The EAD considered for loan commitments is after applying credit conversion factor (CCF) as per RBI/NHB norms.
2. The above includes impairment allowance towards loan designated as FVTOCI amounting to ₹ 20 lakh (as on March 31, 2019 : ₹ 85 lakh)
3. Impairment loss allowance includes impairment loss allowance on loans under fair value through profit and loss ₹ 5 lakh (as on March 31, 2019 : Nil)

2) Days past due based method implemented by Group for credit quality analysis of Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the days past due and year-end stage classification of Loans. The amounts presented are gross of impairment allowances:

a) Outstanding Gross Loans

(₹ in lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due								
Zero overdue	70,78,316	16,916	1,236	70,96,468	68,15,708	659	940	68,17,307
1-29 days	2,83,282	5,007	260	2,88,549	4,71,306	10,179	528	4,82,013
30-59 days	–	1,09,854	347	1,10,201	–	84,004	408	84,412
60-89 days	–	64,067	1,755	65,822	–	81,708	1,025	82,733
90 or more days	–	–	1,45,937	1,45,937	–	–	1,30,272	1,30,272
Total	**73,61,598**	**1,95,844**	**1,49,535**	**77,06,977**	**72,87,014**	**1,76,550**	**1,33,173**	**75,96,737**

Note: Gross carrying amount does not include loan commitments ₹ 697,770 lakh (As on March 31, 2019: ₹ 765,925 lakh)

b) Impairment allowance on Loans

(₹ in lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due								
Zero overdue	58,589	2,389	887	61,865	40,025	33	790	40,848
1-29 days	9,362	1,501	154	11,017	7,346	2,475	300	10,121
30-59 days	–	20,644	198	20,842	–	12,889	324	13,213
60-89 days	–	23,118	934	24,052	–	17,081	563	17,644
90 or more days	–	–	1,05,252	1,05,252	–	–	1,04,195	1,04,195
Total	**67,951**	**47,652**	**1,07,425**	**2,23,028**	**47,371**	**32,478**	**1,06,172**	**1,86,021**

Note:

1. Includes impairment allowance on loan commitments ₹ 3,100 lakh (As on March 31, 2019 : ₹ 2,970 lakh)
2. The above includes impairment allowance towards loan designated as FVTOCI amounting to ₹ 20 lakh (as on March 31, 2019 : ₹ 85 lakh)
3. Impairment loss allowance includes impairment loss allowance on loans under fair value through profit and loss ₹ 5 lakh (as on March 31, 2019 : Nil)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

3) Internal ratings based method implemented by the Group for credit quality analysis of Loans for Infrastructure finance division

The table below shows the credit quality and the maximum exposure to credit risk based on the internal credit rating system and year-end stage classification of Loans. The amounts presented are gross of impairment allowances. Details of the division's internal grading system are explained in Note below and policies on ECL allowances are set out in Note 44.

a) Outstanding Gross Loans

(₹ in lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Grade 1	2,15,404	–	–	2,15,404	2,03,095	–	–	2,03,095
Grade 2	2,94,743	7,071	–	3,01,814	2,87,273	–	–	2,87,273
Grade 3	–	12,947	–	12,947	–	612	–	612
Grade 4	–	–	6,030	6,030	–	–	–	–
Total	**5,10,147**	**20,018**	**6,030**	**5,36,195**	**4,90,368**	**612**	**–**	**4,90,980**

Note : Gross Carrying amount does not include Loan commitments ₹ 146,525 lakh (As on March 31, 2019: ₹ 120,851 lakh)

b) Impairment allowance on Loans

(₹ in lakh)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Grade 1	814	–	–	814	925	–	–	925
Grade 2	2,647	560	–	3,207	1,200	–	–	1,200
Grade 3	–	1,567	–	1,567	–	31	–	31
Grade 4	–	–	1,393	1,393	–	–	–	–
Total	**3,461**	**2,127**	**1,393**	**6,981**	**2,125**	**31**	**–**	**2,156**

Note : Include impairment allowance on Loan commitments ₹ 124 lakh (As on March 31, 2019: ₹ 281 lakh)

c)

Internal rating grades	Ratings as per internal rating method	Definition
Grade 1	AAA to A	Highest level of security is available. Account has satisfactory performance
Grade 2	BBB | BBB- | BBB+	Adequate level of security. Account has satisfactory performance
Grade 3	BB | BB+ | BB-	Account has shown significant deterioration in performance
Grade 4	D	Account has defaulted

Note: Tata Cleantech Capital, a subsidiary of the Group has a internal rating model mapped to external rating grades for Infrastructure finance activity.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

4) Credit quality analysis continued

(₹ in lakh)

As at March 31, 2020		Asset group	Days past due	Estimated gross carrying amount at default	Expected credit loss rate	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans, Credit Substitutes, Finance Leases	0	70,78,316	0.83%	58,589	70,19,727
			1-29	2,83,282	3.30%	9,362	2,73,920
			Total	**73,61,598**	**0.92%**	**67,951**	**72,93,647**
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans, Credit Substitutes, Finance Leases	0	16,916	14.12%	2,389	14,527
			1-29	5,007	29.98%	1,501	3,506
			30-59	1,09,854	18.79%	20,644	89,210
			60-89	64,067	36.08%	23,118	40,949
			Total	**1,95,844**	**24.33%**	**47,652**	**1,48,192**
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans, Credit Substitutes, Finance Leases	0	1,236	71.76%	887	349
			1-29	260	59.23%	154	106
			30-59	347	57.06%	198	149
			60-89	1,755	53.22%	934	821
			90 days and above	1,45,937	72.12%	1,05,252	40,685
			Total	**1,49,535**	**71.84%**	**1,07,425**	**42,110**
Total				**77,06,977**	**2.89%**	**2,23,028**	**74,83,949**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

As at March 31, 2019		Asset group	Days past due	Estimated gross carrying amount at default	Expected credit loss rate	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans, Credit Substitutes, Finance Leases	0	68,15,708	0.59%	40,025	67,75,683
			1-29	4,71,306	1.56%	7,346	4,63,960
			Total	**72,87,014**	**0.65%**	**47,371**	**72,39,643**
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans, Credit Substitutes, Finance Leases	0	659	5.01%	33	626
			1-29	10,179	24.31%	2,475	7,704
			30-59	84,004	15.34%	12,889	71,115
			60-89	81,708	20.90%	17,081	64,627
			Total	**1,76,550**	**18.40%**	**32,478**	**1,44,072**
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans, Credit Substitutes, Finance Leases	0	940	84.04%	790	150
			1-29	528	56.82%	300	228
			30-59	408	79.41%	324	84
			60-89	1,025	54.93%	563	462
			90 days and above	1,30,272	79.98%	1,04,195	26,077
			Total	**1,33,173**	**79.72%**	**1,06,172**	**27,001**
Total				**75,96,737**	**2.45%**	**1,86,021**	**74,10,716**

1. Gross carrying amount does not include loan commitments ₹ 697,770 lakh (As on March 31, 2019: ₹ 765,925 lakh). The EAD considered for loan commitments is after applying credit conversion factor (CCF) as per RBI/NHB norms.
2. Includes impairment allowance on loan commitments ₹ 3,100 lakh (As on March 31, 2019 : ₹ 2,970 lakh)

5) Loans

(₹ in lakh)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Loans		
- Amortised Cost	**76,38,281**	75,14,727
- At Fair Value through Other Comprehensive Income	**67,696**	82,010
- At Fair Value through Profit and Loss	**1,000**	–
Total - Gross Carrying value of Loans	**77,06,977**	**75,96,737**
Less: Revenue received in Advance	**(39,191)**	(40,688)
Add: Unamortised loan sourcing costs	**20,175**	17,648
Total - Carrying Value of Loans	**76,87,961**	**75,73,697**
Less : Impairment Allowance	**(2,23,008)**	(1,85,938)
Total - Net Carrying value of Loans	**74,64,953**	**73,87,759**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Gross carrying amount does not include loan commitments ₹ 697,770 lakh (As on March 31, 2019: ₹ 765,925 lakh). The EAD considered for loan commitments is after applying credit conversion factor (CCF) as per RBI/NHB norms.
2. Includes impairment allowance on loan commitments ₹ 3,100 lakh (As on March 31, 2019 : ₹ 2,970 lakh)

6) Trade receivables

(₹ in lakh)

PARTICULARS	As at March 31, 2020			As at March 31, 2019		
Category of Trade receivables	Gross	Impairment allowance	Net	Gross	Impairment allowance	Net
Stage 1: Considered good	**4,527**	**–**	**4,527**	14,338	(15)	14,323
Stage 2: Significant increase in credit risk	**33**	**(33)**	**–**	26	(26)	–
Stage 3: Credit impaired	**264**	**(264)**	**–**	480	(480)	–
Net Carrying value of trade receivables	**4,824**	**(297)**	**4,527**	**14,844**	**(521)**	**14,323**

7) Derivative Financial Instruments

The Group enters into derivatives contract for risk management purposes and has elected to apply hedge accounting requirements. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(₹ in lakh)

Derivatives held for Risk management purposes	As at March 31, 2020			As at March 31, 2019		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Foreign Exchange Forward contracts	2,56,724	10,430	801	57,788	347	(15)
Interest Rate Swap	2,36,243	–	5,027	51,990	–	372
Cross currency Interest Rate Swap	29,897	1,944	–	–	–	–
Total	**5,22,864**	**12,374**	**5,828**	**1,09,778**	**347**	**357**

Derivatives held for risk management purposes, not designated as hedging instruments:

The Group is exposed to foreign currency risk related to external commercial borrowings and the primary risk of change in the floating interest rate and payment in foreign currency towards principal and interest at future date is managed by entering into a interest rate swap and foreign exchange forward rate purchase agreement respectively.

The Group's risk management strategy and how it is applied to manage risk is explained in Note 45.

The Interest rate swap and foreign exchange forward currency agreements are entered to fully hedge the risk on account of change in interest rate and foreign exchange fluctuations on account of the external commercial borrowings.

ii) Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

(1) The main types of collateral obtained across respective business division are as follows:

a Corporate and SME Finance division:

First charge over real estate properties, plant and machineries, inventory and trade receivables, equity and debt securities, floating charge over the corporate assets are obtained. For Construction equipment finance, the asset is hypothecated to the Company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b **Consumer, Housing finance and advisory business:**

For housing loans, mortgage against residential property is obtained. For loan against property, mortgage against residential and commercial property is obtained. For Construction finance, additionally mortgage over residential and commercial project is obtained.

c **Infrastructure finance:**

The term loans are secured by charge on assets and cash flows of the underlying solar and road projects.

(2) The table represents categories of collaterals available against the loan exposures:

(₹ in lakh)

<table>
<tr><th>Particulars</th><th>Category of collateral available</th><th>As at March 31, 2020</th><th>As at March 31, 2019</th></tr>
<tr><td>Financial assets
Loans</td><td></td><td></td><td></td></tr>
<tr><td>Bills purchased and bills discounted</td><td>Charge on trade receivables and inventories</td><td>42,008</td><td>32,956</td></tr>
<tr><td>Term loans</td><td rowspan="2">1) Commercial and SME Finance Division
A) charge over:
i) real estate properties (including residential and commercial),
ii) property and equipment,
iii) inventory and trade receivables,
iv) marketable securities (equity and debt securities)
B) hypothecation of underlying asset financed such as construction and earth moving equipment, vehicles and tractors
C) floating charge on corporate assets as mentioned in point a above
2) Consumer, Housing finance and advisory business
A) mortgages over residential properties
B) real estate properties (including residential and commercial),
C) land
D) under construction flat
3) Infrastructure finance division
Secured by charge on assets and cash flows of the underlying solar and road projects.</td><td>73,94,226</td><td>72,42,547</td></tr>
<tr><td>Credit substitutes</td><td>1,88,047</td><td>1,76,454</td></tr>
<tr><td>Finance lease and hire purchase</td><td>Hypothecation of the underlying asset financed, primarily includes plant and equipment</td><td>78,072</td><td>51,875</td></tr>
<tr><td>Retained portion of assigned loans</td><td>Mortgages over residential properties</td><td>4,624</td><td>6,764</td></tr>
<tr><td>Total</td><td></td><td>77,06,977</td><td>75,10,596</td></tr>
</table>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(3) Assets obtained by taking possession of collateral:

The Group's collection policy is to pursue timely realisation of the collateral in an orderly manner. The Group upon a customer account becoming delinquent, undertakes the process to physically repossess properties or other assets with the help of external agents to recover funds, to settle outstanding debt. Any surplus funds if any received are returned to the customers/obligors. As a result of this practice, the residential properties, vehicles, construction equipments and tractors under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale. Asset in the form of real estate property, plant and machinery, equity shares and debt securities received upon final settlement of the loan is recorded as non-current assets held for sale

Management monitors the market value of collateral as per the Credit monitoring process and will request additional collateral in accordance with the underlying agreement as applicable.

As on March 31, 2020, the Group has given loan against shares / equity oriented mutual funds / debt securities amounting to ₹ 219,415 Lakh (As on March 31, 2019 : ₹ 260,684 lakh). The customer has the obligation to maintain Loan to Value (LTV) of 50% as per RBI norms for shares and equity oriented mutual funds at any point in time, failing which the Group has right to make good the shortfall within 7 working days.

As on March 31, 2020, the Group is in possession of non current assets held for sale (NCAHS) carrying value ₹ Nil lakh (Previous year : ₹ Nil Lakh) (gross carrying value ₹ 4,433 lakh (Previous year : ₹ 4,931 lakh) and provision towards the same ₹ 4,433 lakh (As on March 31, 2019 : ₹ 4,931 lakh).

The Group has written-off loans of ₹ 79,333 lakh in financial year ended March 31, 2020 (Previous year : ₹ 51,408 lakh). The Group retains its contractual right against the obligor and may pursue all remedies to recover these dues.

The table represents categories of collaterals available against the Stage 3 assets, basis valuation available with the Group:

(₹ in lakh)

Particulars	Category of collateral available	As at March 31, 2020	As at March 31, 2019
Financial asset measured at Amortised Cost and FVTOCI Loans			
Bills purchased and bills discounted	Charge on Trade receivables and inventories A) Charges over: i) real estate properties (including residential and commercial),		
Term loans	ii) property and equipment, iii) inventory and trade receivables, iv) marketable securities (equity and debt securities)	81,821	86,713
Credit substitutes	B) Hypothecation of underlying asset financed such as construction and earth moving equipment, vehicles and tractors	–	–
	C) Floating charge on corporate assets as mentioned in point A		
Total		**81,821**	**86,713**

Note: Fresh valuation is obtained for stage 3 assets upon becoming overdue for more than 15 months for CSFD division.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

iii Amounts arising from ECL

Impairment allowance on financial asset is covered in note 2(xiii)

Inputs, assumptions and estimation techniques used for estimating ECL

1) Inputs:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience, expert credit assessment and including forward looking information.

The Group allocates each exposure to a credit risk grade based on days past due, which is a quantitative factor that indicates the risk of default. Additional qualitative factors are applied such as fraudulent customer, reschedulement of loans and discontinued portfolios are also considered as qualitative factor. These factors are applied uniformly for each lending product. Upon review the committee may conclude that the account qualifies for classification as stage 2 since there is increase in credit risk. The determination of the credit risk is for each product, considering the unique risk and rewards associated with it. The Group has observed varied level of risk across various buckets within each stage and a significant increase in risk in stage 2, based on assessment of qualitative parameters such as decline in net-worth, downgrade in internal ratings and external ratings for Corporate and SME Finance Division.

The objective of the ECL assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing the remaining lifetime probability of default (PD) as at the reporting date; with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure and adjusted for changes on account of prepayments.

In assessing the impairment of loan assets under expected credit loss (ECL) Model, the loans have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

Refer note 2(xiii) in Significant accounting policies for definition of Stages of Asset

2) Assumptions:

The Group has applied following assumptions for determination of ECL.

1) "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.

2) "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.

3) "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Group including loan commitments.

4) Definition of default: A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. Further if the customer has requested forbearance in repayment terms, such restructured, rescheduled or renegotiated accounts are also classified as Stage 3. Non-payment on another obligation of the same customer is also considered as a stage 3.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

5) Forward looking information

The Group incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Group forms a 'base case' view of the future direction of relevant economic variables such as real GDP, domestic credit growth, money market interest rate etc. as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes. More weight is applied to pessimistic outcome consistently as a matter of prudence than optimistic outcome.

6) Assessment of significant increase in credit risk

The credit risk on a financial asset of the Group are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Additionally, accounts identified and reviewed by the Executive committee for labelling as breaching pre-defined critical credit risk parameters will also be classified as Stage 2. Accordingly, the financial assets shall be classified as Stage 2, based on the quantitative as well as qualitative factors.

3) Estimation techniques:

The Group has applied the following estimation technique for ECL model:

1) The Group has used historic default rates for calculating the 12-month PD and Lifetime PDs

2) Loss given default is calculated after considering outstanding at the time of default and adjusting for actual recoveries basis time value of money, absent availability of internal data we have used information to the extent available from Basel norms.

Exposures are subject to ongoing monitoring, which may indicate that a significant increase in credit risk has occurred on an exposure. The monitoring typically involves use of the following data for Corporate and Retail exposures:

i) Overdue status

ii) Restructuring, reschedulement of loans and requests for granting of forbearance

iii) Fraudulent customer

iv) Marked as high risk by the Risk Management Committee

v) Techniques for determining PD

vi) Information published in the Basel IRB (Basel internal rating based approach refers to set of credit measurement techniques proposed by the Basel Committee on Bank Supervision (BCBS) for determining capital adequacy of the bank) norms is also used. Days past due are a primary input for the determination of the PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by product. For some portfolios, information published in Basel IRB norms is also used.

The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time. Such statistical models are selected considering the availability of information related to the probability of default for each product.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors. Key macro-economic indicators includes but is not limited to;

a) Private consumption;

b) Contribution to real GDP growth;

c) Housing Price Index;

d) Lending interest rate;

e) Average real wages;

f) Real agriculture;

g) Recorded unemployment;

h) Consumer prices;

i) Growth of real capital stock;

j) Manufacturing;

k) Net direct investment flows;

l) Industry;

m) Services;

n) Public debt;

o) Producer prices;

p) Labour productivity;

q) Domestic credit.

For the purpose of determination of impact of forward looking information, the Group applies various macro economic (ME) variables as stated above to each product and assess the trend of the historical probability of defaults as compared to the forecasted probability of default. Based on the directional trend of output, management applies an overlay if required. Overtime, new ME variable may emerge to have a better correlation and may replace ME being used now.

Based on advice from the external risk management experts, the Group considered variety of external actual and forecast information to formulate a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. Such forecasts are adjusted to estimate the PDs.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

A maximum of a 12-month PD or actual contractual tenure is considered for financial assets for which credit risk has not significantly increased. The Group measures ECL for stage 2 and stage 3 assets considering the risk of default over the maximum contractual period over which it is exposed to credit risk.

The loans are segmented into homogenous product categories to determine the historical PD/LGD as per similar risk profiles, this segmentation is subject to regular review

For portfolios in respect of which the Group has limited historical data, external benchmark information is used to supplement the internally available data.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

viii) Techniques for determining LGD:

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates against defaulted counterparties. The LGD models consider the cash flow received, assets received in lieu of settlement of loan and collateral available for subsequent recovery that is integral to the financial asset. LGD estimates are calculated on a discounted cash flow basis using the internal rate of return as the discounting factor. Group has observed challenges in the resolution of defaulted accounts with ageing more than two years and accordingly a higher LGD estimate is applied assuming nil recoveries towards such accounts.

ix) Techniques for computation of EAD

a) EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on credit conversion factor prescribed by RBI for various loan commitments. For financial assets in stage 2, EAD is determined by estimating the possible exposure in future using linear amortisation techniques.

b) For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down. Outstanding exposure for utilised limit as well as un-utilised limit post applying the credit conversion factor as prescribed under RBI guidelines, absent availability of information of past history of conversion of un-utilised limits into utilised limits is considered as exposure at default for non-fund based facilities.

4) Impact of COVID 19 on ECL impairment allowance:

The current COVID -19 impact on economic growth of the country is difficult to predict and the extent of negative impact will mainly depend on the future developments in containment of COVID-19 and responses of businesses, which is highly uncertain. Existing expected credit loss (ECL) model of the Group was primarily based on historical experiences of the economic conditions, customer behaviour and related factors. The increased uncertainty about potential future economic scenarios and their impact on credit losses has necessitated a consideration of additional scenarios while measuring ECLs.

Impact on certain type of borrowers like self-employed borrower segment and micro, small and medium enterprise (MSME) would be more than the salaried segment due to impact on working capital cycle caused by closure of business during the lockdown. In case of retail loans and construction equipment finance, the Group calculates ECL on a collective basis. The portfolio is segmented based on nature of products, past forward flow rates and days past due (DPD) status. Further, the Group has segmented the portfolio, in to various products for arriving at the potential impact on probability of default.

For Corporate loans, the Group has carried out an individual borrower wise assessment to quantify the COVID-19 impact. Financial assets were analysed based on scenario analysis to arrive at the potential impact of COVID impact. Scenarios analysis was done basis the scoring

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

of the customer on credit risk parameters like secured/unsecured, industry, DPD, LTV and tenure of loans during the COVID 19 lockdown.

One of our subsidiary TCCL's portfolio largely consists of project finance loans to renewable energy generation and other infrastructure sectors, which are primarily backed by project cash flows. Additional risks in the portfolio may arise on account of various factors, such as, lower power offtake from consumers (Power Utility Companies, industrial/commercial/institutional entities) on account of slowdown in economy, payment delay from offtakers on account of deterioration in their credit profile, delay in completion of under construction project on account of lockdown leading to shortage of labourers & resource mobilisation at project site.

To assess additional potential risk in the portfolio on account of COVID19, portfolio segmentation was carried out on the basis of overall risk profile of the borrowing accounts. Various factors were used for arriving at this segmentation. For operational projects, segmentation was done on the basis of strength of the promoter /sponsor, credit profile of payment counterparty, performance of the project and availability of liquidity support in the project.

Similarly, for under construction project, portfolio was assessed on the basis of construction progress of the project vs scheduled progress, visibility of funds to complete the project, strength of the promoter, support available to Special Purpose Vehicle (borrowing entity) from promoter in the form of sponsor undertaking/guarantee.

For construction real estate book, the Group carried out the individual borrower wise assessment to quantify the COVID impact. Impact analysis was done considering following additional credit risk parameters such as:

1. Promotor strength
2. Construction stage
3. Status of project financial closure
4. Debt Service Reserve Account

With this impact analysis, the cases which are having low and medium impact are classified under Stage 1 whereas the cases having high impact are classified under Stage 2 accounts.

To estimate the potential impact of COVID-19, various scenarios were built on the basis of likely duration of the COVID-19 impact. Based on the portfolio segmentation, forward flow into various buckets were estimated for each of the scenarios. ECL rates of each product have been applied to the forward flows as estimated, to arrive at estimated provision under each scenario. Further, by assigning probabilities to various scenarios, overall impact assessment was quantified. The extent to which COVID-19 pandemic will impact current estimates of ECL is uncertain at this point in time. The Group has based on historical data and best available internal and external forward-looking information, built probable scenarios of impact, and quantified an additional loan loss provision of ₹ 31,500 lakh (includes Stage 1 and Stage 2 provisioning of ₹ 18,998 lakh and ₹ 12,502 lakh respectively), in order to capture any potential impact of COVID-19 on impairment allowances.

The underlying forecasts and assumptions applied in the determination of ECL provision are subject to uncertainties which are often outside of the Group's control and accordingly, actual results may differ from these estimates.

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An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in lakh)

a) Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	72,87,014	1,76,550	1,33,173	75,96,737	56,96,528	2,00,516	1,47,169	60,44,213
New assets originated or purchased	29,46,109	–	–	29,46,109	36,97,715	–	–	36,97,715
Assets derecognised or repaid (excluding write offs)	(26,50,965)	(59,038)	(19,113)	(27,29,116)	(19,73,204)	(64,597)	(30,657)	(20,68,458)
Transfers to Stage 1	29,002	(26,891)	(2,111)	–	62,310	(58,349)	(3,961)	–
Transfers to Stage 2	(1,48,191)	1,49,984	(1,793)	–	(1,31,006)	1,33,173	(2,167)	–
Transfers to Stage 3	(90,265)	(35,958)	1,26,223	–	(59,291)	(29,870)	89,161	–
Amounts written off	(11,106)	(8,803)	(86,844)	(1,06,753)	(6,038)	(4,323)	(66,372)	(76,733)
Gross carrying amount closing balance	**73,61,598**	**1,95,844**	**1,49,535**	**77,06,977**	**72,87,014**	**1,76,550**	**1,33,173**	**75,96,737**

Note: Gross carrying amount does not include loan commitments ₹ 697,770 lakh (As on March 31, 2019: ₹ 765,925 lakh). The EAD considered for loan commitments is after applying credit conversion factor (CCF) as per RBI/NHB norms.

(₹ in lakh)

b) Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	47,371	32,478	1,06,172	1,86,021	41,825	27,139	1,23,150	1,92,114
New assets originated or purchased	1,59,712	–	–	1,59,712	1,11,075	–	–	1,11,075
Assets derecognised or repaid (excluding write offs)	(18,913)	(12,557)	(12,437)	(43,907)	(15,536)	(12,967)	(27,851)	(56,354)
Transfers to Stage 1	391	(356)	(35)	–	421	(361)	(60)	–
Transfers to Stage 2	(54,183)	54,554	(371)	–	(39,049)	39,523	(474)	–
Transfers to Stage 3	(66,034)	(23,526)	89,560	–	(51,105)	(19,591)	70,696	–
Amounts written off	(393)	(2,941)	(75,464)	(78,798)	(260)	(1,265)	(59,289)	(60,814)
Change in rate	–	–	–	–	–	–	–	–
ECL allowance - closing balance	**67,951**	**47,652**	**1,07,425**	**2,23,028**	**47,371**	**32,478**	**1,06,172**	**1,86,021**

Note: Includes impairment allowance on loan commitments ₹ 3,100 lakh (As on March 31, 2019 : ₹ 2,970 lakh)

Bank balances of the Group are with highly rated banks. Hence, the Group doesn't expect any ECL on cash and cash equivalents and other bank balances.

The increase in the ECL impairment allowance is on account of increase in credit risk and deterioration in economic conditions. For detailed note on impact of COVID 19 on ECL impairment allowance, refer note no 44.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Modified financial assets

The Group renegotiates loans given to customers in financial difficulties (referred to as forbearance activities, restructuring or rescheduling) to maximise collection opportunities and minimise the risk of default. Under the Companies forbearance policy, loan forbearance is granted on a selective basis if the customer is currently in default on its debt or if there is a high risk of default, there is evidence that the customer made all reasonable efforts to pay under the original contractual terms and the customer is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Risk Management Committee regularly reviews reports on forbearance activities.

Upon renegotiation, such accounts are classified as stage 3. Such accounts are upgraded to stage 1 only upon observation of satisfactory repayments of one year from the date of such down-gradation and accordingly loss allowance is measured using 12 month PD.

Exposure to modified financial assets

(₹ in lakh)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Loan exposure to modified financial assets		
(i) Gross carrying amount	**3,871**	8,331
(ii) Impairment allowance	**(2,070)**	(3,086)
(iii) Net carrying amount	**1,801**	**5,245**

iv) Concentration of Credit Risk

The table below shows the credit quality based on credit concentration and the maximum exposure to credit risk based on the days past due and year-end stage classification of Loans. The amounts presented are gross of impairment allowances.

(₹ in lakh)

Gross Carrying	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Divisions								
Consumer, Housing finance and advisory business	44,57,288	1,25,127	92,031	46,74,446	42,82,268	1,40,696	90,528	45,13,492
Commercial and SME finance	23,94,219	50,700	49,991	24,94,910	25,11,033	35,243	41,175	25,87,451
Infrastructure finance	5,10,142	20,017	6,032	5,36,191	4,90,368	611	–	4,90,979
Others	(51)	–	1,481	1,430	3,345	–	1,470	4,815
Total	**73,61,598**	**1,95,844**	**1,49,535**	**77,06,977**	**72,87,014**	**1,76,550**	**1,33,173**	**75,96,737**

Note: Gross carrying amount does not include loan commitments ₹ 697,770 lakh (As on March 31, 2019: ₹ 765,925 lakh). The EAD considered for loan commitments is after applying credit conversion factor (CCF) as per RBI/NHB norms.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Impairment Allowance	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Divisions								
Consumer, Housing finance and advisory business	42,202	38,923	65,014	1,46,139	30,395	28,417	70,053	1,28,865
Commercial and SME finance	22,287	6,602	39,537	68,426	14,147	4,030	36,119	54,296
Infrastructure finance	3,462	2,127	1,393	6,982	2,126	31	–	2,157
Others	–	–	1,481	1,481	703	–	–	703
Total	**67,951**	**47,652**	**1,07,425**	**2,23,028**	**47,371**	**32,478**	**1,06,172**	**1,86,021**

Note: Includes impairment allowance on loan commitments ₹ 3,100 lakh (As on March 31, 2019 : ₹ 2,970 lakh)

B. Liquidity risk

i. Maturity analysis for financial liabilities and financial assets

The amounts in the table above have been compiled as follows.

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Loans disbursed to customers and unrecognised loan commitments	Earliest possible contractual maturity.
Derivative financial liabilities and financial assets held for risk management purposes	The Derivative liability amount represents the Mark to market(MTM) gain.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal differences are as follows:

Unrecognised loan commitments are not all expected to be drawn down immediately; and retail loans (includes personal loan, business loan, consumer durable loan, auto loan, home equity) have an original contractual maturity of between 12 and 144 months but an average expected maturity of 16 months because customers take advantage of early repayment options. Similarly Corporate loans have an original contractual maturity of between 12 and 60 months respectively for Channel finance and Commercial finance term loans respectively, but an average expected maturity of 7 months and 24 months respectively.

As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks to maintain the liquidity requirements.

The Group has a policy of recognizing cash flows from performing assets on the basis of their contracted maturities. However due to the advent of Covid 19 and measures announced by RBI, the Company has adopted a conservative approach for bucketing the inflows by suitably deferring the expected inflows on performing loans.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The Group is in the business of giving loans for different categories of customers i.e. retail and wholesale and the tenor of such loans vary across categories. Each of such categories exhibits varying degrees of prepayment which is factored in the inflows except for the year ended March 31, 2020 as stated in the above note.

The Group has set tolerance limits in the light of the Group's business objectives, strategic direction and overall risk appetite. The tolerance limits reflects balance between profitability and managing liquidity risk and considers Group's current financial condition and funding capacity. The Group maintains liquidity buffer of unencumbered highly liquid assets (if required) to insure against liquidity stress events.

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Group's financial liabilities and financial assets:

(₹ in lakh)

As at March 31, 2020	Carrying amount	Gross nominal inflow/ (outflow)	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial asset by type									
Cash and cash equivalents	4,30,224	4,30,224	4,00,471	13,795	15,958	–	–	4,30,224	–
Bank balances	1,782	1,782	318	79	1,210	145	30	1,607	175
Derivative assets	12,374	13,749	21	46	418	13,264	–	485	13,264
Receivables	4,659	4,664	46	498	4,120	–	–	4,664	–
Loans	74,64,953	74,64,953	1,05,602	2,69,717	16,88,271	30,63,359	23,38,004	20,63,590	54,01,363
Investments	1,49,977	1,49,977	1,031	472	–	81,229	67,245	1,503	1,48,474
Other Financial Assets	40,112	40,115	12	7,320	30,481	2,017	285	37,813	2,302
Total	**81,04,081**	**81,05,464**	**5,07,501**	**2,91,927**	**17,40,458**	**31,60,014**	**24,05,564**	**25,39,886**	**55,65,578**
Financial liabilities by type									
Derivative liabilities	5,828	6,070	66	155	1,861	3,988	–	2,082	3,988
Trade and other payables	63,070	63,070	5,092	36,563	21,415	–	–	63,070	–
Debt securities issued	30,41,066	30,41,389	1,19,051	5,99,109	5,99,852	13,13,019	4,10,358	13,18,012	17,23,377
Borrowings	35,07,520	35,07,520	78,858	5,45,808	7,50,466	18,82,703	2,49,685	13,75,132	21,32,388
Subordinated liabilities	5,35,187	5,35,761	–	–	30,165	1,89,829	3,15,767	30,165	5,05,596
Other financial liabilities	2,20,601	2,21,715	14,763	65,633	90,459	50,205	655	1,70,855	50,860
Total	**73,67,444**	**73,69,455**	**2,17,764**	**12,47,113**	**14,92,357**	**34,35,756**	**9,76,465**	**29,57,234**	**44,12,221**
Market Borrowings	36,78,311	36,78,311	10,762	6,56,822	7,06,309	15,43,965	7,60,453	13,73,893	23,04,418
Bank borrowings	34,21,806	34,21,806	1,87,250	4,88,291	6,74,972	18,43,750	2,27,543	13,50,513	20,71,293
Total	**71,00,117**	**71,00,117**	**1,98,012**	**11,45,113**	**13,81,281**	**33,87,715**	**9,87,996**	**27,24,406**	**43,75,711**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

As at March 31, 2019	Carrying amount	Gross nominal inflow/ (outflow)	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial asset by type									
Cash and cash equivalents	1,87,773	1,87,773	1,87,773	–	–	–	–	1,87,773	–
Bank balances	53,732	53,732	8,787	16,025	28,892	–	28	53,704	28
Derivative assets	347	347	1	2	8	336	–	11	336
Receivables	14,347	14,355	13,582	496	277	–	–	14,355	–
Loans	73,87,759	73,87,759	3,30,784	9,40,082	14,93,197	23,88,234	22,35,462	27,64,063	46,23,696
Investments	1,78,615	1,78,615	1,057	590	1,379	97,818	77,771	3,026	1,75,589
Investments accounted using equity method	89,102	89,102	–	–	–	–	89,102	–	89,102
Other Financial Assets	34,720	34,724	137	6	33,189	1,174	218	33,332	1,392
Total	**79,46,395**	**79,46,407**	**5,42,121**	**9,57,201**	**15,56,942**	**24,87,562**	**24,02,581**	**30,56,264**	**48,90,143**
Financial liabilities by type									
Derivative liabilities	357	357	–	–	–	357	–	–	357
Trade and other payables	74,464	74,464	899	61,918	11,647	–	–	74,464	–
Debt securities issued	31,76,803	31,78,979	3,43,576	7,02,185	9,56,094	11,05,269	71,855	20,01,855	11,77,124
Borrowings	32,33,232	32,33,232	4,81,405	5,23,047	4,51,597	14,61,942	3,15,241	14,56,049	17,77,183
Subordinated liabilities	5,70,021	5,70,929	–	–	1,71,611	1,37,472	2,61,846	1,71,611	3,99,318
Other financial liabilities	1,96,340	1,97,842	16,787	19,163	1,20,175	41,717	–	1,56,125	41,717
Total	**72,50,860**	**72,55,446**	**8,42,667**	**13,06,313**	**17,11,124**	**27,46,400**	**6,48,942**	**38,60,104**	**33,95,342**
Market Borrowings	35,04,428	35,04,428	3,15,275	7,39,710	11,60,818	12,46,174	42,451	22,15,803	12,88,625
Bank borrowings	31,57,734	31,57,734	5,10,457	4,84,675	4,19,078	14,58,850	2,84,674	14,14,210	17,43,524
Total	**66,62,162**	**66,62,162**	**8,25,732**	**12,24,385**	**15,79,896**	**27,05,024**	**3,27,125**	**36,30,013**	**30,32,149**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

iii. Financial assets available to support future funding:

Details of assets pledged/not pledged as securities are as follows:

(₹ in lakh)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Pledged	Not Pledged	Total	Pledged	Not Pledged	Total
ASSETS						
Financial assets	**74,56,895**	**6,47,186**	**81,04,081**	**73,85,832**	**4,36,741**	**78,22,573**
Cash and cash equivalents	–	4,30,224	4,30,224	–	1,87,773	1,87,773
Bank Balance other than above	–	1,782	1,782	–	53,732	53,732
Derivatives financial instruments	–	12,374	12,374	–	347	347
Trade Receivables	–	4,527	4,527	–	14,323	14,323
Other Receivables	–	132	132	–	24	24
Loans	74,56,895	8,058	74,64,953	73,85,832	1,927	73,87,759
Investments	–	1,49,977	1,49,977	–	89,513	89,513
Other financial assets	–	40,112	40,112	–	89,102	89,102
Non-financial Assets	**77,396**	**1,46,563**	**2,23,959**	**83,549**	**1,51,627**	**34,720**
Current tax asset	–	15,471	15,471	–	9,949	9,949
Deferred tax Assets (Net)	–	67,919	67,919	–	80,177	80,177
Investment property	253	1,995	2,248	266	2,102	2,368
Property, Plant and Equipment	77,143	27,678	1,04,821	83,283	18,678	1,01,961
Capital work-in-progress	–	76	76	–	128	128
Intangible assets under development	–	120	120	–	116	116
Other Intangible assets	–	2,772	2,772	–	2,947	2,947
Other non-financial assets	–	30,532	30,532	–	37,530	37,530
Total Assets	**75,34,291**	**7,93,749**	**83,28,040**	**74,69,381**	**5,88,368**	**78,57,293**

iv. Financial assets pledged as collateral

The total financial assets recognised in the statement of financial position that had been pledged as collateral for liabilities as at March 31, 2020 and March 31, 2019 is shown in the preceding table.

C. Market risk

i Exposure to interest rate risk – Non-trading portfolios

Group carries out earning adjusted rate (EAR) model analysis for loans and borrowings, to assess the impact on the earnings upon change in the interest rates.

Below table illustrates impact on earnings on account of 100 bps change on in interest rate on the loans and borrowings due for repayment / rate reset in one year.

As on March 31, 2020 (₹ in lakh)

Particulars	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Loans given	63,84,426	55,093	(55,093)
Borrowings	45,00,511	5,114	(5,114)
Net Gap (Asset - liability)	**18,83,915**	**49,979**	**(49,979)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2019 (₹ in lakh)

Particulars	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Loans given	63,90,463	31,952	(31,952)
Borrowings	49,40,271	(1,861)	1,861
Net Gap (Asset - liability)	**14,50,192**	**33,813**	**(33,813)**

The following table sets forth, for the periods indicated, the break-up of borrowings into variable rate and fixed rate.

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowings	44%	42%
Fixed rate borrowings	56%	58%
Total borrowings	**100%**	**100%**

ii **Exposure to currency risks – Non-trading portfolios**

There are no exposure to foreign currency risks in the non trading portfolio as on March 31, 2020, since Group has entered into derivative contract to fully hedge the risk

iii. **Foreign currency risk exposure- subsidiaries**

The foreign currency risk from monetary asset and liabilities as at March 31, 2020 is as follows:

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
	US Dollar	US Dollar
Net exposure to foreign currency risk in respect of recognised financial assets/(recognised financial liabilities)	50,433	41,383

Sensativity analysis between Indian Rupee and US Dollar:

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1% Depreciation in INR		
Impact on P&L	103	319
1% Appreciation in INR		
Impact on P&L	(103)	(319)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

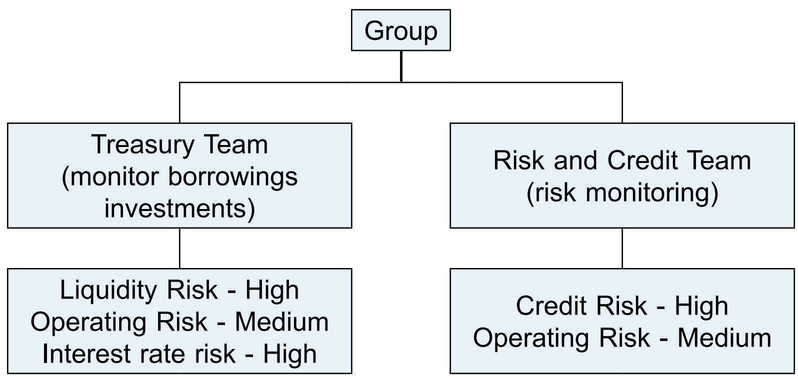
NOTE "45"

FINANCIAL RISK MANAGEMENT

A Introduction and overview;

Financial instruments of the Group is exposed to credit risk, liquidity risk, market risks and operational risk.

1 The following chart provides a link between the Group's business units and the principal risks that they are exposed to:



2 Group's Risk Management framework for measuring and managing risk:

a Risk management framework:

The Group's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Board of Directors has constituted following committees and defined their role for monitoring the risk management policies of the Group.

i Asset and Liability Committee (ALCO): Review of the Asset and Liability position, liquidity risk and market risk of the Group.

ii Risk Management Committee: Review of the credit risk, operational risk and fraud risk management of the Group. Operational risk management committee(ORMC) reviews operational risk as per the Operational risk management framework. Fraud risk management committee (FRMC) reviews matters of frauds committed by employee, customer and vendors.

iii Investment Committee (IC)and Credit Committee(CC): Review of the investment and credit proposal of the Group and oversight of credit risk. A separate Managing Credit Committee(MCC) reports to the Credit Committee, is responsible for managing the credit risk of the Group.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the activities of the Group. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Risk Management Committee oversees how the management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sources of risk which the Group is exposed to and how the same is managed is illustrated in the table below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Financial asset measured at amortised cost. Trade receivable and derivative financial instrument.	Review of ageing analysis and credit rating of the customer. Annual review of the Customer account as per the Credit monitoring policy of the Group.	Granularity of portfolio, product, ticket size, collateral and customer segment.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed bank lines and borrowing facilities
Market risk - foreign exchange	Payable in foreign currency for purchase of Assets given on operating lease Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting and sensitivity analysis	Forward foreign exchange contracts.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis for rate sensitive assets and liabilities	Managing the borrowing mix between market and bank borrowing.
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Group's Credit risk and market risk management for lending business is carried out by the Credit and Risk management team and the liquidity and market risk management for the sources of funds is carried out by a treasury department as per the policies approved by the board of directors. Treasury identifies, evaluates and mitigates financial risks in close co-operation with the Group's operating units. ALCO provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, use of derivative financial instruments and investment of excess liquidity.

3 The Risk management approach of the Group for handling the various type of risks are as follows:

a Credit risk:

i Means the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Group is principally exposed to credit risk.

ii **Management of Credit risk:**

The credit risk is governed by the credit policy approved by the Investment and Credit Committee. The credit policy outlines the type of products that can be offered, customer categories, the targeted customer profile, credit approval process and limits and credit monitoring.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The Group measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level. The Group has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Credit monitoring team verifies adherence to the terms of the credit approval prior to the commitment and disbursement of credit facilities and monitors deferral of the security perfection. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

The Group has additionally taken the following measures for risk management;

1 Single party and group borrower limit.

2 Limit on secured and unsecured exposure for Commercial and SME finance division and at Group level.

3 Establishment of a separate credit monitoring team to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required.

4 Enhanced monitoring of retail product portfolios through periodic reviews.

For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure - e.g. individual obligor default risk, customer type industry risk, market risk, geography risk and sector risk.

iii **Governance framework of the Group:**

The role of the Managing Credit Committee encompasses the following activities:

1 Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, setting and adherence to internal and regulatory threshold limits and compliance with regulatory and statutory requirements;

2 Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit credit officers. Investment Committee (IC) and Credit Committee (CC) approves loan and investment proposal above threshold limit as per the credit policy. Review and assessment of credit risk is done by the Credit Team. Risk team lays down policies for risk management;

3 Renewal and review of the facility is subject to the same review process;

4 Limiting concentration of exposure to counterparty, geography and industry for loans and advances;

5 Developing and maintaining the Group's risk grading to categorise exposures according to the degree of risk of default. The current risk grading framework of the Group for Commercial and SME finance division (CSFD) is based on the 12 grades of internal rating reflecting varying degrees of risk of default.

The responsibility for setting risk grades lies with the final approving executive or committee, as appropriate. Risk grades are subject to regular reviews by Risk Management Committee;

6 Developing and maintaining the Group's processes for measuring ECL for CSFD and CFAB division for managing the following requirements:

   1 Initial approval, regular validation and back-testing of the models used;

   2 Incorporation of forward-looking information;

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

3 Reviewing compliance of business units with agreed exposure limits to products, state and sector;

4 Regular reports on the credit quality of product portfolio are provided to Credit Committee, which may require appropriate corrective action to be taken;

5 These include reports containing inputs, estimates and techniques of ECL allowances;

6 Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk;

7 Assess criteria of staging of the assets under qualitative parameters.

Each business unit is required to implement Group's credit policies and procedures, with credit approval authorities delegated from the Credit Committee. Each business unit has a Chief Credit Risk Officer who reports on all credit-related matters to Credit Committee and Chief Risk officer. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subject to approval of Credit Committee. Regular audits of business units and credit processes are undertaken by Internal Audit.

iv **Credit Risk assessment methodology:**

Credit management for Corporate Portfolio:

The Group has an established credit analysis procedure leading to appropriate identification of credit risk. Appropriate appraisals have been established for various types of products and businesses. The methodology involves critical assessment of quantitative and qualitative parameters subject to review and approval of Credit Committee.

The Group carries out a detailed analysis of funding requirements, including normal capital expenses, long-term working capital requirements and temporary imbalances in liquidity. A significant portion of Corporate Finance loans are secured by a lien over appropriate assets of the borrower.

Evaluation of Borrower risk is based on the following assessment:

1 The risks and prospects associated with the industry in which the borrower is operating (industry risk);

2 The financial position of the borrower by analysing the quality of its financial statements, its past financial performance, its financial flexibility in terms of ability to raise capital and its cash flow adequacy (financial risk);

3 The borrower's relative market position and operating efficiency (business risk);

4 The quality of management by analysing their track record, payment record and financial conservatism (management risk); and

5 The risks with respect to specific projects, both pre-implementation, such as construction risk and funding risk, as well as post-implementation risks such as industry, business, financial and management risks related to the project (project risk).

v **Risk management and portfolio review:**

The Group ensure effective monitoring of credit facilities through a risk-based asset review framework under which the frequency of asset review is higher for cases with higher outstanding balances. The credit monitoring team verifies adherence to the terms of the credit approval prior to the commitment and disbursement of credit facilities. The credit monitoring team/operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and insurance policies for assets financed. The Managing Credit Committee (MCC), apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the MCC is submitted to the Credit Committee for its information.

vi **Credit management for Retail portfolio:**

The Group ensures effective monitoring of credit facilities through a risk-based asset review framework under which the frequency of asset review is higher for cases with higher outstanding balances. The credit team verifies adherence to the terms of the credit approval prior to the disbursement of credit facility. It also reviews the completeness of documentation, creation of security and insurance policies for assets financed. The credit team approves the proposals while the risk team regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the risk team is submitted to the Risk management committee.

vii The Group is taking following additional measures post COVID-19 to ensure the ongoing effectiveness of risk management, maintaining a strong, diversified and resilient portfolio and ensuring that areas of growth are well controlled and sustainable:

1. Engagement with the customers through dedicated relationship manager and collection team for regularisation of standard accounts
2. Policy intervention by way of identifying positive and negative sectors and geographies for future funding need of the customers
3. Realigning the product suite by way of differentiated product mix offering to different segments of borrowers
4. Diversification of geographical concentration risk by way of varied maximum ticket size based on target geography
5. Enhanced field monitoring for partly disbursed cases
6. For large Corporate loans, stringent escrow management, field monitoring and engagement with promoters. Selection of new borrower is being done after assessing the impact of COVID-19 on the borrower and project.
7. Continuous monitoring of both operational and under construction projects to identify risks at an early stage, to aid timely action.
8. Assessment of cashflow of the borrowers under the current scenario.
9. Strengthening of the collection infrastructure
10. Cautious selection of new construction projects after careful assessment of impact of COVID-19 on the borrower and project.
11. Regular assessment of the credit profile of off-takers and their payment track record to various developers. Gradual reduction in portfolio with relatively weaker off-takers.
12. Strengthening of credit assessment terms for newer sanctions.
13. Opportunistic acquisition of credit-worthy transactions from secondary markets.
14. Long term Credit lines from foreign and Indian Institutions.
15. Digitization of key processes enabling better and real time portfolio monitoring.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b Market risk;

Risk due to change in market prices - e.g. interest rates, equity prices, foreign exchange rates and credit spreads, but not relating to changes in the obligor's/issuer's credit standing and will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the solvency while optimising the return on risk.

The market risk in respect of changes in value in financial assets arising from changes in market credit spreads applied to loans are monitored by the market risk officer.

ALCO sets up limits for each type of risk in aggregate and various products in the portfolio, with market liquidity being a primary factor in determining the level of limits. The market risk officer is responsible for the development of detailed market risk management policies and periodic review along with day to day implementation.

Exposure to Market Risk:

i Interest rate risk:

Core business of the Group is borrowing and lending as permitted by the Reserve Bank of India and National Housing Bank, exposing us to interest rate risk.

Interest rate risk is measured through earnings at risk from an earning perspective. The Group monitors the change in economic value of equity arising out of 100 bps change in the interest rate. Further, an interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to earliest of contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The Group monitor interest rate risk through above measures on a monthly basis. The interest rate risk limits are approved by the ALCO.

The extent to which COVID-19 pandemic will impact current estimates of interest rates is uncertain at this point in time. On a best estimate basis, the Group is not anticipating any significant interest rate risk due to COVID-19 outbreak. The following assessment are being conducted on regular basis to monitor the interest rate risk.

a. The impact of 100 bps change in interest rate on Net interest Income up to 1 year time frame.

b. The impact of 200 bps movement in interest rate on economic value of equity .

ii Currency Risk

The foreign currency loan in form of external commercial borrowing (ECB) raised by the Group are fully hedged towards the risk of fluctuation in:

1 Floating interest rate and

2 Foreign currency exchange rate and its impact on the repayment of the interest and principal.

The Group has to manage various risks associated with the external commercial borrowings. These risks include Foreign exchange risk and interest rate risk.

The hedging policy as approved by the Asset liability Committee (ALCO) prescribes the hedging of the entire risk associated with change in the interest rates and fluctuation of foreign exchange rates. The Group manages its interest rate and currency risk in accordance with the guidelines prescribed therein. As a part of Asset Liability Management, the Group has entered into interest rate swaps wherein it has converted its fixed rate rupee liabilities into floating rate linked to various benchmarks. The currency risk on the borrowings is managed through forward exchange contract.

The Group's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. All hedges entered into by the Group are cash flow hedges

Risk management for External commercial borrowings:

Liquidity risk and Interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of maturity profiles. The currency risk on the borrowings is actively managed mainly through a combination of principal only swaps, forward contracts, option contracts and dollar denominated assets. Counter party risk is reviewed periodically in terms of exposure to various counter parties.

There is no change in the contractual terms of the hedged item and hedging instrument pursuant to the COVID-19 outbreak.

iii Equity price risk

The Group has carried investment in equity at fair value through profit and loss and does not expect any incremental impact due to COVID-19 outbreak.

c Liquidity risk;

A risk that the Group will encounter difficulty in meeting its day to day financial obligations.

Management of liquidity risk is done as follows;

i ALCO sets the strategy for managing liquidity risk commensurate with the business objectives;

ii ALCO has delegated the responsibility of managing overall liquidity risk and interest rate risk management to Treasury.

iii Treasury department manages the liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the Group. Treasury team ensures the regulatory compliance to the liquidity risk related limits approved in the ALM policy by ALCO.

iv The Group's approach to managing liquidity is to ensure sufficient liquidity to meet its liabilities when they are due without incurring unacceptable losses or risking damage to the Group's reputation.

The key elements of the Group's liquidity risk management strategy are as follows:

1 Maintaining a diversified funding through market and bank borrowings resources such as debentures, commercial papers, subordinated debt, perpetual debt, Intercorporate deposits(ICD's), overdraft and bank term loans. Unused bank lines constitute the main liquidity back up to meet the contingency funding plan. Additionally, based on Market scenario, the Group also maintains a portfolio of highly liquid mutual fund units.

2 Under the ALM guidelines, the dynamic liquidity statement and structural liquidity statement are being prepared on monthly basis to monitor the maturity gaps in the Assets and Liabilities cash flows. We monitor the behavioural characteristics of the Group's financial assets and financial liabilities while preparing the structural liquidity statement.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

3 The Group carries out stress testing of cash flows on periodic basis and shares the results with ALCO to gauge the adequacy of liquidity.

A long-drawn nation-wide lockdown necessitated by the outbreak of COVID-19 pandemic, has impacted treasury operations and increased liquidity risk across the economy.

In order to address this risk and to seamlessly carry out treasury activities, the Group immediately activated its Business Continuity Plan (BCP) and took following key actions amongst other administrative actions as on March 31, 2020 and up to the date of the adoption of the financial statements:

a. It has honoured all its debt obligations on time.

b. The Group assessed its structural liquidity for the period ended March 31, 2020 after taking in to account the moratorium extended to its borrower under the RBI relief packages. Based on this assessment no negative impact on liquidity has been observed - and the cash flow mismatches have remained within the stipulated regulatory limits. The Group is tracking collections closely and calibrating disbursals to match with collections.

c. The Group enhanced liquidity on hand by drawing upon bank lines and has accessed fresh funding lines from banks during Q1 FY20-21

d. The Group also accessed money markets and raised medium to long term funding from the capital markets and financial institutions under the various schemes promulgated by the RBI.

e. Owing to the above measures, the Group has not seen a rise in its liquidity risk.

d **Operational Risk;**

The risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, systems, and from external factors other than credit, compliance, reputation, market and liquidity risks.

The Group has a Board approved Operational Risk Management (ORM) framework. Ongoing monitoring of key risk indicators ("KRI") is done and corrective actions are implemented on KRI exceptions. ORMC meets periodically to review the operational risk profile of the organisation.

Risks associated with frauds are mitigated through a Fraud Risk Management (FRM) framework. FRMC reviews matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

Tata Capital has adopted "Framework for Improving Critical Infrastructure Cyber Security" published by the National Institute of Standards & Technology (NIST) and comply with regulatory guidelines. Various measures are adopted to effectively protect against phishing, social media threats and rogue mobile.

In order to address the risk associated with COVID 19 and to seamlessly carry out normal operations, the Group immediately activated its Business Continuity Plan (BCP).

The Group ensured seamless accessibility of critical systems through virtual private network (VPN), thereby minimizing the risk of security/data breaches and cyberattacks

4 Risk of investment impairment

The Group has assessed the potential impact of COVID-19 on the carrying value of its investments and has considered internal and external information available, upto the date of approval of these financial statements. As the extent to which the global pandemic will impact the Group's assessment and resultant impairments to investments is highly uncertain, the actual impact may turn out to be different from the estimates as on the date of approval of these financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE “46”

LIQUIDITY RISK

i. Exposure to liquidity risk

The Group has set tolerance limits in the light of the Group’s business objectives, strategic direction and overall risk appetite. The tolerance limits reflects balance between profitability and managing liquidity risk and considers Group’s current financial condition and funding capacity. The Group maintains liquidity buffer of unencumbered highly liquid assets (if required) to insure against liquidity stress events.

ii. Maturity analysis of assets and liabilities

The table below set out carrying amount of assets and liabilities according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

(₹ in lakh)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets	**25,39,873**	**55,64,208**	**81,04,081**	**30,54,639**	**48,02,654**	**78,57,293**
Cash and cash equivalents	4,30,224	–	4,30,224	1,87,773	–	1,87,773
Bank Balance other than above	1,607	175	1,782	53,704	28	53,732
Derivatives financial assets	479	11,895	12,374	11	336	347
Receivables	4,659	–	4,659	14,347	–	14,347
Loans	20,63,591	54,01,362	74,64,953	27,62,451	46,25,308	73,87,759
Investments	1,503	1,48,474	1,49,977	3,026	1,75,589	1,78,615
Other financial assets	37,810	2,302	40,112	33,327	1,393	34,720
Non-financial Assets	**15,924**	**2,08,035**	**2,23,959**	**30,017**	**2,05,159**	**2,35,176**
Current tax asset	–	15,471	15,471	–	9,949	9,949
Deferred tax Assets (net)	–	67,919	67,919	–	80,177	80,177
Investment property	–	2,248	2,248	–	2,368	2,368
Property, Plant and Equipment	13,048	91,773	1,04,821	–	1,01,961	1,01,961
Capital work-in-progress	–	76	76	–	128	128
Intangible assets under development	–	120	120	–	116	116
Other Intangible assets	–	2,772	2,772	–	2,947	2,947
Other non-financial assets	2,876	27,656	30,532	30,017	7,513	37,530
Total Assets	**25,55,797**	**57,72,243**	**83,28,040**	**30,84,656**	**50,07,813**	**80,92,469**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial Liabilities	**29,56,798**	**44,16,474**	**73,73,272**	**38,57,851**	**33,93,366**	**72,51,217**
Derivative financial liabilities	–	5,828	5,828	–	357	357
Trade and other payables	63,070	–	63,070	74,464	–	74,464
Debt Securities	13,17,663	17,23,403	30,41,066	19,99,680	11,77,123	31,76,803
Borrowings (Other than debt securities)	13,75,132	21,32,388	35,07,520	14,56,049	17,77,183	32,33,232
Subordinated liabilities	30,111	5,05,076	5,35,187	1,71,532	3,98,489	5,70,021
Other financial liabilities	1,70,822	49,779	2,20,601	1,56,126	40,214	1,96,340
Non-Financial Liabilities	**16,686**	**6,530**	**23,216**	**22,130**	**7,357**	**29,487**
Current tax liability	11,947	–	11,947	17,955	–	17,955
Provisions	2,231	891	3,122	1,842	971	2,813
Other non financial liabilities	2,508	5,639	8,147	2,333	6,386	8,719
Total liabilities	**29,73,484**	**44,23,004**	**73,96,488**	**38,79,981**	**34,00,723**	**72,80,704**

NOTE "47"

The Holding Company is in receipt report u/s 45N of Reserve Bank of India Act, 1934 (RBI Act), wherein the regulator has observed that the Company is involved in Private Equity Business (advising/managing and investing in private equity funds) and the same does not fall within the purview of Core Investment Company (CIC) {as per Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 (CIC Regulations)} as a result of which, the Company may consider a review of its private equity business

The Holding Company has represented that there is no restriction on advising/managing private equity funds as stipulated by the CIC Regulations and investments in private equity funds falls within the investments permitted by the CIC Regulations. The view of the company is also supported by an independent legal opinion from a reputed law firm. While the matter is under discussion with the Regulator, the Company believes that the observation does not have any impact on the financial statements of the Company as at and for the year ended March 31, 2020.

NOTE "48"

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Group is granting a moratorium of up to six months on payment of installments, falling due between March 1, 2020 and August 31, 2020 to eligible borrowers as per the Group's policy approved by the Board. For all such accounts where the borrower has been granted moratorium, the asset classification shall remain standstill during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of staging).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2020, the aggregate outstanding of the borrowers is ₹ 268,993 lakh, to whom moratorium has been extended and were overdue but standard (DPD 1-89 days) as at February 29, 2020. Of these, borrowers with aggregated outstanding of ₹ 45,259 lakh (including accrued interest of ₹ 690 lakh) were extended asset classification benefit (accounts not classified as Stage 3) at March 31, 2020. At March 31, 2020, the Group has loan loss allowances of ₹ 10,357 lakh against these loan accounts.

NOTE "49"

Previous year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current year's classification/ disclosure.

In terms of our report attached

For and on behalf of the Board of Directors
Tata Capital Limited

For **B S R & Co. LLP** Chartered Accountants Firm Reg No: 101248W/W- 100022	**Saurabh Agrawal** (Chairman) DIN: 02144558	**Nalin M. Shah** (Director) DIN: 00882723	**Mehernosh B. Kapadia** (Director) DIN: 00046612
Sagar Lakhani Partner Membership No: 111855	**Varsha Purandare** (Director) DIN : 05288076 (Pune)	**F. N. Subedar** (Director) DIN: 00028428	**Aarthi Subramanian** (Director) DIN: 07121802
Mumbai June 30, 2020	**Rajiv Sabharwal** (Managing Director & CEO) DIN: 00057333	**Avan Doomasia** (Company Secretary)	**Rakesh Bhatia** (Chief Financial Officer)

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/associates/joint ventures

Part "A": SUBSIDIARIES

(₹ in lakh)

Sr. No.	Name of Subsidiary	The date since when subsidiary was acquired	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share Capital / Partner's Capital / Unitholder's Capital	Reserves & Surplus	Total Assets	Total Liabilitites	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Share-holding
1	Tata Capital Financial Services Limited	November 19, 2010	INR	1,62,993	4,58,343	46,80,703	40,59,367	19,013	6,06,195	45,250	33,889	11,361	4,890	100.00
2	Tata Capital Housing Finance Limited	October 15, 2008	INR	54,756	2,22,422	28,79,365	26,02,187	452	3,01,080	25,453	10,219	15,234	6,571	100.00
3	Tata Cleantech Capital Limited	September 27, 2011	INR	38,802	59,953	6,22,072	5,23,316	77	61,587	16,566	4,309	12,257	–	80.50
4	Tata Capital Pte. Limited [2]	April 25, 2008	1 USD = 74.7434 INR	16,208	22,418	53,912	15,286	48,966	4,888	2,904	17	2,887	–	100.00
5	Tata Capital Markets Pte. Limited [2]	October 29, 2008	1 USD = 74.7434 INR	5,857	(3,049)	2,807	(1)	–	32	22	–	22	–	100.00
6	Tata Capital Advisors Pte. Limited [2]	April 25, 2008	1 USD = 74.7434 INR	5,658	2,502	13,866	5,706	18	7,553	2,168	27	2,142	–	100.00
7	Tata Capital General Partners LLP [2]	January 28, 2010	1 USD = 74.7434 INR	3,737	1,432	7,206	2,037	–	3,127	1,272	–	1,272	–	80.00
8	Tata Capital Growth II General Partners LLP [2]	September 28, 2018	1 USD = 74.7434 INR	15	1	140	124	–	915	1	–	1	–	80.00
9	Tata Capital Healthcare General Partners LLP [2]	June 17, 2010	1 USD = 74.7434 INR	37	(10)	32	5	–	133	3	–	3	–	100.00
10	Tata Capital Healthcare II General Partners LLP [2]	September 12, 2019	1 USD = 74.7434 INR	7	–	32	25	–	164	–	–	–	–	100.00
11	Tata Opportunities General Partners LLP [2]	November 1, 2010	1 USD = 74.7434 INR	8	6	19	5	–	4,572	3	–	3	–	90.00
12	Tata Capital PLC [2]	November 10, 2009	1 GBP = 92.4796 INR	925	177	1,167	65	–	265	41	8	33	–	100.00
13	Tata Securities Limited	July 27, 2007	INR	618	1,965	2,865	282	625	477	100	–	100	–	100.00
14	Tata Capital Growth Fund I -Trust [3]	July 26, 2010	INR	16,127	(8,360)	7,868	102	7,726	163	(91)	12	(103)	–	73.75
15	Tata Capital Special Situation Fund - Trust [3]	March 15, 2010	INR	14,826	(8,128)	6,710	12	6,601	50	(2,978)	2	(2,980)	–	28.20
16	Tata Capital Healthcare Fund I - Trust [3]	May 5, 2010	INR	14,980	(5,262)	9,732	14	9,694	1	(256)	–	(256)	–	32.17
17	Tata Capital Healthcare Fund II- Trust [3]	September 12, 2019	INR	669	(584)	243	158	–	–	(584)	–	(584)	–	–[5]
18	Tata Capital Innovations Fund - Trust [3]	August 31, 2010	INR	27,917	(18,517)	9,629	229	9,488	4	(18,130)	2	(18,131)	–	27.69
19	Tata Capital Growth Fund II - Trust [3]	September 28, 2018	INR	11,119	(777)	10,377	35	10,287	1,663	(156)	–	(156)	–	–[5]
20	TCL Employee Welfare - Trust [4]	March 2, 2010	INR	–	1,705	8,076	6,371	7,906	210	210	29	181	–	–

Notes - Part "A"

1) Reporting period for all subsidiaries is the same as holding company.

2) Share Capital/Partner's Capital/Unitholder's Capital, Reserves & Surplus, Total Assets, Total Liabilities and Investments are translated at exchange rate as on March 31, 2020 as: 1 USD = ₹ 74.7434 INR and 1 GBP = ₹ 92.4796 INR whereas Turnover, Profit/(Loss) before Taxation, Provision for Taxation and Profit/(Loss) after Taxation are translated at annual average rate of 1 USD = ₹ 70.7745 INR and 1 GBP = ₹ 89.9827 INR.

3) Though Trusts would not be considered as body corporates under the Companies Act 2013, these have been disclosed as a measure of good governance.

4) The Employee Welfare Trust ("Trust") has been constituted to administer the Tata Capital Limited Employee Stock Purchase/ Option Scheme ("Scheme"), introduced by the Company, The Trust has been settled by way of a deed executed between the Trustee(s) and the settler. The Trust has been constituted, inter area, for the benefit of the employees of the company, its subsdiaries and the holding company (i.e Eligible Employees), in accourdance with scheme.
The beneficiaries of the Trust are the Eligible Employees as defined in the Scheme and decided by the Nomination and Remuneration Committee of the Company. Thus, the Reserves & Surplus and Profit After Taxation belong entirely to the Non-Controlling Interest holder i.e. the Eligible Employees. It may be noted that the Trust is a Subsidiary in accordance with Indian Accounting Standards ("Ind As")."

5) Consolidated based on capital contributed towards portfolio investment and expenses.

PART “B”: ASSOCIATES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

(₹ in lakh)

Sr. No	Name of Associate/Joint Venture	1. Latest audited Balance Sheet date	2. Date on which the Associate was associated or acquired	3. Shares of Associate held by the company on the year end			4. Description of how there is significant influence	5. Reason why the Associate / Joint Venture has not been consolidated	6. Networth attributable to shareholding as per latest audited Balance Sheet	7. Profit/(Loss) for the year	
				No. of Shares	Amount of investment in Associate	Extent of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	Tata Autocomp Systems Limited	March 31, 2019	June 28, 2008	4,83,07,333	18,528	24.00%	Based on shareholding	N.A.	23,546	1,913	7,258
2	Novalead Pharma Private Limited	March 31, 2019	August 31, 2010	11,477	2,335	20.34%		N.A.	389	(6)	(24)
3	Pluss Advanced Technologies Limited	March 31, 2019	November 27, 2012	1,31,167	1,500	36.61%		N.A.	663	(3)	(7)
4	Sea6 Energy Private Limited	March 31, 2019	August 7, 2015	25,410	3,500	29.58%		N.A.	1,165	(369)	(907)
5	Alef Mobitech Solutions Private Limited	March 31, 2019	November 30, 2015	4,96,276	1,588	25.70%		N.A.	288	(240)	(666)
6	Shriji Polymers (India) Limited	March 31, 2019	October 27, 2015	5,98,788	1,268	2.60%	Based on rights under definitive documents	N.A.	781	92	3,415
7	Vortex Engineering Private Limited	March 31, 2019	December 13, 2011	1,39,415	2,900	18.49%		N.A.	672	–	(177)
8	Tema India Limited	March 31, 2019	October 31, 2013	500	1	0.01%		N.A.	2	–	–
9	Kapsons Industries Private Limited	March 31, 2019	December 24, 2014	2,857	1	0.01%		N.A.	(1)	–	–
10	Tata Technologies Limited	March 31, 2019	May 4, 2011	18,73,253	4,707	4.48%		N.A.	7,871	988	20,966
11	Shriram Properties Limited	March 31, 2019	July 10, 2014	22,23,569	3,935	1.50%		N.A.	1,455	–	–
12	TVS Supply Chain Solutions Limited	March 31, 2019	September 3, 2015	2,17,325	1,465	0.63%		N.A.	428	(83)	(12,392)
13	Fincare Business Services Limited	March 31, 2019	March 21, 2017	25,47,910	734	0.78%		N.A.	574	79	10,117
14	Roots Corporation Limited	March 31, 2019	March 28, 2013	22,91,454	2,062	2.43%		N.A.	770	–	(1,317)
15	Tata Projects Limited	March 31, 2019	June 24, 2015	44,810	2,823	2.21%		N.A.	2,764	395	17,491
16	Tata Sky Limited	March 31, 2019	September 13, 2013	1,00,72,871	5,242	0.72%		N.A.	(160)	383	52,874

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Nalin M. Shah
(Director)
DIN: 00882723

Mehernosh B. Kapadia
(Director)
DIN: 00046612

Varsha Purandare
(Director)
DIN : 05288076
(Pune)

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Avan Doomasia
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

Mumbai
June 30, 2020

TATA CAPITAL

Count on us

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TATA CAPITAL LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Tata Capital Limited (the 'Company'), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

As described in Note 38 to the standalone financial statements, the extent to which the Covid-19 pandemic will impact future business projections and consequent valuation of the Company's investments in its subsidiaries and associates as considered in these financial statements is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Description of Key Audit Matter

Impairment testing of investments in subsidiaries and associates

See note 7, note 37 and 38 to the standalone financial statements

The key audit matter	**How the matter was addressed in our audit**
As detailed in Note 7, the Company has investment in subsidiaries amounting to INR 8,69,647 Lakhs and associate companies amounting to INR 28,030 Lakhs. Such investments are individually assessed for impairment as per the requirements of Ind AS 36 – Impairment of Assets. As part of such assessment, management considers financial information, liquidity and solvency position of investments in subsidiaries and associates. Management also considers other factors such as assessment of company's operations, business performance and modifications, if any, in the auditors' report of such subsidiaries and associates. We have identified impairment testing of investments in subsidiaries and associates as a Key Audit Matter due to the magnitude of the carrying value of investments in subsidiaries and associates of the Company, which were 88% of the total assets of the Company as on 31 March 2020. Considering that the Company is a Core Investment Company (CIC) which is primarily required to hold investments and loans in group companies as per Reserve Bank of India Master Directions for CICs, investment impairment testing in such group companies remains an area of focus for the audit. *Impact of COVID-19* On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. We have identified the impact of, and uncertainty related to the COVID-19 pandemic as a key element and consideration for recognition and measurement of impairment on investments on account of: – Short-term and long-term macroeconomic effect on businesses in the country and globally and its consequential first order and cascading negative impact on revenue and employment generation opportunities; – impact of the pandemic on the Company's ability to obtain adequate returns in the form of dividend or through sale of its investments in its subsidiaries and associates, along with its ability to find a buyer for the portfolio investment companies in the DVCFs to generate the expected return. Management has conducted an impairment analysis on its investments in subsidiaries and associates carried at cost to reflect potential impact of COVID-19 on the carrying value of these investments.	Our audit procedures included the following: **Design / controls** ● Understanding of the process, evaluating the design and testing the operating effectiveness in respect of impairment assessment of investments by management. ● Evaluating management's controls over collation of relevant information used for determining estimates for impairment of investments on account of COVID-19. **Substantive tests** ● Testing appropriate implementation of policy of impairment by management. ● Reconciling the financial information mentioned in impairment assessment to underlying source details. Also, testing the reasonableness of management's estimates considered in such assessment. ● Obtaining and reading latest audited financial statements of subsidiaries and associates and noting key financial attributes / potential indicators of impairment. ● Assessing the reasonableness of management's assessment of impact of COVID-19 on the impairment provision of investment. ● Obtaining independent valuation reports of investments in associates and portfolio investments of the DVCFs and involving valuation specialist to test the appropriateness of the fair value of these investments and assessing if any impairment on these investments is required. ● Assessing the factual accuracy and appropriateness of the additional financial statement disclosures made by the Company regarding impact of COVID-19.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 20(ii) to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 47 to the standalone financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

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

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

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

Sagar Lakhani
Partner
Membership No: 111855
ICAI UDIN: 20111855AAAAER7039

Mumbai
June 30, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

We report that:

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a program of physical verification of fixed assets whereby all the items of fixed assets are verified once in three years. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. On account of the COVID - 19 virus outbreak and the nation-wise lock-down imposed in India, in the current year, management has physically verified all the material fixed assets. For the assets where physical verification exercise was completed, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company is primarily a holding company, holding investments in its subsidiaries and other group companies. Accordingly, it does not hold any inventories. Thus, the provision of clause 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provision of clause 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, made investments or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

(vii) a. According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and service tax, cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, employees' state insurance, duty of customs, duty of excise and value added tax.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, the Company did not have any dues on account of provident fund, goods and service tax, cess and other statutory dues applicable to the Company which have not been deposited on account of dispute.

According to the information and explanations given to us, the following dues have not been deposited on account of dispute:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax Act	697	2016-17	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax Act	-	2007-08	High Court*
Maharashtra Value Added Tax	Value Added Tax	2	2009-10	Tribunal (Commercial Taxes)
Maharashtra Value Added Tax	Value Added Tax	168	2010-11	Joint Commissioner of Sales Tax – Appeal
Maharashtra Value Added Tax	Value Added Tax	18	2011-12	Joint Commissioner of Sales Tax
Maharashtra Value Added Tax	Value Added Tax	33	2011-12	Deputy Commissioner
Maharashtra Value Added Tax	Value Added Tax	11	2011-12	Joint Commissioner (Trade and Taxes)

*The Income tax officer originally raised tax demand of ₹ 494 lakhs by making a disallowance u/s 14A of the Income Tax Act, 1961. Pursuant to the CIT(A) order which has been confirmed by the ITAT, the disallowances have been deleted. As per the latest order passed by the income tax officer, tax demand as on 31 March 2020 is Nil. However, the department has filed an appeal before the Bombay High Court against the ITAT order.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, or debenture holders during the year. During the year, the Company did not have any loans or borrowings from the Government.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans, initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provision of clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable, and the details have been disclosed in the accompanying standalone financial statements as required by the applicable accounting standards.

(xiv) The Company has made private placement of equity and preference shares during the year under audit. According to the information and explanations given to us, the requirement of Section 42 of the Act and the Rules framed thereunder have been complied with. The amounts raised have been used for the purposes for which the funds were raised. Based on our examination of the records, the Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 10 May 2012.

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

Sagar Lakhani
Partner
Membership No: 111855
ICAI UDIN: 20111855AAAAER7039

Mumbai
June 30, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

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

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Tata Capital Limited (the 'Company') as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Emphasis of Matter

As described in Emphasis of Matter paragraph of our report to the standalone financial statements, the extent to which the COVID - 19 pandemic will have an impact on the Company's internal financial controls with reference to standalone financial statements is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the 'Act').

Auditor's Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to the Standalone Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

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

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

Sagar Lakhani
Partner
Membership No: 111855
ICAI UDIN: 20111855AAAAER7039

Mumbai
June 30, 2020

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

(₹ in lakh)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
(I) Financial Assets			
(a) Cash and cash equivalents	3	**173**	58,212
(b) Bank balance other than (a) above	4	**24**	5
(c) Receivables			
(i) Trade receivables	5(i)	**1,478**	1,940
(ii) Other receivables	5(ii)	**24**	24
(d) Loans	6	**1,08,349**	57,611
(e) Investments	7	**9,00,063**	8,26,695
(f) Other financial assets		**72**	121
Total Financial Assets		**10,10,183**	**9,44,608**
(II) Non-Financial Assets			
(a) Deferred tax assets (net)	8	**246**	745
(b) Investment property	9	**5,559**	5,871
(c) Property, plant and equipment	9	**4,142**	4,471
(d) Other intangible assets	9	**8**	54
(e) Other non-financial assets	10	**844**	978
Total Non-Financial Assets		**10,799**	**12,119**
Total Assets		**10,20,982**	**9,56,727**
LIABILITIES AND EQUITY			
LIABILITIES			
(I) Financial Liabilities			
(a) Payables			
(i) Trade payables			
– Total outstanding dues of micro enterprises and small enterprises	11(i)	**0***	–
– Total outstanding dues other than micro enterprises and small enterprises	11	**2,137**	2,927
(b) Debt securities	12	**1,72,179**	1,55,327
(c) Borrowings (other than Debt securities)	13	**–**	37
(d) Subordinated liabilities	14	**1,46,146**	1,90,478
(e) Other financial liabilities	15	**11,213**	21,454
Total Financial Liabilities		**3,31,675**	**3,70,223**
(II) Non-Financial Liabilities			
(a) Current tax liabilities (net)		**447**	905
(b) Provisions	16	**467**	454
(c) Other non-financial liabilities	17	**1,370**	2,007
Total Non-financial Liabilities		**2,284**	**3,366**
EQUITY			
(a) Equity share capital	18	**3,51,617**	3,32,009
(b) Other equity	19	**3,35,406**	2,51,129
Total Equity		**6,87,023**	**5,83,138**
Total Liabilities and Equity		**10,20,982**	**9,56,727**
Summary of significant accounting policies	2		
See accompanying notes forming part of the Standalone Financial Statements	3-48		

* Amount less than ₹ 50,000

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Reg No: 101248W/W- 100022

Sagar Lakhani
Partner
Membership No: 111855

Mumbai
June 30, 2020

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Nalin M. Shah
(Director)
DIN: 00882723

Mehernosh B. Kapadia
(Director)
DIN: 00046612

Varsha Purandare
(Director)
DIN : 05288076
(Pune)

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Avan Doomasia
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakh)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	**Revenue from operations**			
(i)	Interest income	22	**8,815**	7,619
(ii)	Dividend income		**16,910**	20,571
(iii)	Rental income		**1,997**	1,661
(iv)	Fee and commission income	23	**8,927**	4,955
I	**Total revenue from operations**		**36,649**	**34,806**
II	Other income	24	**3,690**	5,194
III	Profit on sale of investment		**1,241**	28,084
IV	**Total income (I+II+III)**		**41,580**	**68,084**
V	**Expenses**			
(i)	Finance costs	25	**27,185**	31,765
(ii)	Net loss on fair value changes	26	**74**	30
(iii)	Impairment on investment and financial instruments	27	**2,145**	9,859
(iv)	Employee benefits expense	28	**4,714**	15,752
(v)	Depreciation, amortisation and impairment	9	**777**	742
(vi)	Other expenses	29	**1,235**	3,127
V	**Total expenses**		**36,130**	**61,275**
VI	**Profit before exceptional items and tax (IV-V)**		**5,450**	**6,809**
VII	Exceptional Items		**–**	–
VIII	**Profit before tax (VI-VII)**		**5,450**	**6,809**
IX	**Tax expenses :**			
	(1) Current tax		**2,233**	4,296
	(2) Deferred tax		**291**	(240)
IX	**Net tax expense**	30	**2,524**	**4,056**
X	**Profit for the year from continuing operations (VIII-IX)**		**2,926**	**2,753**
XI	**Profit from discontinued operations**		**–**	–
XII	Tax expense of discontinued operations		**–**	–
XIII	**Profit from discontinued operations (after tax) (XI-XII)**		**–**	–
XIV	**Profit for the year (X+XIII)**		**2,926**	**2,753**
XV	**Other Comprehensive Income**			
(A)	**(i) Items that will not be reclassified to profit or loss**			
	(a) Remeasurement of defined employee benefit plans		**(213)**	(188)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(54)**	(67)
	Subtotal A		**(159)**	**(121)**
(B)	**(i) Items that will be reclassified to profit or loss**			
	(a) Debt instruments at fair value through Other Comprehensive Income - net change in fair value		**840**	(119)
	(ii) Income tax relating to items that will be reclassified to profit or loss		**209**	(41)
	Subtotal B		**631**	**(78)**
	Total Other Comprehensive Income (A+B)		**472**	**(199)**

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
XVI Total Comprehensive Income for the year (XIV+XV)		**3,398**	**2,554**
XVII Earnings per equity share for continuing operations	31		
Equity Share of par value ₹ 10/- each			
(1) Basic (₹)		**0.09**	0.09
(2) Diluted (₹)		**0.09**	0.09
XVIII Earnings per equity share for discontinuing operations	31		
Equity Share of par value ₹ 10/- each			
(1) Basic (₹)		**–**	–
(2) Diluted (₹)		**–**	–
XIX Earnings per equity share for discontinued & continuing operations	31		
Equity Share of par value ₹ 10/- each			
(1) Basic (₹)		**0.09**	0.09
(2) Diluted (₹)		**0.09**	0.09
Summary of significant accounting policies	2		
See accompanying notes forming part of the Standalone Financial Statements	3-48		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Reg No: 101248W/W- 100022

Sagar Lakhani
Partner
Membership No: 111855

Mumbai
June 30, 2020

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Nalin M. Shah
(Director)
DIN: 00882723

Mehernosh B. Kapadia
(Director)
DIN: 00046612

Varsha Purandare
(Director)
DIN : 05288076
(Pune)

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Avan Doomasia
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2020

a Equity share capital

₹ in Lakh

Particulars	
Balance as at April 1, 2018	**2,82,602**
Changes in equity share capital during the year	49,407
Balance as at March 31, 2019	**3,32,009**
Changes in equity share capital during the year	19,608
Balance as at March 31, 2020	**3,51,617**

b Other equity

₹ in lakh

Particulars	Reserves and surplus					ESOP Reserve	General reserve	Debt instruments at fair value through Other Comprehensive Income	Remeasurement of defined benefit liability/ asset	Total other equity
	Capital reserve	Capital Redemption Reserve	Securities premium Account	Special Reserve Account	Retained earnings					
Balance as at April 1, 2018	**93**	**575**	**15,231**	**19,875**	**12,535**	**37**	**4**	**(341)**	**18**	**48,026**
Profit for the year	–	–	–	–	2,753	–	–	–	–	2,753
Other comprehensive income for the year, net of income tax	–	–	–	–	–	–	–	(78)	(121)	(199)
Total comprehensive income for the year		**-**	**-**	**-**	**2,753**	**-**	**-**	**(78)**	**(121)**	**2,554**
Share issue expenses written-off	–	–	(250)	–	–	–	–	–	–	(250)
Transfer to special reserve account	–	–	–	3,709	(3,709)	–	–	–	–	–
ESOP option cost	–	–	–	–	–	206	–	–	–	206
ESOP option cost transferred to general reserve	–	–	–	–	–	(16)	16	–	–	–
Addition on account of issue of equity shares	–	–	2,00,593	–	–	–	–	–	–	2,00,593
Balance as at March 31, 2019	**93**	**575**	**2,15,574**	**23,584**	**11,579**	**227**	**20**	**(419)**	**(103)**	**2,51,129**
Profit for the year	–	–	–	–	2,926	–	–	–	–	2,926
Other comprehensive income for the year, net of income tax	–	–	–	–	–	–	–	631	(159)	472
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**2,926**	**-**	**-**	**631**	**(159)**	**3,398**
Share issue expenses written-off	–	–	(100)	–	–	–	–	–	–	(100)
Transfer to special reserve account	–	–		1,153	(1,153)	–	–	–	–	–
ESOP option cost	–	–		–	–	589	–	–	–	589
ESOP option cost transferred to general reserve	–	–	–	–	–	(108)	108	–	–	–
Addition on account of issue of equity shares	–	–	80,392	–	–	–	–	–	–	80,392
Ind AS 116 transition impact	–	–	–	–	(2)	–	–	–	–	(2)
Balance as at March 31, 2020	**93**	**575**	**2,95,866**	**24,737**	**13,350**	**708**	**128**	**212**	**(262)**	**3,35,406**

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Reg No: 101248W/W- 100022

Sagar Lakhani
Partner
Membership No: 111855

Mumbai
June 30, 2020

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

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(Managing Director & CEO)
DIN: 00057333

Avan Doomasia
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
1. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**5,450**	**6,809**
Adjustments for :			
Dividend income		**(16,910)**	(20,571)
Interest income		**(8,815)**	(7,619)
Net loss on fair value changes		**74**	30
Finance cost		**27,185**	31,765
Provision for employee benefits		**(27)**	136
Impairment loss allowance against stage I and stage II assets		**(129)**	63
Impairment loss / write off for diminution in value of investments		**2,535**	9,502
Impairment provision on trade receivables		**(261)**	294
Distribution of interest income by private equity funds		**(57)**	(1)
Equity settled share based payments cost		**589**	206
Depreciation, amortisation and impairment		**777**	743
Provision for TDS recoverable		**–**	181
Profit on sale of investments		**(1,241)**	(28,084)
Interest on income tax refund		**–**	(125)
Notional rent income on fair valuation of security deposit received on leased property		**(408)**	(406)
Notional rent expense on fair valuation of security deposit paid on leased property		**1**	24
Notional interest income on security deposit		**(3)**	(25)
Net gain on derecognition of property, plant and equipment		**(1)**	(1)
Operating Profit before working capital changes and adjustments for interest paid, interest received and dividend received		**8,759**	**(7,079)**
Adjustments for :			
Decrease / (Increase) in trade receivables		**726**	(880)
Increase in loans and other financial / non-financial assets		**(50,283)**	(24,694)
(Decrease) / Increase in trade payable		**(819)**	1,851
(Decrease) / Increase in other financial / non-financial liabilities and provisions		**(7,324)**	6,366
Cash used in operations before adjustments for interest paid, interest received and dividend received		**(48,940)**	**(24,435)**
Interest paid		**(17,577)**	(16,920)
Interest received		**8,513**	7,528
Interest received on income tax refund		**–**	125
Dividend received		**16,910**	20,571
Cash used in operations		**(41,094)**	**(13,132)**
Taxes paid		**(2,638)**	(508)
NET CASH USED IN OPERATING ACTIVITIES		**(43,732)**	**(13,639)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 *(contd...)*

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
2. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipments (including capital advances)		**(52)**	(173)
Proceeds from derecognition of property, plant and equipments		**10**	13
Distribution of interest income by private equity funds		**57**	1
Investment in subsidiary and associate companies		**(70,000)**	(1,66,232)
Investment in private equity funds and Category III Alternative Investment Fund ("AIF")		**(5,149)**	(505)
Proceeds from divestments by private equity funds		**1,268**	35,728
Investment in mutual funds		**(14)**	(24)
Proceeds from sale of investments in other entities		**–**	39
CASH USED IN INVESTING ACTIVITIES		**(73,880)**	**(1,31,153)**
3. CASH FLOW FROM FINANCING ACTIVITIES			
Issue of equity shares		**19,608**	49,407
Premium on issue of equity shares		**80,392**	2,00,593
Issue of Cumulative Redeemable Preference Shares		**36,400**	15,345
Redemption of Cumulative Redeemable Preference Shares		**(81,066)**	(20,499)
Dividend paid on Cumulative Redeemable Preference Shares (including dividend distribution tax)		**(12,763)**	(15,193)
Interest on share application money pending allotment		**(0)***	(4)
Expenses on issue of equity shares		**(100)**	(250)
Expenses on issue of Cumulative Redeemable Preference Shares		**(74)**	(139)
Expenses on issue of Non Convertible Debentures		**(17)**	(41)
Proceeds from Debt securities		**3,53,375**	2,68,356
Premium on issue of Debt securities		**64**	–
Repayment of lease liability		**(31)**	–
Repayment of Debt securities		**(3,36,160)**	(2,94,651)
Proceeds from borrowings (other than Debt securities)		**–**	37
Repayment of borrowings (other than Debt securities)		**(37)**	–
NET CASH FROM FINANCING ACTIVITIES		**59,592**	**2,02,960**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(58,020)**	**58,168**
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**58,217**	**49**
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	3 & 4	**197**	**58,217**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 *(contd...)*

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Reconciliation of cash and cash equivalents as above with cash and bank balances			
Cash and bank balances as at the end of the year		**173**	**58,212**
Add: Restricted Cash (Refer note 4)		**24**	**5**
Cash and bank balances as at the end of the year		**197**	**58,217**

Changes in Liabilities arising from financing activities

Particulars	Debt securities	Borrowing (Other than debt securities)	Subordinated liabilities
Balance as at April 1, 2018	**1,81,845**	–	**1,95,213**
Net change due to proceeds/ repayment	(26,295)	37	(5,154)
Others **	(224)	–	419
Balance as at March 31, 2019	**1,55,327**	**37**	**1,90,478**
Net change due to proceeds/ repayment	17,278	(37)	(44,666)
Others **	(426)	–	333
Balance as at March 31, 2020	**1,72,179**	**–**	**1,46,146**

	Note No.
Summary of significant accounting policies	2
See accompanying notes forming part of the Standalone Financial Statements	3-48

* Amount less than ₹ 50,000

** Others includes the effect of amortisation of borrowing cost, amortisation of premium/discount on CPs/ NCDs.

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firm Reg No: 101248W/W- 100022

Saurabh Agrawal
(Chairman)
DIN: 02144558

Nalin M. Shah
(Director)
DIN: 00882723

Mehernosh B. Kapadia
(Director)
DIN: 00046612

Sagar Lakhani
Partner
Membership No: 111855

Varsha Purandare
(Director)
DIN : 05288076
(Pune)

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Mumbai
June 30, 2020

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Avan Doomasia
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

TATA CAPITAL LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. CORPORATE INFORMATION

Tata Capital Limited (the "Company" or "TCL") is a subsidiary of Tata Sons Private Limited. In May 2012, TCL was registered with the Reserve Bank of India ("RBI") as a Systemically Important Non-Deposit Accepting Core Investment Company ("CIC").

As a CIC, TCL is a primary holding company, holding investments in its subsidiaries and other group companies and carries out only such activities as are permitted under the guidelines issued by RBI for CICs. The Company's subsidiaries are engaged in a wide array of businesses in the financial services sector.

The Company is domiciled in India and incorporated under the Companies Act, 2013 and listed its non-convertible debentures with National Stock Exchange Limited.

2. BASIS OF PREPARATION

i. Statement of compliance

These standalone or separate financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the Reserve Bank of India as applicable to a CICs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the accounting policy hitherto in use. The standalone financial statements were authorised for issue by the Board of Directors (BOD) on June 30, 2020.

ii. Presentation of standalone financial statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 (the 'Act'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS.

A summary of the significant accounting policies and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as specified under Section 133 of the Companies Act, 2013 (the 'Act') including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

Amounts in the standalone financial statements are presented in Indian Rupees in Lakh, which is also the Company's functional currency and all amounts have been rounded off to the nearest lakhs unless otherwise indicated.

iii. Basis of measurement

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of entering into the transaction.

iv. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value for measurement and/or disclosure purposes for certain items in these standalone financial statements is determined considering the following measurement methods:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of planned assets less present value of defined benefit obligations
Property plant and equipment	Value in use under Ind AS 36

Fair values are categorized into different levels (Level 1, Level 2 or Level 3) in a fair value hierarchy based on the inputs used in the valuation techniques. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The levels are described as follows:

a) Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date

b) Level 2: inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

c) Level 3: inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at the measurement date.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For details relating to Valuation model and framework used for fair value measurement and disclosure of financial instruments refer note 37.

v. Use of estimates and judgements

The preparation of standalone financial statements in conformity with Ind AS requires the management of the Company to make judgements, assumptions and estimates that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the standalone financial statements and reported amounts of income and expenses for the reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the standalone financial statements have been disclosed as applicable in the respective notes to accounts. Accounting estimates could change from period to period. Future results could differ from these estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effect are disclosed in the notes to the standalone financial statements.

Judgements:

Information about judgements made in applying accounting policies that have most significant effect on the amount recognised in the standalone financial statements is included in the following notes:

– Note x - classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation of uncertainties:

Information about assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020 are included in the following notes:

– Note x - impairment test of non-financial assets: key assumption underlying recoverable amounts.

– Note xii - useful life of property, plant, equipment and intangibles.

– Note xix - Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions

– Note xxi - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

– Note 33 - measurement of defined benefit obligations: key actuarial assumptions.

– Note 37 - determination of the fair value of financial instruments with significant unobservable inputs.

The Company has estimated the possible effects that may arise from the COVID-19 pandemic, on the carrying amount of its assets. For details, please refer disclosure on financial risk review and disclosure on fair valuation. The extent to which COVID-19 pandemic will impact current estimates is uncertain at this point in time. The impact of COVID-19 on the Company's financial position may differ from that estimated as on the date of approval of these standalone financial statements.

vi. Interest

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs, as well as a profit margin.

Interest income and expense are recognised using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

Calculation of the EIR includes all fees paid or received that are incremental and directly attributable to the acquisition or issue of a financial asset or liability.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets {i.e. at the amortised cost of the financial asset after adjusting for any expected credit loss allowance (ECLs)}. The Company assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the interest income accrued on credit impaired financial assets are either accounted for as income or written off as per the write off policy of the Company.

The interest cost is calculated by applying the EIR to the amortised cost of the financial liability.

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

vii. Income not integral to effective interest rate (EIR) method under Ind AS 109 and Income from services and distribution of financial products

Revenue in the form of income from financial advisory, income from private equity assets under management, distribution from private equity funds, income from managerial and marketing services (other than for those items to which Ind AS 109 - Financial Instruments and Ind AS 17 – Leases are applicable) is measured at fair value of the consideration received or receivable, in accordance with Ind AS 115 - Revenue from contracts with customers.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Advisory Fees are charged to offshore investment manager for providing non-exclusive non-binding support services for transactions by private equity funds. Income from advisory services are accounted using cost plus mark-up as and when the service is rendered, provided there is reasonable certainty of its ultimate realisation.

Management Fees are charged for providing managerial and marketing services and are accounted using cost plus mark-up as and when the underlying costs are incurred. Reimbursement of expenses incurred for rendering services are reduced from such expense heads, provided there is reasonable certainty of its ultimate realisation.

Income from property management is recognised on a straight-line basis to the extent the rental income is deemed collectible.

Private Equity Asset Management fees are charged for assets under management and are recognised as contracted under investment management agreement with each Private Equity Fund.

Distributions from Private Equity Funds are accounted when received.

viii. **Dividend income**

Income from dividend on investment in equity and preference shares of corporate bodies and

units of mutual funds is accounted when the Company's right to receive dividend is established.

ix. **Leases**

Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease is retained by the lessor.

Leases of assets under which substantially all the risks and rewards of ownership are effectively retained by the lessee are classified as finance lease.

Asset given on lease:

Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return. The principal amount received reduces the net investment in the lease and interest is recognised as revenue.

Under operating leases (excluding amount for services such as insurance and maintenance), lease rentals are recognised on a straight-line basis over the lease term, except for increase in line with expected inflationary cost increases.

Asset taken on lease:

The Company's assets taken on lease primarily consist of leases for properties.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for certain type of its leases.

The Company presents right-of-use assets in 'property, plant and equipment' in the same line item as it presents underlying assets of the same nature it owns. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment loss, if any, and adjusted for certain re-measurements of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

When a right-of-use asset meets the definition of investment property, it is presented in investment property.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019.

x. Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet on trade date, i.e. when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues of financial assets or financial liabilities carried at fair value through the profit or loss account are recognised immediately in the Statement of Profit or Loss.

a) Financial assets

Classification

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

1) amortised cost;
2) fair value through other comprehensive income (FVOCI); or
3) fair value through profit and loss (FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) method if it meets both of the following conditions and is not recognised as at FVTPL:

– The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made an investment – by – investment basis.

All financials assets not classified and measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate the financials assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.
- How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal). Amount of 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to other income' in the statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Reclassifications within classes of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

The classification and measurement requirements of the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets.

Impairment of Financial Assets

Impairment approach

Overview of the Expected Credit Losses (ECL) principles

The Company records allowance for expected credit losses for all loans (including those classified as measured at FVOCI), together with loan commitments, in this section all referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note x.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on an individual/portfolio basis having similar risk characteristics, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. Further if the customer has requested forbearance in repayment terms, such restructured, rescheduled or renegotiated accounts are also classified as Stage 3. Non-payment on another obligation of the same customer is also considered as a stage 3. The Company records an allowance for the LTECLs.

Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

Financial guarantee contract

A financial guarantee contract requires the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Company's revenue recognition policies. The Company has not designated any financial guarantee contracts as FVTPL.

Company's ECL for financial guarantee is estimated based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the interest rate relevant to the exposure.

The Measurement of ECLs

The Company calculates ECLs based on a probability-weighted scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weightage. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

The above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed during the year.

The mechanics of the ECL method are summarised below:

Stage 1 The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by the contractual or portfolio EIR as the case may be.

Stage 3 For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

In ECL model the Company relies on broad range of forward looking information for economic inputs.

The Company recognises loss allowance for expected credit losses (ECLs) on all financial assets at amortised cost that are debt instruments, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. No impairment loss is recognised on equity investments.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information .

Impairment of Trade receivable and Operating lease receivable

Impairment allowance on trade receivables is made on the basis of life time credit loss method, in addition to specific provision considering the uncertainty of recoverability of certain receivables.

Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all the loan. For loans that are individually assessed for impairment, the timing of write-off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the statement of profit and loss.

Presentation of ECL allowance for financial asset:

Type of Financial asset	Disclosure
Financial asset measured at amortised cost	Shown as a deduction from the gross carrying amount of the assets
Financial assets measured at FVTOCI	Shown separately under the head "provisions"
Loan commitments and financial guarantee contracts	Shown separately under the head "provisions"

Modification and De-recognition of financial assets

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract.

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

1) the rights to receive cash flows from the asset have expired, or

2) the Company has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of ownership of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

b) Financial liability and Equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit or Loss.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

Classification

The Company classifies its financial liability as "Financial liability measured at amortised cost" except for those classified as financial liabilities measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

xi. Cash, Cash equivalents and bank balances

Cash, Cash equivalents and bank balances include fixed deposits (with an original maturity of three months or less from the date of placement), margin money deposits, and earmarked balances with banks which are carried at amortised cost. Short term and liquid investments which are not subject to more than insignificant risk of change in value, are included as part of cash and cash equivalents.

xii. Property, plant and equipment (PPE)

a) PPE

PPE acquired by the Company are reported at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Estimated cost of dismantling and removing the item and restoring the site on which it is located does not arise for owned assets. The acquisition cost includes any cost attributable for bringing an asset to its working condition net of tax/duty credits availed, which comprises of purchase consideration and other directly attributable costs of bringing the assets to their working condition for their intended use. PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

b) Capital work-in-progress

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress" and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c) Other Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the year in which such costs are incurred.

d) Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

e) Depreciation and Amortisation

Depreciable amount for tangible property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. The residual value of each asset given on Operating lease is determined at the time of recording of the lease asset. If the residual value of the Operating lease asset is higher than 5%, the Company has a justification in place for considering the same.

Depreciation on tangible property, plant and equipment deployed for own use has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of buildings, computer equipment, electrical installation and equipment and vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc.

Depreciation for additions to/deductions from owned assets is calculated pro rata to the remaining period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. All capital assets with individual value less than ₹ 5,000 are depreciated fully in the year in which they are purchased.

Purchased software / licenses are amortised over the estimated useful life during which the benefits are expected to accrue, while Goodwill if any is tested for impairment at each Balance Sheet date. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

Estimated useful life considered by the Company are :

Asset	Estimated Useful Life
Furniture and Fixtures	10 years
Computer Equipment	3 to 4 years
Office Equipment	5 years
Vehicles	4 years
Software Licenses	1 to 10 years
Buildings	25 years
Plant & Machinery	10 years

f) Investment property

Properties held to earn rentals and/or capital appreciation are classified as Investment properties and measured and reported at cost, including transaction costs. Subsequent to initial recognition it is measured at cost less accumulated depreciation and accumulated impairment losses, if any. When the use of an existing property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

g) Impairment of assets

Upon an observed trigger or at the end of each accounting reporting period, the Company reviews the carrying amounts of its PPE, investment property and intangible asset to determine whether there is any indication that the asset have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

h) De-recognition of property, plant and equipment and intangible asset

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

xiii. Non-Current Assets held for sale:

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

The Company has a policy to make impairment provision at one third of the value of the Asset for each year upon completion of three years up to the end of five years based on the past observed pattern of recoveries. Losses on initial classification as Held for sale and subsequent gains & losses on remeasurement are recognised in Statement of Profit and loss. Once classified as Held for sale, the assets are no longer amortised or depreciated.

xiv. Employee Benefits

Defined Contribution benefits include provident fund and superannuation fund.

Defined Employee benefits include gratuity fund, compensated absences and, long service awards.

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employee's Provident Scheme, 1952 is recognised as an expense in the year in which it is determined.

The Company's contribution to superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. As per Ind AS 19, the service cost and the net interest cost are charged to the Statement of Profit and Loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. Past service cost is recognised immediately to the extent that the benefits are already vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the reporting period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long term service awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

The obligation is measured on the basis of actuarial valuation using Projected unit credit method and remeasurements gains/ losses are recognised in the statement of profit and loss in the period in which they arise.

Share based payment transaction

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date as per Black and Scholes model. The fair value of the options is treated as discount and accounted as employee compensation cost, with a corresponding increase in other equity, over the vesting period on a straightline basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense, with a corresponding increase in other equity, in respect of such grant is transferred to the General reserve within other equity.

xv. **Foreign currency transactions**

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

xvi. **Operating Segments**

The Company's operating segments consist of "Investment Activity", "Private Equity Investment Activity" and "Others". These in the context of Ind AS 108 – operating segments reporting are considered to constitute reportable segment. The Chief Operating Decision Maker (CODM) of the Company is the Board of Directors. Operating segment disclosures are consistent with the information reviewed by the CODM.

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. Accordingly, the operating results of all operating segments of the Company are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The "Investment Activity" segment includes corporate investments and treasury activities.

"Private Equity Investment Activity" includes management of Private Equity investments and related support services activities. "Others" segment primarily includes property management services and managerial and marketing services.

Revenue and expense directly attributable to segments are reported under each operating segment. Expenses not directly identifiable to each of the segments have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

xvii. **Investments in Subsidiaries and Associates**

The Company has elected to measure equity investments in Subsidiaries and Associates at cost as per Ind AS 27 – Separate financial statements, accordingly measurement at fair value through statement of profit and loss account and related disclosure under Ind AS 109 does not apply.

xviii. **Earnings per share**

Basic earnings per share has been computed by dividing net income attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Partly paid up equity share is included as fully paid equivalent according to the fraction paid up.

Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

xix. **Taxation**

Income Tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss, other comprehensive income or directly in equity when they relate to items that are recognized in the respective line items.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax law) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

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

The carrying amount of deferred tax assets are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

xx. Goods and Services Input Tax Credit

Goods and Services Input tax credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/ utilising the credits.

xxi. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

Contingent assets/liabilities

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognised in the standalone financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

xxii. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided for;

b) uncalled liability on shares and other investments partly paid;

c) funding related commitment to subsidiaries / associate; and

d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

e) other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

xxiii. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, impairment, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

xxiv. Dividend payable (including dividend distribution tax)

Interim dividend declared to equity shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Board of Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

Cumulative Redeemable Preference Shares (CRPS) is classified as a financial liability and dividend including dividend distribution tax is accrued on such instrument and recorded as finance cost.

xxv. New Ind AS issued but not effective as on March 31, 2020

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these standalone financial statements.

The following new Ind AS, interpretations and amendments to Ind AS are not expected to have a significant impact on the Company's standalone financial statements and the Company's statement of financial position.

Applicable to financial year ended March 31, 2021 Company's standalone financial statements:

- Amendments to References to Conceptual Framework in Ind AS Standards
- Definition of a Business (Amendments to Ind AS 103)
- Definition of Material (Amendment to Ind AS 1 and Ind AS 8)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "3" (₹ in lakh)

CASH AND CASH EQUIVALENTS	As at March 31, 2020	As at March 31, 2019
(a) Balances with banks (in the nature of cash and cash equivalents)	173	58,212
Total	**173**	**58,212**

NOTE "4" (₹ in lakh)

OTHER BALANCES WITH BANKS	As at March 31, 2020	As at March 31, 2019
(a) Earmarked balances with banks (unpaid dividend)	24	5
Total	**24**	**5**

NOTE "5(i)" (₹ in lakh)

TRADE RECEIVABLES	As at March 31, 2020	As at March 31, 2019
(a) Dues from related parties		
(i) Receivables considered good - Unsecured	1,484	1,948
(ii) Receivables - credit impaired	192	416
	1,676	2,364
Less: Impairment loss allowance		
(i) Impairment loss allowance	(6)	(8)
(ii) Credit impaired	(192)	(416)
Total	**1,478**	**1,940**

NOTE "5(ii)" (₹ in lakh)

OTHER RECEIVABLES	As at March 31, 2020	As at March 31, 2019
(a) Dues from related parties		
(i) Receivables considered good - Unsecured	24	18
(ii) Receivables - credit impaired	–	50
	24	68
Less: Impairment loss allowance		
(i) Impairment loss allowance	(0)*	(0)*
(ii) Credit impaired	–	(50)
	24	18
(b) Dues from others		
(i) Unsecured, considered good	–	6
	–	6
Total	**24**	**24**

* Amount less than ₹ 50,000

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "6" (₹ in lakh)

LOANS	**As at March 31, 2020**	**As at March 31, 2019**
LOANS AT AMORTIZED COST		
(A)		
(a) Bills purchased and bills discounted	**–**	–
(b) Loans repayable on demand (Refer footnote 1)	**1,08,784**	58,176
(c) Term loans	**–**	–
(d) Leasing and hire purchase	**–**	–
(e) Factoring	**–**	–
Total (A) - Gross	**1,08,784**	58,176
Less : Impairment loss allowance	**(435)**	(565)
Total (A) - Net	**1,08,349**	57,611
(B)		
(a) Secured by tangible assets	**–**	–
(b) Secured by intangible assets	**–**	–
(c) Covered by Bank / Government Guarantees	**–**	–
(d) Unsecured	**1,08,784**	58,176
Total (B) - Gross	**1,08,784**	58,176
Less : Impairment loss allowance	**(435)**	(565)
Total (B) - Net	**1,08,349**	57,611
(C)		
(I) Loans in India		
(a) Public Sector	**–**	–
(b) Others	**1,08,784**	58,176
(II) Loans outside India	**–**	–
Total (C) - Gross	**1,08,784**	58,176
Less : Impairment loss allowance	**(435)**	(565)
Total (C) - Net	**1,08,349**	57,611
Total	**1,08,349**	**57,611**

Footnote 1: All Unsecured loans repayable on demand are given to subsidiary companies.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "7" (₹ in lakh)

Scrip-wise details of investments

INVESTMENTS	Face value Per Unit ₹	As at March 31, 2020		As at March 31, 2019	
		No. of Units	₹ in lakh	No. of Units	₹ in lakh
INVESTMENTS AT COST					
Investment in Subsidiaries					
Unquoted:					
Investment in Equity Shares			**8,40,056**		**4,53,956**
Tata Capital Financial Services Limited	10	1,62,99,31,981	5,38,755	1,37,55,61,658	3,24,855
Tata Capital Housing Finance Limited	10	54,75,55,612	2,40,600	30,97,10,300	68,400
Tata Securities Limited	10	61,83,837	789	61,83,837	789
Tata Capital Pte Limited	SGD 1	3,22,82,000	10,807	3,22,82,000	10,807
Tata Cleantech Capital Limited	10	31,23,52,590	49,105	31,23,52,590	49,105
Investment in Venture Capital Units			**20,753**		**17,630**
Tata Capital Growth Fund	1	2,50,00,00,000	5,841	2,50,00,00,000	5,868
Tata Capital Growth Fund- Class B Units	1	10,000	–	10,000	0*
Tata Capital Special Situations Fund	1,00,000	4,181	2,260	4,181	2,260
Tata Capital Special Situations Fund - Class B Units	100	50	0*	50	0*
Tata Capital Healthcare Fund I	1	1,00,00,00,000	3,838	1,00,00,00,000	3,751
Tata Capital Healthcare Fund I - Class B Units	1	10,000	0*	10,000	0*
Tata Capital Innovations Fund	1,000	7,50,000	5,818	7,50,000	5,751
Tata Capital Innovations Fund - Class B Units	1	10,000	0*	10,000	0*
Tata Capital Growth Fund II - Class A1 Units	1	3,60,67,70,000	2,942	–	–
Tata Capital Growth Fund II - Class B1 Units	1	1,25,00,000	10	–	–
Tata Capital Growth Fund II - Class B2 Units	1	1,00,00,000	8	–	–
Tata Capital Healthcare Fund II	1,000	14,00,000	35	–	–
Investment in Associates/Joint Ventures					
Unquoted :					
Investment in Equity shares			**28,655**		**28,655**
Tata Autocomp Systems Limited	10	4,83,07,333	18,528	4,83,07,333	18,528
Tata Sky Limited	10	1,00,72,871	5,242	1,00,72,871	5,242
Roots Corporation Limited	10	22,91,454	2,062	22,91,454	2,062
Tata Projects Limited	10	44,810	2,823	44,810	2,823
Total Cost of Investments (A)			**8,89,464**		**5,00,242**
Provision for diminution in value of investments (B)			**(5,033)**		**(2,499)**
Carrying value of Investments in Subsidiaries and Associates measured at cost (C) = (A + B)			**8,84,431**		**4,97,743**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "7" (₹ in lakh)

Scrip-wise details of investments *(Continued)*

INVESTMENTS	Face value Per Unit ₹	**As at March 31, 2020**		As at March 31, 2019	
		No. of Units	**₹ in lakh**	No. of Units	₹ in lakh
INVESTMENTS AT FAIR VALUE THROUGH PROFIT & LOSS					
Investment in Subsidiaries					
Unquoted:					
Investment in Compulsorily Convertible Cumulative Preference Shares			**–**		**3,16,176**
Tata Capital Financial Services Limited	10	–	–	1,88,90,00,000	1,88,938
Tata Capital Housing Finance Limited	10	–	–	1,27,20,00,000	1,27,238
Investment in Others					
Quoted:					
Investment in Equity shares			**55**		**110**
Tata Steel Limited (Fully paid)	10	15,660	42	15,660	82
Tata Steel Limited (Partly paid)	10	1,080	0*	1,080	1
The Indian Hotels Company Limited	1	17,640	13	17,640	27
Investments in Mutual Funds	**1,000**	**9,342**	**291**	**8,881**	**260**
Investments in Category III Alternative Investment Fund ("AIF")			**2,040**		**–**
Tata Absolute Return Fund	1,000	1,00,000	1,069	–	–
Tata Equity Plus Absolute Return Fund	1,000	1,00,000	971	–	–
Total Investments at Fair Value through Profit & Loss (D)			**2,386**		**3,16,546**
INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Investment in Subsidiaries					
Unquoted:					
Investment in Non-Convertible Debentures			**13,246**		**12,406**
8.90% Perpetual Debentures of Tata Capital Financial Services Limited	10,00,000	1,250	13,246	1,250	12,406
Total Investments at Fair Value through Other Comprehensive Income (E)			**13,246**		**12,406**
Total Investments (C + D + E)			**9,00,063**		**8,26,695**

Particulars	**₹ In lakhs**	**₹ In lakhs**
(i) Investments in India	8,89,256	8,15,888
(ii) Investments outside in India (Refer Fotnote 1)	10,807	10,807
Total Investments	**9,00,063**	**8,26,695**

* Amount less than ₹ 50,000

Footnote 1 : Investment outside India is in Equity shares of wholly owned subsidiary of Tata Capital Limited

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "8"

The major components of deferred tax assets and liabilities as at March 31, 2020 are as follows: (₹ in lakh)

DEFERRED TAX ASSET (NET)	Opening Balance	Recognised / reversed through profit and loss	Recognised / reclassified from other comprehensive income	Closing Balance
Deferred Tax Assets :-				
(a) Impairment loss allowance - stage I & II	218	(93)	–	125
(b) Employee benefits	90	(24)	–	66
(c) Timing difference on debenture issue expenses	26	(7)	–	19
(d) Provisions for non-performing assets	226	(129)	–	97
(e) Fair value of investments	36	(13)	(209)	(186)
(f) Depreciation on property, plant and equipment	149	(25)	–	124
(g) Others (refer footnote)	–	1	–	1
Deferred Tax Asset (Net)	**745**	**(290)**	**(209)**	**246**

Footnote:

Deferred Tax Asset of ₹ 1 lakh has been recognised in opening reserves on Transition to Ind AS 116.

The major components of deferred tax assets and liabilities as at March 31, 2019 are as follows: (₹ in lakh)

DEFERRED TAX ASSET (NET)	Opening Balance	Recognised / reversed through profit and loss	Recognised / reclassified from other comprehensive income	Closing Balance
Deferred Tax Assets :-				
(a) Impairment loss allowance - stage I & II	193	24	–	218
(b) Employee benefits	74	16	–	90
(c) Timing difference on debenture issue expenses	8	18	–	26
(d) Provisions for non-performing assets	59	167	–	226
(e) Fair value of investments	(8)	3	41	36
(f) Depreciation on property, plant and equipment	138	11	–	149
(g) MAT credit entitlement	1,162	(1,162)	–	–
Deferred Tax Asset (Net)	**1,626**	**(922)**	**41**	**745**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Net deferred tax assets and liabilities are as follows: (₹ in lakh)

	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets :-		
(a) Impairment loss allowance - stage I & II	**125**	218
(b) Employee benefits	**66**	90
(c) Timing difference on debenture issue expenses	**19**	26
(d) Provisions for non-performing assets	**97**	226
(e) Fair value of investments	**(186)**	36
(f) Depreciation on property, plant and equipment	**124**	149
(g) Others	**1**	–
Deferred Tax Asset (Net)	**246**	**745**

NOTE "9" (₹ in lakh)

PROPERTY, PLANT AND EQUIPMENT	Gross Block				Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2019	Additions/ Adjustments	Deletions/ Adjustments	Closing balance as at March 31, 2020	Opening balance as at April 1, 2019	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2020	As at March 31, 2020
TANGIBLE ASSETS									
Buildings	**4,323**	**–**	**–**	**4,323**	**422**	**211**	**–**	**633**	**3,690**
	4,323	*–*	*–*	*4,323*	*211*	*211*	*–*	*422*	*3,901*
Plant and Equipment	**94**	**–**	**(4)**	**90**	**35**	**16**	**(4)**	**47**	**43**
	94	*–*	*–*	*94*	*19*	*16*	*–*	*35*	*59*
Furniture and Fixtures	**476**	**4**	**(10)**	**470**	**164**	**82**	**(8)**	**238**	**232**
	473	*3*	*–*	*476*	*85*	*79*	*–*	*164*	*312*
Vehicles	**264**	**14**	**(47)**	**231**	**92**	**67**	**(40)**	**119**	**112**
	166	*128*	*(30)*	*264*	*39*	*71*	*(18)*	*92*	*172*
Office Equipment	**38**	**0***	**(1)**	**37**	**32**	**3**	**(1)**	**34**	**3**
	38	*0**	*–*	*38*	*26*	*6*	*–*	*32*	*6*
Computer Equipment	**36**	**14**	**–**	**50**	**15**	**11**	**–**	**26**	**24**
	21	*15*	*–*	*36*	*5*	*10*	*–*	*15*	*21*
Right of Use Asset	**–**	**67**	**–**	**67**	**–**	**29**	**–**	**29**	**38**
	-	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*
TANGIBLE ASSETS - TOTAL	**5,231**	**99**	**(62)**	**5,268**	**760**	**419**	**(53)**	**1,126**	**4,142**
	5,115	*146*	*(30)*	*5,231*	*385*	*392*	*(18)*	*760*	*4,471*
INVESTMENT PROPERTY									
Buildings given on operating lease	**6,495**	**–**	**–**	**6,495**	**624**	**312**	**–**	**936**	**5,559**
(Refer Footnote 1 and 2)	*6,495*	*–*	*–*	*6,495*	*312*	*312*	*–*	*624*	*5,871*
INTANGIBLE ASSETS (other than internally generated)									
Software	**93**	**–**	**–**	**93**	**39**	**46**	**–**	**85**	**8**
	–	*93*	*–*	*93*	*–*	*39*	*–*	*39*	*54*
INTANGIBLE ASSETS - TOTAL	**93**	**–**	**–**	**93**	**39**	**46**	**–**	**85**	**8**
	–	*93*	*–*	*93*	*39*	*–*	*39*	*54*	*–*
TOTAL	**11,819**	**99**	**(62)**	**11,856**	**1,423**	**777**	**(53)**	**2,147**	**9,709**
	11,611	*239*	*(30)*	*11,819*	*697*	*743*	*(18)*	*1,423*	*10,396*

Figures in Italics relate to previous year

* Amount less than ₹ 50,000

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Footnote:

1. Amount recognised in Statement of Profit and Loss for Investment Property:

Notes: (₹ in lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental income from Investment Property	**1,997**	1,661
Direct Operating expenses arising from Investment Property that generated rental income	**354**	532
Direct Operating expenses arising from Investment Property that did not generate rental income	**–**	–

2. Fair value of investment property as on March 31, 2020 : ₹ 13,831 lakh (Carrying value ₹ 5,559 lakh).Pursuant to the Ind AS transition, the Company has carried out valuation of Investment property as at March 31, 2020 and same is applicable to March 31, 2019. The fair value of the property is assessed based on the market rate for a similar property in the locality.

NOTE "10" (₹ in lakh)

OTHER NON-FINANCIAL ASSETS	As at March 31, 2020	As at March 31, 2019
(a) Capital advances	**20**	0*
(b) Advances other than capital advances	**34**	56
(c) Prepaid expenses	**338**	333
(d) Rental income accrued	**256**	130
(e) Balances with government authorities	**12**	98
(f) Gratuity asset (net)	**137**	314
(g) Assets held-for-sale/ Assets included in disposal group(s) held-for-sale	**47**	47
Total	**844**	**978**

* Amount less than ₹ 50,000

NOTE "11" (₹ in lakh)

TRADE PAYABLES	As at March 31, 2020	As at March 31, 2019
Other than micro enterprises and small enterprises		
(a) Accrued expenses	**2,102**	2,927
(b) Payable to subsidiary	**35**	–
Total	**2,137**	**2,927**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note - The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

NOTE "11(i)"
TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

(₹ in lakh)

Particular	As at March 31, 2020	As at March 31, 2019
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	0*	–
(b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	–	–
(c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	–	–
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year; and	–	–
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	–	–
Total	**0***	**–**

* Amount less than ₹ 50,000

NOTE "12"

(₹ in lakh)

DEBT SECURITIES	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
UNSECURED		
(i) Non-Convertible Debentures		
(i) Privately placed	**1,32,525**	1,02,465
(ii) Public issue	–	–
(ii) Commercial Paper [Net of unamortised discount of ₹ 346 lakh (as at March 31, 2019 ₹ 2,136 lakh)]	**39,654**	52,862
Total (A)	**1,72,179**	**1,55,327**
Debt Securities in India	**1,72,179**	1,55,327
Debt Securities outside India	–	–
Total (B)	**1,72,179**	**1,55,327**

Discount on above outstanding Commercial papers varies from 6.00% to 7.75% (March 31, 2019 : 7.70% to 9.10%) and maturity varies from 2 months to 3 months from the end of financial year (March 31, 2019 : 1 month to 8 months)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Terms of repayment, nature of security and rate of interest in case of Unsecured Privately Placed Non-Convertible Debentures :

Name of Security	Issue Date	Maturity date	No of NCDs	March 31, 2020	March 31, 2019
TCL Unsecured NCD C FY 2019-20 Option I	February 7, 2020	June 28, 2023	1,250	12,500	–
TCL Unsecured NCD C FY 2019-20 Option II	February 7, 2020	March 13, 2023	1,250	12,500	–
TCL Unsecured NCD D FY 2019-20	February 20, 2020	December 21, 2022	3,000	30,000	–
TCL Unsecured NCD B FY 2019-20 Option II	December 3, 2019	June 3, 2022	3,750	37,500	–
TCL Unsecured NCD B FY 2019-20 Option II Reissuance	February 20, 2020	June 3, 2022	250	2,500	
TCL Unsecured NCD B FY 2019-20 Option I	December 3, 2019	December 3, 2021	3,000	30,000	–
TCL Unsecured NCD A FY 2019-20	August 29, 2019	August 27, 2021	750	7,500	–
TCL Unsecured NCD D FY 2017-18	September 5, 2017	March 5, 2020	2,000	–	20,000
TCL Unsecured NCD A FY 2018-19	June 18, 2018	December 18, 2019	4,500	–	45,000
TCL Unsecured NCD D FY 2016-17 Option II	August 18, 2016	August 19, 2019	250	–	2,500
TCL Unsecured NCD C FY 2017-18	June 22, 2017	June 21, 2019	1,000	–	10,000
TCL Unsecured NCD B FY 2017-18	May 31, 2017	May 31, 2019	2,250	–	22,500
TCL Unsecured NCD A FY 2017-18	April 26, 2017	April 26, 2019	250	–	2,500
Less : Unamortised Borrowing Cost				(36)	(35)
Add : Unamortised Premium				61	–
Total				**1,32,525**	**1,02,465**

Coupon rate of above outstanding unsecured NCD's as at March 31, 2020 varies from 8.05% to 9.22% (as at March 31, 2019 : 7.75% to 9.32%)

NOTE "13" (₹ in lakh)

BORROWINGS (OTHER THAN DEBT SECURITIES)	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
(a) LOANS REPAYABLE ON DEMAND		
SECURED		
(i) From Banks	–	37
(ii) From Other parties	–	–
Total (A)	**–**	**37**
Borrowings in India	–	37
Borrowings outside India	–	–
Total (B)	**–**	**37**

Borrowings other than Debt securities include book overdraft and bank overdraft as of March 31, 2019 (ROI on bank overdraft : 8.6% as at March 31, 2019)

No borrowings in the form of Debt securities and Borrowings (Other than Debt securities) have been made from related parties.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "14" (₹ in lakh)

SUBORDINATED LIABILITIES	**As at March 31, 2020**	**As at March 31, 2019**
At Amortised cost		
UNSECURED		
(a) Preference Shares other than those that qualify as equity	**1,46,146**	1,90,478
Total (A)	**1,46,146**	**1,90,478**
Subordinated Liabilities in India	**1,46,146**	1,90,478
Subordinated Liabilities outside India	**–**	–
Total (B)	**1,46,146**	**1,90,478**

Of the above Subordinated Liabilities, Preference shares amounting to face value of ₹ 5,263 lakh (March 31, 2019 : ₹ 6,707 lakh) are held by related parties.

No default has been made in repayment of any Debt secutites, Borrowings (Other than Debt securities), Subordinated liabilities and interest thereon for the year ended March 31, 2020 and March 31, 2019.

Particulars of Cumulative Redeemable Preference Shares : (₹ in lakh)

Particulars	Tranche	No of shares	Allotment Date	Redemption Date/ Actual Redemption Date	Redemption Date / Early Redemption Date	March 31, 2020	March 31, 2019
12.50% Cumulative Redeemable Preference Shares of ₹ 1,000 each issued at premium of ₹ 500 per share and redeemable at a premium of ₹ 500 per share.	A	9,84,078	August 10, 2012	August 9, 2019	August 9, 2019	**–**	14,758
	B	4,11,614	October 22, 2012	October 21, 2019	October 21, 2019	**–**	6,171
	C	1,66,666	December 10, 2012	December 9, 2019	December 9, 2019	**–**	2,497
	D	1,04,308	January 21, 2013	January 20, 2020	January 20, 2020	**–**	1,562
	E	2,00,000	February 27, 2013	February 26, 2020	February 26, 2020	**–**	2,993
	F	2,04,400	March 28, 2013	March 27, 2020	March 27, 2020	**–**	3,058
8.33% Cumulative Redeemable Preference Shares of ₹ 1,000 each	N	46,48,500	April 22, 2015	August 8, 2019	August 8, 2019	**–**	46,438
	O	3,51,500	September 7, 2015	August 8, 2019	August 8, 2019	**–**	3,511
7.50% Cumulative Redeemable Preference Shares of ₹ 1,000 each	P	7,50,000	September 2, 2016	September 1, 2023	November 30, 2020	**7,487**	7,461
	Q	10,00,000	September 16, 2016	September 15, 2023	November 30, 2020	**9,982**	9,948
	R	5,00,000	October 7, 2016	October 6, 2023	November 30, 2020	**4,991**	4,973
	S	7,50,000	October 27, 2016	October 26, 2023	November 30, 2020	**7,486**	7,460
	T	13,50,000	March 10, 2017	March 9, 2024	May 31, 2021	**13,452**	13,410
	U	6,50,000	July 7, 2017	July 6, 2024	October 30, 2021	**6,469**	6,448
	V	7,50,000	July 12, 2017	July 11, 2024	October 30, 2021	**7,464**	7,440
	W	7,50,000	July 26, 2017	July 25, 2024	October 30, 2021	**7,464**	7,440
7.33% Cumulative Redeemable Preference Shares of ₹ 1,000 each	X	7,50,000	July 28, 2017	July 27, 2024	October 30, 2021	**7,464**	7,441
	Y	7,47,500	August 4, 2017	August 3, 2024	October 30, 2021	**7,438**	7,414
7.15% Cumulative Redeemable Preference Shares of ₹ 1,000 each	Z	7,50,000	September 15, 2017	September 14, 2024	January 31, 2022	**7,457**	7,434

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars of Cumulative Redeemable Preference Shares : (₹ in lakh)

Particulars	Tranche	No of shares	Allotment Date	Redemption Date/ Actual Redemption Date	Redemption Date / Early Redemption Date	March 31, 2020	March 31, 2019
7.10% Cumulative Redeemable Preference Shares of ₹ 1,000 each	AA	7,50,000	September 29, 2017	September 28, 2024	January 31, 2022	**7,456**	7,433
	AB	4,00,000	April 20, 2018	April 19, 2025	September 30, 2022	**3,971**	3,959
	AC	4,00,000	May 10, 2018	May 9, 2025	September 30, 2022	**3,971**	3,959
	AD	3,34,500	June 15, 2018	June 14, 2025	September 30, 2022	**3,319**	3,309
7.75% Cumulative Redeemable Preference Shares of ₹ 1,000 each	AE	4,00,000	March 13, 2019	March 12, 2026	June 30, 2023	**3,969**	3,962
7.50% Cumulative Redeemable Preference Shares of ₹ 1,000 each	AF	4,00,000	June 12, 2019	June 11, 2026	September 30, 2023	**3,993**	–
	AG	4,00,000	June 28, 2019	June 27, 2026	October 31, 2023	**3,993**	–
	AH	3,90,000	August 7, 2019	August 6, 2026	November 30, 2023	**3,890**	–
	AI	4,00,000	August 28, 2019	August 27, 2026	November 30, 2023	**3,994**	–
	AJ	4,00,000	August 30, 2019	August 29, 2026	December 31, 2023	**3,994**	–
	AK	4,00,000	September 4, 2019	September 3, 2026	January 31, 2024	**3,984**	–
	AL	4,00,000	September 9, 2019	September 8, 2026	February 29, 2024	**3,984**	–
	AM	4,50,000	September 18, 2019	September 17, 2026	March 31, 2024	**4,493**	–
	AN	4,00,000	September 24, 2019	September 23, 2026	March 31, 2024	**3,983**	–
Total						**1,46,146**	**1,90,478**

Note : Date of Redemption and / or Early Date of Redemption refers to Actual date of redemption for Tranche A, Tranche B, Tranche C, Tranche D, Tranche E, Tranche F, Tranche N and Tranche O.

NOTE "15" (₹ in lakh)

OTHER FINANCIAL LIABILITIES	As at March 31, 2020	As at March 31, 2019
(a) Interest accrued but not due on borrowings	**3,037**	6,610
(b) Unpaid dividends	**24**	5
(c) Security deposit	**5,058**	4,669
(d) Accrued employee benefit expenses	**3,054**	10,170
(e) Lease liability	**40**	–
Total	**11,213**	**21,454**

As required under Section 125 of the Companies Act 2013, the Company has transferred - Nil (Previous Year - Nil) to the Investor Education and Protection Fund (IEPF) during the year.

NOTE "16" (₹ in lakh)

PROVISIONS	As at March 31, 2020	As at March 31, 2019
(a) Provision for Gratuity and compensated absences	**414**	404
(b) Impairment provision against Stage I and Stage II assets	**53**	50
Total	**467**	**454**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "17" (₹ in lakh)

OTHER NON-FINANCIAL LIABILITIES	**As at March 31, 2020**	**As at March 31, 2019**
(a) Revenue received in advance	**1,025**	1,559
(b) Statutory dues	**341**	440
(c) Others	**4**	8
Total	**1,370**	**2,007**

NOTE "18" (₹ in lakh)

EQUITY SHARE CAPITAL	**Face Value Per Unit ₹**	**As at March 31, 2020**		**As at March 31, 2019**	
		No. of shares	**₹ in lakh**	**No. of shares**	**₹ in lakh**
AUTHORISED					
a) Equity shares	10	4,75,00,00,000	4,75,000	4,75,00,00,000	4,75,000
b) Preference shares (Refer Footnote 2)	1000	3,25,00,000	3,25,000	3,25,00,000	3,25,000
			8,00,000		**8,00,000**
ISSUED, SUBSCRIBED AND PAID UP					
a) Equity shares (Refer footnote 1)	10	3,51,61,67,744	3,51,617	3,32,00,89,314	3,32,009
Total			**3,51,617**		**3,32,009**

Footnote 1 : The Company has issued and alloted 19,60,78,430 Equity Shares of face value ₹ 10/- each, at premium of ₹ 41/- per share during the year ended March 31, 2020 (During the year ended March 31, 2019, the Company has issued and alloted 49,40,71,144 Equity shares of face value ₹ 10/- each, at premium of ₹ 40.60/- per share)

Footnote 2 : The details of Preference Shares Issued, Subscribed and Paid-up are as below :

Particulars	**Face Value Per Unit ₹**	**As at March 31, 2020**		**As at March 31, 2019**	
		No. of shares	**₹ in lakh**	**No. of shares**	**₹ in lakh**
ISSUED					
Cumulative Redeemable Preference Shares	1,000	**1,46,72,000**	**1,46,720**	1,81,03,066	1,81,031
SUBSCRIBED AND PAID UP					
Cumulative Redeemable Preference Shares	1,000	**1,46,72,000**	**1,46,720**	1,81,03,066	1,81,031

As per Ind AS, Cumulative Redeemable Preference Shares are classified as financial liabilities held at amortized cost and form part of Subordinated Liabilities (Refer note 14)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE “18 (a)”

Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at March 31, 2020			As at March 31, 2019		
	No. of shares	₹ in lakh	% holding	No. of shares	₹ in lakh	% holding
Tata Sons Private Limited	3,32,45,83,520	3,32,458	94.6%	3,12,85,05,090	3,12,851	94.2%

NOTE “18 (b)”

Reconciliation of number of equity shares outstanding

Particulars	No. of shares	₹ in lakhs
Equity Shares		
Opening balance as on April 01, 2018	**2,82,60,18,170**	**2,82,602**
Issued during the year	49,40,71,144	49,407
Closing Balance as on March 31, 2019	**3,32,00,89,314**	**3,32,009**
Issued during the year	19,60,78,430	19,608
Closing Balance as on March 31, 2020	**3,51,61,67,744**	**3,51,617**

NOTE “18 (c)”

There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.

NOTE “18 (d)”

There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

NOTE “18 (e)”

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The Company has issued Cumulative Redeemable Preference Shares (“CRPS”) having a par value of ₹1000 per share. The claims of CRPS holders shall be subordinated to the claims of all secured and unsecured creditors but senior to the claims of the equity shareholders and shall rank pari-passu amongst all preference shareholders of the Company.

In pursuance of Section 43 of the Act, the CRPS shall carry a preferential right with respect to (a) payment of dividend calculated at a fixed rate, which may either be free of or subject to income tax; and (b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium.

Company has a Call option to redeem its CRPS by early redemption date. CRPS holder has a Put option to seek redemption of CRPS by early redemption date.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "18 (f)"

Investment by Tata Sons Private Limited (the Holding Company) and its Subsidiaries/Associates/JVs

Name of company	Particulars of issue	No. of equity shares	₹ in Lakh
Tata Sons Private Limited (Holding Company)	**Opening Balance as on April 01, 2018**	2,63,44,33,946	2,63,443
	Add: Issued	49,40,71,144	49,407
	Closing Balance as on March 31, 2019	3,12,85,05,090	3,12,851
	Add: Issued	19,60,78,430	19,608
	Closing Balance as on March 31, 2020	3,32,45,83,520	3,32,458
Tata Investment Corporation Limited (Subsidiary of Tata Sons Private Limited)	**Opening Balance as on April 01, 2018**	7,71,96,591	7,720
	Add: Issued	–	–
	Closing Balance as on March 31, 2019	7,71,96,591	7,720
	Add: Issued	–	–
	Closing Balance as on March 31, 2020	7,71,96,591	7,720
Tata Industries Limited (Joint Venture of Tata Sons Private Limited)	**Opening Balance as on April 01, 2018**	22,72,346	227
	Add: Issued	–	–
	Closing Balance as on March 31, 2019	22,72,346	227
	Add: Issued	–	–
	Closing Balance as on March 31, 2020	22,72,346	227
Tata International Limited (Subsidiary of Tata Sons Private Limited)	**Opening Balance as on April 01, 2018**	7,90,592	79
	Add: Issued	–	–
	Closing Balance as on March 31, 2019	7,90,592	79
	Add: Issued	–	–
	Closing Balance as on March 31, 2020	7,90,592	79
Tata Motors Limited (Associate of Tata Sons Private Limited)	**Opening Balance as on April 01, 2018**	43,26,651	433
	Add: Issued	–	–
	Closing Balance as on March 31, 2019	43,26,651	433
	Add: Issued	–	–
	Closing Balance as on March 31, 2020	43,26,651	433
Tata Chemicals Limited (Associate of Tata Sons Private Limited)	**Opening Balance as on April 01, 2018**	32,30,859	323
	Add: Issued	–	–
	Closing Balance as on March 31, 2019	32,30,859	323
	Add: Issued	–	–
	Closing Balance as on March 31, 2020	32,30,859	323
Tata Consumer Products Limited (formerly Tata Global Beverages Limited) (Associate of Tata Sons Private Limited)	**Opening Balance as on April 01, 2018**	6,13,598	61
	Add: Issued	–	–
	Closing Balance as on March 31, 2019	6,13,598	61
	Add: Issued	–	–
	Closing Balance as on March 31, 2020	6,13,598	61
Total	**Opening Balance as on April 01, 2018**	2,72,28,64,583	2,72,286
	Add: Issued	49,40,71,144	49,407
	Closing Balance as on March 31, 2019	3,21,69,35,727	3,21,694
	Add: Issued	19,60,78,430	19,608
	Closing Balance as on March 31, 2020	3,41,30,14,157	3,41,301

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "19" (₹ in lakh)

OTHER EQUITY	As at March 31, 2020	As at March 31, 2019
(a) Capital Redemption Reserve	**575**	575
(b) Securities Premium	**2,95,866**	2,15,574
(c) Special Reserve /Statutory Reserve	**24,737**	23,584
(d) ESOP Reserve	**708**	227
(e) General Reserve	**128**	20
(f) Other Comprehensive Income	**(50)**	(522)
(g) Capital Reserve	**93**	93
(h) Surplus in Statement of Profit and Loss	**13,350**	11,579
Total	**3,35,406**	**2,51,129**

NOTE "19 (a)"

Transfer to Special Reserve

As prescribed by section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to transfer 20% of its net profit every year, as disclosed in the Statement of Profit & Loss before any dividend is declared, to Special Reserve. Consequently, the Company has transferred ₹ 1,153 lakh to Special Reserve for the year ended March 31, 2020 (For the year ended March 31, 2019 ₹ 3,709 lakh).

NOTE "19 (b)"

Nature & Purpose of Reserves

As part of a qualitative disclosure, Company is required to present disclosures as required by Para 79 of Ind AS-1 i.e. nature & purpose of each reserve :

Sr No.	Particulars	Nature & Purpose of Reserves
(a)	Capital Redemption Reserve	This reserve has been created and held in books as per requirement of the Companies Act.
(b)	Securities Premium Account	Premium received upon issuance of equity shares.
(c)	Special Reserve Account/Statutory Reserve	As prescribed by Section 45 IC of Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by RBI from time to time.
(d)	ESOP Reserve	Created upon grant of options to employees.
(e)	General reserve	Created upon completion of the vesting period of employees stock option or upon forfeiture of options granted.
(f)	Other Comprehensive income	Created on account of items measured through other comprehensive income.
(g)	Capital Reserve	Reserve created on accounting of merger of subsidiaries
(h)	Surplus in Statement of Profit and Loss	Created out of accretion of profits.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "20"

PROVISIONS AND CONTINGENT LIABILITIES

i. Movement in Provision against Stage I and Stage II assets during the year is as under :

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	**623**	560
Additions during the period	**–**	63
Utilised during the period	**(129)**	–
Closing Balance	**494**	**623**

ii. Claims not acknowledged by the Company relating to cases contested by the Company and which are not likely to be devolved on the Company relating to the following areas :

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax (Pending before Appellate authorities)	**11,113**	10,535
Value Added Tax (Pending before Sales Tax Appellate Authorities)	**276**	102
Total	**11,389**	**10,637**

As at March 31, 2020, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹ 11,113 lakhs. These claims against the Company are arising on account of multiple issues of disallowances on completion of assessment proceedings under the Income-tax Act, 1961 (the Act), such as, disallowance u/s 14A of the Act for expenditure incurred in relation to exempt income and other disallowances. These matters are pending before various appellate authorities and the Company expects that its position will likely be upheld on ultimate resolution, in view of favourable Appellate Tribunal Orders for earlier years and decision of jurisdictional High Court in respect of 14A disallowance. Accordingly, there will not be a material adverse effect on the Company's financial position and therefore, the Company has not recognized these uncertain tax positions in its books.

NOTE "21"

COMMITMENTS :

i. Commitment to invest in Tata Capital Special Situations Fund amounting to ₹ 22 lakh (as at March 31, 2019: ₹ 22 lakh)

ii. Commitment to invest in Tata Capital Healthcare Fund I amounting to ₹ 559 lakh (as at March 31, 2019 : ₹ 646 lakh)

iii. Commitment to invest in Tata Capital Growth Fund I amounting to ₹ 2,983 lakh (as at March 31, 2019 : ₹ 2,983 lakh)

iv. Commitment to invest in Tata Capital Innovations Fund amounting to ₹ 45 lakh (as at March 31, 2019 : ₹ 111 lakh)

v. Commitment to invest in Tata Capital Growth Fund II amounting to ₹ 33,332 lakh (as at March 31, 2019 : ₹36,292 lakh)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

vi. Commitment to invest in Tata Capital Healthcare Fund II amounting to ₹ 13,965 lakh (as at March 31, 2019 : ₹NIL)

vii. Commitment to co-invest with Omega TC Holdings Pte. Ltd USD 15.09 Million (₹ 11,281 lakh) (as at March 31, 2019 : USD 15.09 Million (₹ 10,463 lakh)

viii. Commitment to invest in Tata Equity Plus Absolute Return Fund amounting to ₹ NIL (as at March 31, 2019 : ₹ 1,000 lakh).

ix. Commitment to invest in Tata Absolute Return Fund amounting to ₹ NIL (as at March 31, 2019 : ₹ 1,000 lakh).

x. Guarantees issued to National Housing Bank on behalf of Tata Capital Housing Finance Limited ₹ 120,000 lakh (As at March 31, 2019 : ₹ 120,000 lakh) against which the amount liable by Tata Capital Housing Finance Limited is ₹ 39,867 lakh as at March 31, 2020 (As at March 31, 2019 ₹ 54,334 lakh). Pursuant to the terms of the Guarantee, the Company's liability on invocation is capped at the outstanding amount.

xi. Uncalled liability on 1,080 partly paid equity shares of Tata Steel Limited amounting to ₹ 5 lakh (as at March 31, 2019 : 5 lakh)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "22" (₹ in lakh)

INTEREST INCOME	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
(a) **On Financial Assets measured at fair value through OCI**		
(i) Interest on investments	**1,113**	1,113
(b) **On Financial Assets measured at amortized cost**		
(i) Interest on Inter Corporate Deposits	**7,702**	6,506
Total	**8,815**	**7,619**

NOTE "23" (₹ in lakh)

FEES AND COMMISION INCOME	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
(a) Income from advisory and management services	**8,927**	4,955
Total	**8,927**	**4,955**

NOTE "24" (₹ in lakh)

OTHER INCOME	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
(a) Income from managerial services	**3,596**	4,739
(b) Net gain on derecognition of property, plant and equipment	**1**	1
(c) Miscellaneous Income *	**93**	454
Total	**3,690**	**5,194**

* Miscellaneous Income for the year ended March 31, 2020 includes interest on refund of Income Tax for amounting to ₹ Nil (For the year ended March 31, 2019 ₹ 125 lakh)

Disclosure as per Ind AS 115

(a) Contracts with customers

(₹ in lakh)

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
i. Type of service		
- Income from Advisory Services	**6,395**	3,657
- Income from Managerial Services	**6,128**	6,037
Total revenue from contracts with customer	**12,523**	**9,694**
ii. Primary geographical market:		
- Outside India	**6,395**	3,657
- India	**6,128**	6,037
Total revenue from contracts with customer	**12,523**	**9,694**
iii. Timing of revenue recognition		
- at a point in time of rendering service	**9,991**	8,396
- over the period of time upon rendering service	**2,532**	1,298
Total revenue from contracts with customer	**12,523**	**9,694**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(b) The following table provides information about receivables and contract liabilities from contracts with customers.

(₹ in lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Receivables	**1,132**	1,109
Contract Liabilities which are included in other liabilities	**10**	137
	1,142	**1,246**

Tata Capital Limited acts as an Investment manager for private equity funds. As per the management fee agreement between TCL and Funds, TCL is liable to receive management fee bi-annually in advance. The contract liability pertains to the amount received in advance and is recognised as revenue over the period for which it is received.

The amount of ₹ 137 lakhs recognised in contract liabilities at the beginning of the year has been recognised as revenue for the year ended March 31, 2020.

As on March 31, 2020 and March 31, 2019, the Company doesn't have any unsatisified/partially satisified performance obligation.

NOTE "25"

(₹ in lakh)

FINANCE COST	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) On Financial liabilities measured at Amortised Cost		
(i) Interest expense on security deposit	**389**	358
(ii) Interest on debt securities	**8,085**	10,038
(iii) Interest on subordinated liabilities	**13,189**	15,793
(iv) Interest on right to use liabilities	**5**	–
(v) Other interest expenses (discounting charges on Commercial Papers)	**5,517**	5,576
Total	**27,185**	**31,765**

Footnote :

During the year ended March 31, 2020, the Company has declared and paid, an interim dividend for FY 2019-20 on Cumulative Redeemable Preference Shares aggregating to ₹ 2,935 lakh (FY 2018-19 ₹ 580 lakh) and dividend distribution tax thereon of ₹ Nil (FY 2018-19 ₹ 95 lakh) ; and final dividend for FY 2019-20 aggregating to ₹ 9,847 lakh (FY 2018-19 ₹ 14,523 lakh)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "26" (₹ in lakh)

NET LOSS ON FAIR VALUE CHANGES	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
(a) Net loss on investments at fair value through profit or loss		
(i) On trading Portfolio		
Investment	**–**	–
Derivatives	**–**	–
Others	**–**	–
(ii) On financial instruments designated at fair value through profit or loss	**–**	–
(b) Others		
- On equity securities	**54**	4
- On other financial securities	**20**	26
- On derivative contracts	**–**	–
(c) Total net loss on fair value changes	**74**	30
(d) Fair Value Changes :		
Realised	**76**	116
Unrealised	**(2)**	(86)
Total Net loss on fair value changes	**74**	**30**
Total	**74**	**30**

NOTE "27" (₹ in lakh)

IMPAIRMENT OF INVESTMENTS AND FINANCIAL INSTRUMENTS	**For the year ended March 31, 2020**		**For the year ended March 31, 2019**	
(a) On Financial Instruments measured at amortized cost				
(i) Investments				
Write off of investments	**–**		2,553	
Less : Provision reversal on account of write off	**–**	**–**	(2,553)	–
Impairment provision for investments	**2,535**		9,502	
Less : Impairment provision reversal on account of write off	**–**	**2,535**	(7,255)	2,247
Write off of investments		**–**		7,255
(ii) Impairment provision against Stage I and Stage II assets		**(129)**		63
(iii) Impairment provision on trade receivables		**(261)**		294
Total		**2,145**		**9,859**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "28" (₹ in lakh)

EMPLOYEE BENEFIT EXPENSES	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
(a) Salaries and wages	**3,668**	14,745
(b) Contribution to provident and other funds	**327**	659
(c) Share based payments to employees	**589**	206
(d) Staff welfare expenses	**38**	65
(e) Post employement defined benefit plans	**92**	77
Total	**4,714**	**15,752**

The Supreme Court of India in its judgement in the case of THE REGIONAL PROVIDENT FUND COMMISSIONER (II) WEST BENGAL v/s VIVEKANANDA VIDYAMANDIR AND OTHERS on February 28, 2019 has clarified that any emolument paid universally, necessarily and ordinarily to all employees across the board is to be considered as basic wage and accordingly needs to be considered for calculation of Provident Fund contribution. As per Company's current estimation this change does not have an impact on financial position as at March 31, 2020 and as at March 31, 2019. The Company would record any further effect in its financial statements, in the period in which it receives additional clarity on the said subject.

NOTE "29" (₹ in lakh)

OTHER EXPENSES	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
(a) Advertising and publicity	**135**	161
(b) Director's fees, allowances and expenses	**143**	70
(c) Insurance	**63**	35
(d) IT costs	**4**	182
(e) Legal and professional charges	**(59)**	1,597
(f) Rent, taxes and energy costs	**312**	378
(g) Repairs and maintenance	**5**	3
(h) Printing and Stationery	**21**	18
(i) Travelling and conveyance	**361**	510
(j) Expenditure towards CSR (Refer Note 29 (c))	**92**	–
(k) Other expenditure	**158**	173
Total	**1,235**	**3,127**

Included in Other Expenses are the below:

NOTE "29(a)" (₹ in lakh)

PAYMENTS TO AUDITORS INCLUDED IN OTHER EXPENDITURE (EXCLUDING GST)	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
a) For statutory and interim audit	**18**	17
b) For tax audit	**2**	2
c) For company law matters	**–**	–
d) For other services *	**2**	2
e) For reimbursement of expenses	**1**	1
Total	**23**	**22**

* Other Services include fees for certifications

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "29(b)"

(₹ in lakh)

EXPENDITURE ON FOREIGN CURRENCIES	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Membership and subscription	23	29
(b) Legal and professional fees	23	–
(c) Travelling and conveyance	58	101
(d) IT Expenses	2	2
Total	**106**	**132**

NOTE "29(c)"

EXPENDITURE INCURRED FOR CORPORATE SOCIAL RESPONSIBILITY

(i) Gross amount required to be spent by the Company during the year is ₹ 92 lakh (FY 2018-19 :₹ NIL)

(ii) Amount spent during the year on:

Particulars	Paid	Yet to be paid	Total
Construction / acquisition of any asset	–	–	–
On purposes other than above	92	–	92
Total	**92**	**–**	**92**

NOTE "30"

INCOME TAX DISCLOSURES

A. The income tax expense consist of the following:

(₹ in lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax:		
Current tax expense for the year	2,233	4,296
Current tax expense / (benefit) pertaining to prior years	–	–
	2,233	4,296
Deferred tax benefit		
Origination and reversal of temporary differences	93	(235)
Change in tax rates	198	(5)
	291	(240)
Total income tax expense recognised in the year	**2,524**	**4,056**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

B Amounts recognised in OCI

(₹ in lakh)

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(213)	54	(159)	(188)	67	(121)
Items that are or may be reclassified subsequently to profit or loss						
Net change in fair value	840	(209)	631	(119)	41	(78)
	627	**(155)**	**472**	**(307)**	**108**	**(199)**

C The reconciliation of estimated income tax expense at statutory income tax rate and income tax expenses reported in statement of profit and loss is as follows:

(₹ in lakh)

Tax (expense) / benefit	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	**5,450**	6,809
Indian statutory income tax rate	**25.17%**	34.94%
Tax using the Company's domestic tax rate	**1,372**	2,381
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax-exempt income	**(4,391)**	(7,354)
Recognition of previously unrecognised tax losses	**–**	(1,310)
Non-deductible expenses	**5,511**	13,246
Tax on income at different rates	**(166)**	(2,902)
Change in tax rates	**198**	(5)
Total income tax expense	**2,524**	**4,056**

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance dated September 20, 2019 inserted a new section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates as per the provisions / conditions defined in the said section. The Company has a one-time option to opt for a reduced maximum marginal tax rate (MMR) of 25.17% (Base tax - 22%, Surcharge - 10% and Health & education cess - 4%) instead of 34.94% (Base tax - 30%, Surcharge - 12% and Health & education cess - 4%) in the current financial year or in the future financial years. As on March 31, 2020, the Company has elected to exercise the option of lower MMR, accordingly there is net tax savings of ₹ 640 lakh in the statement of profit and loss for the year ended March 31, 2020 comprising of gain arising due to reduction in income tax rate of ₹ 838 lakh offset by a charge of ₹ 198 lakh on account of re-measurement of opening deferred tax asset (DTA).

The Company is not required to pay dividend distribution tax (DDT) on the dividends declared in view of the set off of dividend received during the year as per section 115-O of the Income Tax Act, 1961. During FY 2019-20 dividend paid by the Company on Cumulative Redeemable Preference Shares (CRPS), is ₹12,782 lakh and dividend received by the Company from its subsidiaries is ₹ 15,147 lakh.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "31"

(₹ in lakh)

EARNINGS PER SHARE (EPS):		**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Profit after tax	₹ in lakh	**2,926**	2,753
Profit after tax available for equity shareholders	₹ in lakh	**2,926**	2,753
Weighted average number of Equity shares used in computing Basic EPS	Nos	**3,37,44,66,256**	3,03,32,57,327
Face value of equity shares	₹	**10**	10
Basic EPS	₹	**0.09**	**0.09**
Profit after tax available for equity shareholders	₹ in lakh	**2,926**	2,753
Weighted average number of Equity Shares used in computing Basic EPS	Nos	**3,37,44,66,256**	3,03,32,57,327
Add: Potential weighted average number of Equity shares	Nos	**–**	–
Weighted average number of shares in computing Diluted EPS	Nos	**3,37,44,66,256**	3,03,32,57,327
Face value of equity shares	₹	**10**	10
Diluted EPS	₹	**0.09**	**0.09**

NOTE "32"

SHARE BASED PAYMENT

A. Description of share based payments:

Particulars	**ESOP 2013**	**ESOP 2017**	**ESOP 2018**	**ESOP 2019**
i. Vesting requirements	1/3rd at the end of each 12, 24 and 36 months from the date of grant	100% at the end of 12 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant
ii. Maximum term of option	6 years	2 years	7 years	7 years
iii. Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled
iv. Modifications to share based payment plans	N.A.	N.A.	N.A.	N.A.
v. Any other details as disclosed in the audited Ind AS financial statements	N.A.	N.A.	N.A.	N.A.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

B. Summary of share based payments

March 31, 2020

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019	Total
Outstanding balance at the beginning of the year	**15,000**	**2,60,000**	**37,25,000**	**–**	**40,00,000**
Options granted	–	–	–	36,00,000	36,00,000
Options forfeited	–	–	3,21,050	4,00,000	7,21,050
Options exercised	15,000	30,000	78,950	–	1,23,950
Options expired	–	2,30,000	–	–	2,30,000
Options lapsed	–	–	–	–	–
Options outstanding at the end of the year	**–**	**–**	**33,25,000**	**32,00,000**	**65,25,000**
Options exercisable at the end of the year			33,25,000	32,00,000	65,25,000
For share options exercised:					
Weighted average exercise price at date of exercise					43.34
Money realized by exercise of options					53,71,870
For share options outstanding					
Range of exercise prices	25.00	33.40	50.60	51.00	
Average remaining contractual life of options	–	–	5.50	6.34	5.91
Modification of plans	N.A.	N.A.	N.A.	N.A.	–
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	–

March 31, 2019

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019	Total
Outstanding balance at the beginning of the year	**32,221**	**4,70,000**	**–**	**–**	**5,02,221**
Options granted	–	–	37,25,000	–	37,25,000
Options forfeited	3,888	60,000	–	–	63,888
Options exercised	13,333	1,50,000	–	–	1,63,333
Options expired	–	–	–	–	–
Options lapsed	–	–	–	–	–
Options outstanding at the end of the year	**15,000**	**2,60,000**	**37,25,000**	**–**	**40,00,000**
Options exercisable at the end of the year	15,000	2,60,000	–	–	2,75,000
For share options exercised:					
Weighted average exercise price at date of exercise	–	–	–	–	32.71
Money realized by exercise of options	–	–	–	–	53,43,325
For share options outstanding					
Range of exercise prices	25.00	33.40	50.60	–	
Average remaining contractual life of options	0.33	0.00	6.51	–	6.06
Modification of plans	N.A.	N.A.	N.A.	N.A.	–
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	–

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

C. Valuation of stock options

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes formula. The inputs used in measuring the fair values at grant date of the equity-settled share based payment plans were as follows :

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019
Share price:	25.00	33.40	50.60	51.00
Exercise Price:	25.00	33.40	50.60	51.00
Fair value of option:	8.60	8.40	23.34	23.02
Valuation model used:	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation
Expected Volatility:	0.37	0.35	0.38	0.41
Basis of determination of expected volatility:	Average historical volatility over 3 years of comparable companies	Average historical volatility over 2 years of comparable companies	Average historical volatility over 4.85 years of comparable companies	Average historical volatility over 4.85 years of comparable companies
Contractual Option Life (years):	3.00	2.00	7.00	7.00
Expected dividends:	0.00	0.00	0.00	0.00
Risk free interest rate:	8.00%	6.57%	8.04%	6.28%
Vesting Dates	33.33% vesting on July 29, 2014	100% vesting on April 2, 2018	20% vesting on September 30, 2019	20% vesting on August 01, 2020
	66.67% vesting on July 29, 2015	–	40% vesting on September 30, 2020	40% vesting on August 01, 2021
	100% vesting on July 29, 2016	–	70% vesting on September 30, 2021	70% vesting on August 01, 2022
	–	–	100% vesting on September 30, 2022	100% vesting on August 01, 2023
Valuation of incremental fair value on modification	N.A.	N.A.	N.A.	N.A.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

D) Options granted and inputs used for measurement of fair value of options, for the key managerial employees and other senior employees

As at March 31, 2020

Name of Scheme	Mr. Rajiv Sabharwal		Mr. Puneet Sharma*		Mr. Rakesh Bhatia*		Ms. Avan Doomasia	
	Granted	Exercised	Granted	Exercised	Granted	Exercised	Granted	Exercised
ESPS 2009	–	–	1,31,838	1,31,838	50,151	50,151	80,615	80,615
ESPS 2011	–	–	–	–	–	–	–	–
ESOP 2011	–	–	80,000	80,000	–	–	60,000	60,000
PS 2013	–	–	14,212	14,212	–	–	8,690	8,690
ESPS 2013	–	–	–	–	–	–	–	–
ESOP 2013	–	–	–	–	–	–	–	–
ESOP 2016	–	–	10,000	10,000	–	–	10,000	10,000
ESOP 2017	–	–	10,000	10,000	–	–	10,000	10,000
ESOP 2018	16,00,000	–	4,00,000	78,950	–	–	1,25,000	–
ESOP 2019	16,00,000	–	4,00,000	–	–	–	1,00,000	–
Total	**32,00,000**	**–**	**10,46,051**	**3,25,000**	**50,151**	**50,151**	**3,94,305**	**1,69,305**

* Mr. Puneet Sharma ceased to be a KMP w.e.f. February 16, 2020 and Mr. Rakesh Bhatia was appointed as KMP w.e.f. March 02, 2020.

As at March 31, 2019

Name of Scheme	Mr. Rajiv Sabharwal		Mr. Puneet Sharma		Ms. Avan Doomasia	
	Granted	Exercised	Granted	Exercised	Granted	Exercised
ESPS 2009	–	–	1,31,838	1,31,838	80,615	80,615
ESPS 2011	–	–	–	–	–	–
ESOP 2011	–	–	80,000	80,000	60,000	60,000
PS 2013	–	–	14,212	14,212	8,690	8,690
ESPS 2013	–	–	–	–	–	–
ESOP 2013	–	–	–	–	–	–
ESOP 2016	–	–	10,000	10,000	10,000	10,000
ESOP 2017	–	–	10,000	10,000	10,000	10,000
ESOP 2018	16,00,000	–	4,00,000	–	1,25,000	–
ESOP 2019	–	–	–	–	–	–
Total	**16,00,000**	**–**	**6,46,050**	**2,46,050**	**2,94,305**	**1,69,305**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "33"

EMPLOYEE BENEFIT EXPENSES

A. Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to provident fund set up as Trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employee Provident Fund Scheme, 1952 is recognized as an expense in the year in which it is determined. The Company has recognised ₹ 211.8 Lakhs (Year ended 31 March 2019 ₹ 215.3 Lakhs) for Provident Fund contributions and ₹ 64.9 Lakhs (Year ended 31 March 2019 ₹ 68.4 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B. Defined benefit plans

The Company offers its employees defined benefit plans in the form of a gratuity scheme (a lump-sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are recorded in the Other Comprehensive Income.

The Company provides gratuity for employees in India as per payment of Gratuity Act, 1972. The gratuity scheme for employees is as under:

Eligibility	Continuous service for 5 years (not applicable in case of death or disability while in service)
Benefit payable upon	Retirement, Withdrawal, Death/Diability
Benefit payable	For service less than 10 years: 15/26 X Salary X Service
	For service greater than 10 years: Salary X Service
Salary definition	Last drawn monthly basic salary + Dearness Allowance
Service definition	Number of years of service rounded to the nearest integer
Normal retirement age	60 years

There are no statutory minimum funding requirements for gratuity plans mandated in India. However, a Company can fund the benefits by way of a separate irrevocable Trust to take advantage of tax exemptions and also to ensure security of benefits.

The Tata Capital Limited Gratuity Scheme is funded by way of a separate irrevocable Trust and the Company is expected to make regular contributions to the Trust. The fund is managed internally by the Company and the assets are invested as per the pattern prescribed under Rule 67 of IT Rules. The asset allocation of the Trust is set by Trustees from time to time, taking into account the membership profile, the liquidity requirements of the plan and risk appetite of the plan sponsor as per the investment norms. Each year asset-liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and Contribution policies are integrated within this study.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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

1. **Market risk :** Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
2. **Salary Inflation risk :** Higher than expected increases in salary will increase the defined benefit obligation.
3. **Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.
4. **Investment risk :** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
5. **Legislative risk :** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Movement in net defined benefit (asset) liability

a) Reconciliation of balances of Defined Benefit Obligations.

(₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Defined Obligations at the beginning of the year	**1,356**	**–**	1,261	–
Current service cost	**123**	**–**	97	–
Interest Cost on Defined Benefit Obligations	**93**	**–**	76	–
Liabilities / (Assets) assumed on transfer of employees	**(15)**	**–**	257	–
Actuarial (Gains)/ Losses on obligations arising from:				
a. Due to change in financial assumptions	**67**	**–**	136	–
b. Due to change in experience adjustments	**(42)**	**–**	41	–
c. Due to experience adjustments	**–**	**–**	30	–
Benefits paid directly by the Company	**(132)**	**–**	(542)	–
Defined Obligations at the end of the year	**1,451**	**–**	**1,356**	**–**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

b) Reconciliation of balances of Fair Value of Plan Assets

(₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Fair Value at the beginning of the year	**1,670**	**–**	1,294	–
Expected return on plan assets	**(187)**	**–**	19	–
Assets transferred on transfer of employees	**(15)**	**–**	257	–
Interest Income on Plan Assets	**120**	**–**	100	–
Fair Value of Plan Assets at the end of the year	**1,588**	**–**	**1,670**	**–**

c) Funded status

(₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Surplus of plan assets over obligations	**137**	**–**	314	–
Total	**137**	**–**	**314**	**–**

d) Categories of plan assets

(₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Corporate bonds	**341**	**–**	719	–
Equity shares	**91**	**–**	175	–
Government securities	**366**	**–**	761	–
Insurer managed funds - ULIP Product	**788**	**–**	–	–
Cash	**2**	**–**	15	–
Total	**1,588**	**–**	**1,670**	**–**

e) Amount recognised in Balance sheet

(₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Present value of the defined benefit obligation	**(1,451)**	**–**	(1,356)	–
Fair value of plan assets	**1,588**	**–**	1,670	–
Net asset recognised in the Balance Sheet	**137**	**–**	**314**	**–**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

f) Amount recognised in Statement of Profit and Loss

(₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Current Service Cost	**123**	**–**	97	–
Interest Cost (net)	**(27)**	**–**	(23)	–
Expenses for the year	**96**	**–**	**74**	**–**

g) Amount recognised in OCI

(₹ in lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
a. Due to change in financial assumptions	**67**	**–**	136	–
b. Due to change in experience adjustments	**(42)**	**–**	41	–
c. Due to experience adjustments	–	–	30	–
d. (Return) on plan assets (excl. interest income)	**187**	**–**	(19)	–
Total remeasurements in OCI	**213**	**–**	188	–
Total defined benefit cost recognized in P&L and OCI	**309**	**–**	**262**	**–**

h) Expected cash flows for the following year

Particulars	As at March 31, 2020	As at March 31, 2019
Expected total benefit payments	2,272	2,106
Year 1	151	149
Year 2	256	145
Year 3	140	253
Year 4	182	147
Year 5	197	189
Next 5 years	1,345	1,223

i) Major Actuarial Assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate (%)	6.30%	7.20%
Salary Escalation/ Inflation (%)	Non CRE: 8.25%, CRE & J Grade:6%	Non CRE: 8.25%, CRE & J Grade:6%
Expected Return on Plan assets (%)	6.30%	7.20%
Attrition		

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Mortality Table	**Indian assured lives Mortality (2006-08) (modified) Ult.**	**Indian assured lives Mortality (2006-08) (modified) Ult.**
Medical cost inflation		
Disability		
Withdrawal (rate of employee turnover)	CRE and J Grade : 40%; Non CRE :Less than 5years 25% and more than 5 years 10%	CRE and J Grade : 40%; Non CRE :Less than 5years 25% and more than 5 years 10%
Retirement Age	60 years	60 years
Weighted Average Duration		
Guaranteed rate of return		
Estimate of amount of contribution in the immediate next year	**151**	**149**

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

i) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(74)	82	(73)	80
Future salary growth (1% movement)	80	(74)	79	(73)
Others (Withdrawal rate 5% movement)	(42)	59	(30)	40

j) Provision for leave encashment

	March 31, 2020		March 31, 2019	
	Non current	Current	Non current	Current
Liability for compensated absences	216	36	202	43

Experience adjustments	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
Funded					
2019-20	1,451	1,588	137	42	(187)
2018-19	1,356	1,670	314	(41)	19
Unfunded					
2019-20	–	–	–	–	–
2018-19	–	–	–	–	–

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "34"

Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

List of related parties and relationship:

Holding Company	Tata Sons Private Limited
Subsidiaries	Tata Capital Financial Services Limited Tata Capital Housing Finance Limited Tata Cleantech Capital Limited Tata Securities Limited Tata Capital Pte. Limited Tata Capital Markets Pte. Ltd. Tata Capital Advisors Pte. Ltd. Tata Capital Plc Tata Capital General Partners LLP Tata Capital Healthcare General Partners LLP Tata Opportunities General Partners LLP Tata Capital Growth II General Partners LLP Tata Capital Healthcare II General Partners LLP Tata Opportunities II General Partners LLP Tata Capital Growth Fund I Tata Capital Healthcare Fund I Tata Capital Innovations Fund Tata Capital Special Situation Fund Tata Capital Growth Fund II Tata Capital Healthcare Fund II (w.e.f. 12.09.2019) Tata Opportunities II Alternative Investment Fund (in the process of winding up)
Associates	Tata Autocomp Systems Limited Roots Corporation Limited Tata Projects Limited Tata Sky Limited **Associates of Tata Capital Financial Services Limited** Shriram Properties Private Limited TVS Supply Chain Solutions Limited Fincare Business Services Limited Varroc Engineering Private Limited (ceased w.e.f. 06.07.2018) **Associates of Domestic Venture Capital Funds (Portfolio Investments)** Lokmanaya Hospital Private Limited Novalead Pharma Private Limited Shriji Polymers (India) Limited Vortex Engineering Private Limited Pluss Advances Technologies Private Limited

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	Sea6 Energy Private Limited Alef Mobitech Solutions Private Limited TEMA India Private Limited Kapsons Industries Limited Tata Technologies Limited Star Health & Allied Insurance Company Limited (ceased w.e.f 28.03.2019) Sai Life Sciences Limited (ceased w.e.f. 25.07.2018)
Post Employment Benefit Plan	Tata Capital Limited Gratuity Scheme Tata Capital Limited Employees Provident Fund Tata Capital Limited Superannuation Scheme TCL Employee Welfare Trust
Other Related Parties (with which the Company had transactions)	Tata Consultancy Services Limited Tata Teleservices (Maharashtra) Limited Tata Trustee Company Limited Tata International Limited Tata Investment Corporation Limited Tata Steel Limited Conneqt Business Solutions Limited Ewart Investments Limited The Indian Hotels Company Limited Titan Company Limited Concorde Motors (India) Limited Tata AIA Life Insurance Company Limited Tata AIG General Insurance Company Limited Trent Limited Voltas Limited Tata Motors Finance Limited Tata Consumer Products Limited (formerly Tata Global Beverages Limited) Tata Chemicals Limited Tata Motors Limited Tata Industries Limited Af-Taab Investment Company Limited Mrs Sangeeta Sabharwal (Relative of KMP)
Key Management Personnel	Mr. Saurabh Agrawal - Chairman Mr. F. N. Subedar - Non-Executive Director Ms. Aarthi Subramanian - Non-Executive Director Mr. Nalin M. Shah - Independent Director Mr. Mehernosh B. Kapadia - Independent Director Ms. Varsha Purandare- Independent Director (w.e.f 01.04.2019) Mr. Rajiv Sabharwal - Managing Director & CEO Ms. Avan Doomasia - Company Secretary Mr. Rakesh Bhatia- Chief Financial Officer (appointed w.e.f 02.03.2020) Mr. Puneet Sharma- Chief Financial Officer (resigned w.e.f 16.02.2020)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "34"

SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES :

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2020	March 31, 2019
I	**Transactions with Holding Company:**					
1	**Tata Sons Private Limited**	a) Income	Income from managerial services	Income from managerial services	–	12
		b) Expense	Advertising and publicity	Provisions for Brand Equity Contribution	72	131
			Staff welfare expenses	Staff welfare expenses	0*	0*
			Other expenditure	Other expenditure	0*	3
		c) Other Transactions	Share Capital	Issue of Equity Shares (including Premium)	1,00,000	2,50,000
		d) Liabilities	Share Capital	Equity shares Held	3,32,458	3,12,851
			Trade Payables	Provision for Brand Equity Contribution	72	131
II	**Transactions with Subsidiaries :**					
1	**Tata Capital Financial Services Limited**	a) Income	Dividend income	Dividend received on Compulsorily Convertible Cumulative Preference shares	2,739	11,741
			Dividend income	Dividend received on Equity shares	4,890	–
			Interest income	Interest Income on ICD's	5,071	4,954
			Interest income	Interest Income on Investments in Perpetual debt	1,113	1,113
			Income from Investment Property	Rental Income	871	871
			Income from managerial services	Marketing & Managerial Service Fees Income	2,341	3,077
		b) Expense	Rent, taxes and energy costs	Rent expense	13	23
			Rent, taxes and energy costs	Guest house charges	0*	1
			Insurance	Reimbursement of Insurance Expenses	(7)	(20)
			Rent, taxes and energy costs	Reimbursement of Electricity expense	(57)	(55)
			Other expenditure	Reimbursement of Other expenses	–	(6)
			Other expenditure	Reimbursement of Marketing & Managerial Service	(796)	(130)
			Legal and professional charges	Placement fee	33	–
			Subordinated Liabilities	Arranger fees	–	124
		c) Other Transactions	Investments	Investments in Compulsorily Convertible Cumulative Preference shares	–	1,02,500
			Investments	Conversion of CCCPS in Equity Shares	1,88,900	65,600
			Investments	Investments in Equity shares	25,000	–
			Loans	ICDs placed during the year	10,34,419	7,52,235
			Loans	ICDs repaid back during the year	9,81,795	7,80,293
			–	Pass through of insurance refund received	1	–

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2020	March 31, 2019
		d) Assets	Investments	Investment in Equity Shares	5,38,755	3,24,855
			Investments	Investments in Compulsorily Convertible Cumulative Preference shares	–	1,88,938
			Investments	Investment in Perpetual Debentures	13,246	12,406
			Loans	ICDs Outstanding - Receivable	58,350	5,726
			Loans	Accrued Interest on ICD Outstanding	307	31
			Investments	Accrued Interest on Perpetual Debentures	18	18
			Trade Receivables	Trade Receivables	430	358
			Other Receivables	Other Receivables	9	11
		e) Liabilities	Other financial liabilities	Security Deposit outstanding	4,794	4,424
			Trade Payables	Provision		
				– Towards Rent	2	–
				– Towards Placement fee	33	–
2	**Tata Capital Housing Finance Limited**	a) Income	Dividend income	Dividend received on Compulsorily Convertible Cumulative Preference shares during the year	948	7,403
			Dividend income	Dividend received on Equity shares during the year	6,571	–
			Interest income	Interest Income on ICD's	2,066	1,394
			Income from managerial services	Marketing & Managerial Service Fees Income	778	1,020
		b) Expense	Rent, taxes and energy costs	Guest house charges	–	0*
			Insurance	Reimbursement of Insurance Expenses	(2)	(6)
			Other expenditure	Reimbursement of Marketing & Managerial Service	(265)	(43)
		c) Other Transactions	Investments	Investments in Compulsorily Convertible Cumulative Preference shares	30,000	55,500
			Investments	Conversion of CCCPS in Equity Shares	1,57,200	40,800
			Investments	Investments in Equity shares	15,000	–
			Loans	ICDs placed during the year	4,84,084	4,78,207
			Loans	ICDs repaid back during the year	5,04,202	4,58,089
			–	Pass through of insurance refund received	1	–
		d) Assets	Investments	Investment in Equity Shares	2,40,600	68,400
			Investments	Investments in Compulsorily Convertible Cumulative Preference shares	–	1,27,238
			Loans	ICDs Outstanding - Receivable	–	20,118
			Loans	Accrued Interest on ICD Outstanding	–	42
			Trade Receivables	Trade Receivables	115	91
		e) Commitments	Guarantee	Guarantees issued to National Housing Bank on behalf of TCHFL	39,867	54,334

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2020	March 31, 2019
3	**Tata Cleantech Capital Limited**	a) Income	Interest Income	Interest Income on ICD's	565	158
			Income from Investment Property	Rental Income	48	48
			Income from managerial services	Marketing & Managerial Service Fees Income	477	629
		b) Expense	Rent, taxes and energy costs	Guest house charges	0*	0*
			Insurance	Reimbursement of Insurance Expenses	(0)*	(1)
			Rent, taxes and energy costs	Reimbursement of Electricity expense	(3)	(3)
			Other expenditure	Reimbursement of Marketing & Managerial Service	(159)	(26)
		c) Other Transactions	Investment	Investments in Equity shares	–	8,050
			Loans	ICDs placed during the year	2,04,950	61,800
			Loans	ICDs repaid back during the year	1,87,150	29,600
		d) Assets	Investment	Investment in Equity Shares	49,105	49,105
			Loans	ICDs Outstanding - Receivable	50,000	32,200
			Loans	Accrued Interest on ICD Outstanding	126	58
			Trade Receivables	Trade Receivables	74	59
			Other Receivables	Other Receivables	0*	0*
		e) Liabilities	Other financial liabilities	Security Deposit outstanding	265	245
4	**Tata Securities Limited**	a) Expense	Insurance	Reimbursement of Insurance expenses	(0)*	(0)*
		b) Other Transactions	Investments	Conversion of CCCPS in Equity Shares	–	789
		c) Assets	Investments	Investment in Equity Shares	789	789
5	**Tata Capital Pte. Limited**	a) Expense	Insurance	Reimbursement of Insurance expenses	(0)*	(0)*
		b) Assets	Investments	Investment in Equity Shares	10,807	10,807
6	**Tata Capital Advisors Pte. Limited**	a) Income	Fee and commision income	Income from advisory fees	6,395	3,657
		b) Expense	Legal and professional charges	Reimbursement of Legal expenses	(96)	(8)
		c) Assets	Trade receivables	Trade receivables		
				– Towards Fee and commision income	602	239
				– Towards Reimbursement of expenses	92	4
7	**Tata Capital Special Situations Fund**	a) Income	Fee and commision income	Asset Management Fees	–	178
		b) Expense	Legal and professional charges	Reimbursement of Legal expenses	–	(2)
			Impairment of Financial Instrument	Provision for Diminution in value of Investment	–	1,739
		c) Assets	Investments	Investment in Class A units of fund	2,260	2,260
			Investments	Investment in Class B units of fund	0*	0*
			Investments	Provision for Diminution in value of Investment	(990)	(990)
			Trade Receivables	Trade Receivables	–	2
		d) Commitments	Commitments	Commitments	22	22

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2020	March 31, 2019
8	**Tata Capital Growth Fund I**	a) Income	Fee and commision income	Asset Management Fees	91	234
			Dividend income	Distribution of Dividend	749	414
			Miscellaneous Income	Distribution of FD Interest	–	1
			Profit on Sale of Investment	Carried Interest Income	1,268	717
			Profit on Sale of Investment	Loss on sale of Investment	(27)	–
		b) Expense	Legal and professional charges	Reimbursement of Legal expenses	(1)	(2)
			Impairment of Financial Instrument	Provision for Diminution in value of Investment	–	6,292
		c) Other Transactions	Investments	Investment in Units of Fund	–	269
			Investments	Proceeds from Divestment	0*	27,225
		d) Assets	Investments	Investment in Class A units of fund	5,841	5,868
			Investments	Investment in Class B units of fund	–	0*
			Investments	Provision for Diminution in value of Investment	(1,088)	(1,088)
			Trade Receivables	Receivables towards Carried Interest Income	–	717
			Trade Receivables	Payable towards Management fees	–	(1)
		e) Commitments	Commitments	Commitments	2,983	2,983
9	**Tata Capital Healthcare Fund I**	a) Income	Fee and commision income	Asset Management Fees	187	224
			Miscellaneous Income	Distribution of FD Interest	2	–
		b) Expense	Legal and professional charges	Reimbursement of Legal expenses	–	(8)
			Impairment of Financial Instrument	Provision for Diminution in value of Investment	–	84
		c) Other Transactions	Investments	Investment in Units of Fund	87	89
			Investments	Proceeds from Divestment	–	8,503
		d) Assets	Investments	Investment in Class A units of fund	3,838	3,751
			Investments	Investment in Class B units of fund	0*	0*
			Investments	Provision for Diminution in value of Investment	(84)	(84)
		e) Liabilities	Other non financial liabilities	Revenue received in advance	10	10
		f) Commitments	Commitments	Commitments	559	646
10	**Tata Capital Innovation Fund**	a) Income	Fee and commision income	Asset Management Fees	310	385
		b) Expense	Legal and professional charges	Reimbursement of Legal expenses	(14)	(83)
			Impairment of Financial Instrument	Provision for Diminution in value of Investment	1,934	1,385
			Impairment of Financial Instrument	Provision for bad & doubtful debts	(94)	118

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2020	March 31, 2019
		c) Other Transactions	Investments	Investment in Units of Fund	67	147
		d) Assets	Investments	Investment in Class A units of fund	5,818	5,751
			Investments	Investment in Class B units of fund	0*	0*
			Investments	Provision for Diminution in value of Investment	(2,142)	(208)
			Trade Receivables	Trade Receivables		
				–Towards Management Fees	195	339
				–Towards Reimbursement of Expenses	14	27
			Trade Receivables	Provision for bad & doubtful debts	(192)	(286)
		e) Liabilities	Other non financial liabilities	Revenue received in advance	–	127
		f) Commitments	Commitments	Commitments	45	111
11	**Tata Capital Healthcare Fund II**	a) Income	Fee and commision income	Asset Management Fees	292	–
			Fee and commision income	Setup fee	179	–
		b) Expenses	Impairment of Financial Instrument	Provision for Diminution in value of Investment	35	–
		c) Other Transactions	Investments	Investment in units of fund	35	–
		d) Assets	Investments	Investment in units of fund	35	–
			Investments	Provision for Diminution in value of Investment	(35)	–
		e) Commitments	Commitments	Commitments	13,965	–
12	**Tata Capital Growth Fund II**	a) Income	Fee and commision income	Asset Management Fees	1,322	338
			Fee and commision income	Setup fee	151	–
			Miscellaneous Income	Distribution of FD Interest	55	–
			Miscellaneous Income	Compensating Contribution received	29	–
		b) Expense	Legal and professional charges	Reimbursement of Legal expenses	(32)	–
			Impairment of Financial Instrument	Provision for Diminution in value of Investment	69	–
		c) Other Transactions	Investments	Investment in Class A1 units of Fund	2,942	–
			Investments	Investment in Class B1 units of Fund	10	–
			Investments	Investment in Class B2 units of Fund	8	–
		d) Assets	Investments	Investment in Class A1 units of Fund	2,942	–
			Investments	Investment in Class B1 units of Fund	10	–
			Investments	Investment in Class B2 units of Fund	8	–
			Investments	Provision for Diminution in value of Investment	(69)	–
			Trade Receivables	Trade Receivables		
				–Towards Management Fees	–	399
				–Towards Reimbursement of Expenses	20	–
		e) Commitments	Commitments	Commitments	33,332	36,292

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2020	March 31, 2019
III	**Transactions with Associates :**					
1	**Tata Sky Limited**	a) Assets	Investments	Investment in Equity Shares	5,242	5,242
2	**Tata Autocomp Systems Limited**	a) Income	Dividend income	Dividend income	966	966
		b) Expense	Travelling and conveyance	Reimbursement of Hotel expenses	–	(0)*
		c) Assets	Investments	Investment in Equity Shares	18,528	18,528
3	**Tata Projects Limited**	a) Income	Dividend income	Dividend income	45	45
		b) Assets	Investments	Investment in Equity Shares	2,823	2,823
4	**Roots Corporation Limited**	a) Other Transactions	Investments	Investment in Equity Shares	–	182
		b) Expenses	Impairment of Financial Instrument	Provision for Diminution in value of Investment	497	8
		c) Assets	Investments	Investment in Equity Shares	2,062	2,062
			Investments	Provision for Dimninution in value of Investment	(625)	(128)
5	**Tata Technologies Limited**	a) Expense	Interest on subordinated liabilities	Dividend on Cumulative Redeemable Preference Shares	23	42
		b) Other Transactions	Subordinated liabilities	Redemption of Cumulative Redeemable Preference shares	333	–
			Subordinated liabilities	Premium paid on redemption of Cumulative Redeemable Preference shares	167	–
		c) Liabilities	Subordinated liabilities	Cumulative Redeemable Preference shares held	–	333
IV	**Transactions with Post Employment Benefit Plans**					
1	**Tata Capital Limited Gratuity Scheme**	a) Expense	Employee benefits expense	Provision for Trust's exposure to investment in IL & FS	(12)	152
		b) Liabilities	Financial Liabilities	Provision for Trust's exposure to investment in IL & FS	140	152
2	**Tata Capital Limited Employees Provident Fund**	a) Expense	Other expenditure	Reimbursement of Trust's charges	1	1
			Employee benefits expense	Employer Contribution to Provident Fund and Voluntary Provident Fund	195	195
			Employee benefits expense	Provision for Trust's exposure to investment in IL & FS	63	223
		b) Other Transactions	Employee Contribution	Employee Contribution to Provident Fund and Voluntary Provident Fund	499	336
		c) Liabilities	Financial Liabilities	Provision for Trust's exposure to investment in IL & FS	285	223
3	**Tata Capital Limited Superannuation Scheme**	a) Expense	Employee benefits expense	Contribution to Superannuation Scheme	65	68
		b) Other Transactions	Other Receivables	Loan given	–	38
			Other Receivables	Loan repaid back	–	38
4	**TCL Employee Welfare Trust**	a) Liabilities	Share Capital	Equity shares held	5,175	5,025

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2020	March 31, 2019
V	**Transactions with Other Related Parties :**					
1	**Tata Consultancy Services Limited**	a) Expense	IT costs	IT costs	45	45
			IT costs	Provision for IT costs	109	109
		b) Liabilities	Trade Payables	Provision for IT costs	109	109
2	**Tata Teleservices (Maharashtra) Limited**	a) Expense	Other expenditure	Telephone Services Expenses	2	2
3	**Tata Trustee Company Limited**	a) Expense	Other expenditure	Miscellaneous Expenses	–	0*
4	**Tata International Limited**	a) Expense	Employee benefits expense	Expenditure - Staff Welfare	3	–
		b) Liabilities	Share Capital	Equity shares held	79	79
5	**Tata Investment Corporation Limited**	a) Liabilities	Share Capital	Equity shares held	7,720	7,720
6	**Tata Steel Limited**	a) Income	Dividend income	Dividend income	2	2
		b) Assets	Investments	Investment in Equity Shares (Fully paid)	42	82
			Investments	Investment in Equity Shares (Partly paid)	0*	1
		c) Commitments	Commitments	Uncalled Liability on partly paid shares	5	5
7	**Conneqt Business Solutions Limited**	a) Income	Income from Investment Property	Rental Income	544	263
		b) Expense	Other expenditure	Service providers' charges	6	4
				Reimbursement of Electricity expense	(162)	(202)
		c) Assets	Trade Receivables	Trade Receivables	136	129
			Trade Receivables	Provision for bad & doubtful debts	–	(179)
			Other Receivables	Other Receivables	15	57
8	**Ewart Investments Limited**	a) Expense	Rent, taxes and energy costs	Rent expenses	–	21
		b) Other Transactions	Other financial assets	Security Deposit refund received	–	190
9	**The Indian Hotels Company Limited**	a) Income	Dividend income	Dividend income	0*	0*
		b) Expense	Travelling and conveyance	Hotel expenses	55	25
			Other expenditure	Membership expenses	2	2
		c) Assets	Investments	Investment in Equity Shares	13	27
10	**Titan Company Limited**	a) Expense	Employee benefits expense	Staff Welfare expenses	–	1
11	**Concorde Motors (India) Limited**	a) Expense	Insurance	Insurance premium	–	0*
		b) Other Transactions	Property, Plant & Equipment	Purchase of Vehicle	–	12
12	**Tata AIA Life Insurance Company Limited**	a) Expense	Insurance	Insurance premium	11	6
		b) Assets	Other non-financial assets	Advance to vendor	1	3

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2020	March 31, 2019
13	**Tata AIG General Insurance Company Limited**	a) Expense	Insurance	Insurance premium	8	4
		b) Assets	Other non-financial assets	Advance to vendor	2	2
14	**Trent Limited**	a) Expense	Interest on subordinated liabilities	Dividend on Cumulative Redeemable Preference Shares	30	83
		b) Other Transactions	Subordinated liabilities	Redemption of Cumulative Redeemable Preference shares	1,000	–
		c) Liabilities	Subordinated liabilities	Cumulative Redeemable Preference shares held	–	1,000
15	**Voltas Limited**	a) Expense	Interest on subordinated liabilities	Dividend on Cumulative Redeemable Preference Shares	366	337
		b) Other Transactions	Subordinated liabilities	Issue of Cumulative Redeemable Preference shares	–	2,000
		c) Assets	Subordinated liabilities	Interest paid on application money	–	1
		d) Liabilities	Subordinated liabilities	Cumulative Redeemable Preference shares held	5,000	5,000
16	**Tata Motors Finance Limited**	a) Expense	Interest on subordinated liabilities	Dividend on Cumulative Redeemable Preference Shares	3	8
		b) Other Transactions	Subordinated liabilities	Redemption of Cumulative Redeemable Preference shares	67	–
			Subordinated liabilities	Premium paid on redemption of Cumulative Redeemable Preference shares	33	–
		c) Liabilities	Subordinated liabilities	Cumulative Redeemable Preference shares held	–	67
17	**Tata Consumer Products Limited (formerly Tata Global Beverages Limited)**	a) Liabilities	Share Capital	Equity shares held	61	61
18	**Tata Chemicals Limited**	a) Liabilities	Share Capital	Equity shares held	323	323
19	**Tata Motors Limited**	a) Liabilities	Share Capital	Equity shares held	433	433
20	**Tata Industries Limited**	a) Liabilities	Share Capital	Equity shares held	227	227
21	**Af-Taab Investment Company Limited**	a) Liabilities	Share Capital	Equity shares held	233	233
22	**Mrs Sangeeta Sabharwal (Relative of KMP)**	a) Expense	Interest on subordinated liabilities	Dividend on Cumulative Redeemable Preference Shares paid	4	3
		b) Other Transactions	Subordinated liabilities	Issue of Cumulative Redeemable Preference Shares	–	50
			Subordinated liabilities	Interest paid on application money	–	0*
		c) Liabilities	Subordinated liabilities	Cumulative Redeemable Preference shares held	50	50

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2020	March 31, 2019
VI	**Transactions with KMP :**					
1	**Key Management Personnel (KMP)**	a) Expense	Employee Benefit expenses	Remuneration to KMP		
				– Short Term Employee Benefits	1,207	1,387
				– Post Employment Benefits	47	45
				– Other Long Term benefits	–	–
				– Termination benefits	71	–
			ESOP	– Share based payments (No. of Shares)		
				a) Options granted	21,00,000	21,25,000
				b) Options exercised	78,950	20,000
			Other expenditure	– Director Sitting Fees &		
				Commission (on payment basis)	116	99
			Interest on subordinated liabilities	Dividend paid on Cumulative Redeemable Preference shares	18	17
		b) Other Transactions	Subordinated liabilities	Issue of Cumulative Redeemable Preference Shares	–	125
			Subordinated liabilities	Interest paid on application money	–	0*
			Subordinated liabilities	Redemption of Cumulative Redeemable Preference shares	45	–
			Subordinated liabilities	Premium paid on redemption of Cumulative Redeemable Preference shares	23	–
		c) Liabilities	Share Capital	Equity Shares held	79	66
			Subordinated liabilities	Cumulative Redeemable Preference shares held	213	257
			ESOP	Total Options granted till date	49,34,223	27,84,072
				Total Options exercised till date	7,88,172	6,59,071

All transactions with these related parties are priced on an arm's length and are in the ordinary course of business.

* Amount less than 50,000

NOTE "35"

LEASES

As a lessee the Company classified property leases as operating leases under Ind AS 116. These include residential premises taken on lease for employee residence. The leases typically run for a period of one to three years. Leases include conditions such as non-cancellable period i.e. lock in period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation in prices.

At transition, for leases classified as operating leases under Ind AS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rates at the date of initial application. Right-of-use assets is measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's borrowing rate at the date of initial application.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The Company used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

(1) Excluded initial direct costs from measuring the right-of-use asset at the date of initial application

(2) Used hindsight when determining the lease term if the contract contains option to extend or terminate the lease.

Impacts on transition

1 On transition to Ind AS 116, the Company recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

(₹ in lakh)

Particulars	As at April 1, 2019
Right-of-use assets presented in property, plant and equipment	63
Lease liability	66
Retained earnings	3

2 When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using the borrowing rate at the date of initial application.

(₹ in lakh)

Particulars	As at April 1, 2019
Total cash outflow for the lease contract over the balance tenure	73
- Discounted value of lease liabilities using the incremental borrowing rate at April 1, 2019	66
Lease liabilities recognised at April 1, 2019	66

3 Prepaid rent component as at April 01, 2019, arising on fair valuation of Security Deposits given for the abovementioned residential properties as per Ind AS 109, amounting to ₹ 4 lakh has been reclassed to Right-of-use asset. This amount shall be depreciated over the remaining period of lease.

Impact for the year:

As a result of initially applying Ind AS 116, in relation to the leases that were previously classified as operating leases, the Company recognised right-of-use assets of ₹ 38 lakh and lease liabilities of ₹ 40 lakh as at March 31, 2020 respectively.

Also in relation to those leases under Ind AS 116, the Company has recognised depreciation and interest costs, instead of operating lease expense. During the year ended March 31, 2020, the Company recognised depreciation charges and interest cost from these leases of ₹ 29 lakh and ₹ 5 lakh respectively.

Right-of-use assets

Right-of-use assets relate to building that are presented seperatly within property and equipment (see note 9)

(₹ in lakh)

Particulars	Amount
Balance at April 01, 2019	63
Prepaid rent reclassed	4
Additions during the year	–
Deletion during the year	–
Depreciation charge for the year	(29)
Balance at March 31, 2020	**38**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Movement of Lease liabilities

(₹ in lakh)

Particulars	Amount
Balance at April 1, 2019	66
Additions during the year	–
Deletion during the year	–
Finance cost	5
Payment of lease liabilities	(31)
Balance at March 31, 2020	**40**

Amounts recognised in statement of cash flows

(₹ in lakh)

Particulars	Amount
Total cash outflow for leases during FY 2019-20	31

Amounts recognized in the Statement of Profit and Loss

(₹ in lakh)

Particulars	Amount
Short-term lease rent expense	–
Interest on lease liablities	5
Depreciation of ROU lease asset	29
Write off/(Write back) of ROU lease asset	–

Future lease payments required are as follows:

(₹ in lakh)

Particulars	Amount
Less than one month	3
Between one and three months	5
Between three months and one year	25
Between one and five years	9
More than five years	–
Total undiscounted lease liabilities	**42**

Company has considered entire lease term for the purpose of determination of Right-of-Use assets and Lease liabilities.

Disclosure pursuant to 'Ind AS 17 Leases' for leases previously classified as operating leases under Ind AS 17 (upto March 31, 2019)

The total of future minimum lease payments as at March 31, 2019 that the Company is committed to make:

(₹ in lakh)

Lease Payments	As at March 31, 2019
- Within one year	61
- Later than one year and not later than five years	42
- Later than five years	–

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE “36”

OPERATING SEGMENTS

In accordance with Ind AS 108 on Operating Segments, the Company has identified three business segments i.e. Investment Activity, Private Equity Investments and Others (includes property management services and managerial & marketing services).The Chief Operating Decision Maker (CODM) of the Company is the Board of Directors. Operating segment disclosures are consistent with the information reviewed by the CODM.

(₹ in lakh)

Particulars			For the year ended March 31, 2020	For the year ended March 31, 2019
I	**Segment Revenue**			
	(a)	Investment activity	24,976	27,814
	(b)	Private equity investments	11,004	33,507
	(c)	Others	5,593	6,612
	(d)	Unallocated	7	151
		Total Revenue	**41,580**	**68,084**
II	**Segment Expenses**			
	(a)	Investment activity	25,535	28,730
	(b)	Private equity investments	12,494	17,874
	(c)	Others	3,754	4,814
	(d)	Unallocated	(5,653)	9,857
		Total Expenses	**36,130**	**61,275**
III	**Segment Results**			
	(a)	Investment activity	(559)	(916)
	(b)	Private equity investments	(1,490)	15,633
	(c)	Others	1,839	1,798
	(d)	Unallocated	5,660	(9,706)
		Profit before taxation	**5,450**	**6,809**
		Less : Provision for taxation	2,524	4,056
		Profit after taxation	**2,926**	**2,753**

(₹ in lakh)

Particulars			As at March 31, 2020	As at March 31, 2019
IV	**Segment Assets**			
	(a)	Investment activity	9,92,067	8,69,046
	(b)	Private equity investments	17,336	39,947
	(c)	Others	6,639	6,589
	(d)	Unallocated	4,940	41,145
		Total	**10,20,982**	**9,56,727**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
V Segment Liabilities		
(a) Investment activity	3,00,326	3,34,127
(b) Private equity investments	22,662	20,201
(c) Others	6,075	6,093
(d) Unallocated	4,896	13,168
Total	**3,33,959**	**3,73,589**
VI Capital Employed		
(a) Investment activity	6,91,741	5,34,919
(b) Private equity investments	(5,326)	19,746
(c) Others	564	496
(d) Unallocated	44	27,977
Total	**6,87,023**	**5,83,138**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
VII Capital Expenditure (including Capital Work-in-Progress)		
(a) Investment activity	–	–
(b) Private equity investments	–	–
(c) Others	–	–
(d) Unallocated	(52)	(173)
Total	**(52)**	**(173)**
VIII Depreciation, amortisation and impairment		
(a) Investment activity	–	–
(b) Private equity investments	22	29
(c) Others	403	394
(d) Unallocated	352	319
Total	**777**	**742**
IX Significant Non-Cash Expenses Other than Depreciation, amortisation and impairment		
(a) Investment activity	368	71
(b) Private equity investments	1,944	9,612
(c) Others	(179)	179
(c) Unallocated	12	(3)
Total	**2,145**	**9,859**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "37"

FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(iv) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

(₹ in lakh)

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Investment in Subsidiary/ Associate/ JV at Cost	Total Carrying Value
Financial Assets:							
Cash and cash equivalents	–	–	–	–	173	–	173
Other balances with banks	–	–	–	–	24	–	24
Trade and other receivables	–	–	–	–	1,502	–	1,502
Investments	2,386	13,246	–	–	–	8,84,431	9,00,063
Loans	–	–	–	–	1,08,349	–	1,08,349
Other financial assets	–	–	–	–	72	–	72
Total	**2,386**	**13,246**	**–**	**–**	**1,10,120**	**8,84,431**	**10,10,183**
Financial Liabilities:							
Trade and other payables	–	–	–	–	2,137	–	2,137
Borrowings (other than debt securities)	–	–	–	–	–	–	–
Debt securities	–	–	–	–	1,72,179	–	1,72,179
Subordinated liabilities	–	–	–	–	1,46,146	–	1,46,146
Other financial liabilities	–	–	–	–	11,213	–	11,213
Total	**–**	**–**	**–**	**–**	**3,31,675**	**–**	**3,31,675**

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

(₹ in lakh)

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Investment in Subsidiary/ Associate/ JV at Cost	Total Carrying Value
Financial Assets:							
Cash and cash equivalents	–	–	–	–	58,212	–	58,212
Other balances with banks	–	–	–	–	5	–	5
Trade and other receivables	–	–	–	–	1,964	–	1,964
Investments	3,16,546	12,406	–	–	–	4,97,743	8,26,695
Loans	–	–	–	–	57,611	–	57,611
Other financial assets	–	–	–	–	121	–	121
Total	**3,16,546**	**12,406**	**–**	**–**	**1,17,912**	**4,97,743**	**9,44,608**
Financial Liabilities:							
Trade and other payables	–	–	–	–	2,927	–	2,927
Borrowings (other than Debt Securities)	–	–	–	–	37	–	37
Debt Securities	–	–	–	–	1,55,327	–	1,55,327
Subordinated liabilities	–	–	–	–	1,90,478	–	1,90,478
Other financial liabilities	–	–	–	–	21,454	–	21,454
Total	**–**	**–**	**–**	**–**	**3,70,223**	**–**	**3,70,223**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Fair value hierarchy:

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.

Level 2 - Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3 - Inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at measurement date. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. Valuation techniques include net present value and discounted cash flow models, income approach, comparison with similar instruments for which observable market prices exist, option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free returns, benchmark interest rates and credit spreads used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

Valuation models:

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company uses widely recognised valuation models to determine the fair value of financial instruments, such as interest rate swap and forward rate agreement, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed equity securities and derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

For more complex instruments, the Company uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and may be derived from market prices or rates or estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, determination of expected volatilities and correlations and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Company believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counterparty where appropriate. Model inputs and values are calibrated against historical data, where possible, against current or recent observed transactions in different instruments. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management uses judgement to select the most appropriate point in the range.

Discounting of the cash flows of financial asset/ financial liability for computing the fair value of such instrument: the future contractual cash flows of instrument over the remaining contractual life of the instrument are discounted using comparable rate of lending/borrowing as applicable to financial asset/ financial liability in the month of reporting for a similar class of instruments.

Valuation framework:

The Company has an established policy for the measurement of fair values addressing the requirement to independently verify the results of all significant fair value measurements. Specific controls include:

1) verification of observable pricing basis actual market transactions;
2) re-performance of model valuations;
3) a review and approval process for new models and changes to models
4) annual calibration and back-testing of models against observed market transactions;
5) analysis and investigation of significant annual valuation movements; and
6) review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous year.

When third party information, such as valuation agency report is used to measure fair value, the Company assesses the documents and evidence used to support the conclusion that the valuations meet the requirements of Ind AS. This includes:

1) understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
2) when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
3) if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

Significant valuation issues are reported to the Audit Committee.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis:

(₹ in lakh)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial Assets:				
Equity Shares	55	–	–	55
Mutual fund units	–	291	–	291
Investments in Category III Alternative Investment Fund	–	–	2,040	2,040
Investment in Perpetual Debt	–	13,246	–	13,246
Total	**55**	**13,537**	**2,040**	**15,632**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in lakh)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Assets:				
Equity Shares	110	–	–	110
Mutual fund units	–	260	–	260
Investment in Perpetual Debt	–	12,406	–	12,406
Investments in Compulsorily Convertible Cumulative Preference shares	–	–	3,16,176	3,16,176
Total	**110**	**12,666**	**3,16,176**	**3,28,952**

Reconciliation of Level 3 fair value measurement

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	**3,16,176**	**2,65,405**
Total gains or losses:		
in profit or loss	(36)	(40)
in OCI	–	–
Purchase / (Sale) of :		
Equity Shares	–	–
Mutual fund units	–	–
Investments in Category III Alternative Investment Fund	2,000	–
Investments in Compulsorily Convertible Cumulative Preference shares	30,000	1,58,000
Conversion of Compulsorily Convertible Cumulative Preference shares into Equity Shares	(3,46,100)	(1,07,189)
Closing Balance	**2,040**	**3,16,176**

Total gains or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows.

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Total gains or losses:		
- Recognised in profit or loss		
Net Gains / (Losses) on Fair Value Changes		
Fair Value Changes :		
- Realised	76	116
- Unrealised	(40)	(76)
- Recognised in OCI	–	–
Total Net gain/(loss) on fair value changes	**36**	**40**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The following table summarises disclosure of fair value of financial assets and liabilities measured at amortised cost / cost :

(₹ in lakh)

Measured at Level 3	March 31, 2020		March 31, 2019		Fair Value level
	Carrying Value	Fair value	Carrying Value	Fair value	
Financial Liabilities at amortised cost:					
Debt Securities	1,72,179	1,76,786	1,55,327	1,61,655	Level 3
Subordinated liabilities	1,46,146	1,46,561	1,90,478	1,90,830	Level 3
Total	**3,18,325**	**3,23,347**	**3,45,805**	**3,52,485**	

The Company has not disclosed fair values for cash and cash equivalents, other balances with bank, trade and other receivables, loans, other financial assets, trade and other payables, borrowings other than debt securities and other short term financial liabilities because their carrying amounts are a reasonable approximation of fair value.

The following table summarises valuation techniques used to determine fair value, fair value measurements using significant unobservable inputs (level 3) and valuation inputs and relationship to fair value

(₹ in lakh)

Financial instruments	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2020	As at March 31, 2019				
Equity Shares	55	110	Level 1	Published Market Price	N.A.	N.A.
Mutual fund units	291	260	Level 2	Net Asset Value	Net Asset Value	Higher the Net Asset Value higher the fair value of unquoted units
Investments in Category III Alternative Investment Fund	2,040	–	Level 3	Net Asset Value	Net Asset Value	Higher the Net Asset Value higher the fair value of unquoted units
Investment in Perpetual Debt	13,246	12,406	Level 2	Gsec yields as increased by risk based spreads	Gsec yields as increased by risk based spreads	Lower the risk adjusted Gsec yield higher the fair value of debt
Investments in Compulsorily Convertible Cumulative Preference shares	–	3,16,176	Level 3	Discounted cash flows	Discount Rate	Higher the discount rate lower the value
Financial Assets at FVTPL	**15,632**	**3,28,952**				

There were no significant transfers between Level 1 and Level 2 and Level 3 of the fair value hierarchy in the year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "38"

FINANCIAL RISK REVIEW

Financial instruments of the Company have exposure to the following risks:

1 Credit Risk

2 Liquidity Risk

3 Market Risk

4 Operational Risk

5 Capital management Risk

Company's Risk Management framework for measuring and managing risk:

The Company's Board of Directors have the overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors have constituted following committees and defined their role for monitoring the risk management policies of the Company.

Finance & Asset Liability Supervisory Committee (ALCO): Review of the Asset and Liability position, liquidity risk and market risk of the Company.

Risk Management Committee: Review of the credit risk, operational risk and fraud risk management of the Company. Operational risk Management committee (ORMC) reviews operational risk as per the operational risk management framework. Fraud risk management committee (FRMC) reviews matters of frauds committed by employee, customer and vendor.

Investment Committee (IC) and Credit Committee(CC): Review of the investment and credit proposal of the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the activities of the Company. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Risk Management Committee oversees how the Management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the Internal Audit Department. The Internal Audit Department undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Impact of COVID-19

COVID-19 is impacting businesses globally by disrupting operations, supply chains and travel. In order to address the risk associated with COVID-19 and to seamlessly carry out normal operations, the Company immediately activated its Business Continuity Plan (BCP).

The Company ensured seamless accessibility of critical systems through virtual private network (VPN), thereby minimizing the risk of security/data breaches and cyberattacks.

Tata Capital Limited is registered with Reserve Bank of India as a Non-Deposit taking, Systemically Important Core Investment Company (CIC-ND-SI). The Company is an investment holding company and hence, does not engage in the business of lending funds to customers. In compliance of Core Investment Companies (Reserve Bank) Directions, 2016, the Company holds not less than 90% of its net assets in the form of investments in equity shares, preference shares, bonds, debentures, debt or loans to group companies.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The Company has given Loans (Inter corporate deposits) to its subsidiaries. With reference to relief packages announced by RBI on March 27, 2020 and May 23, 2020, the group companies have not opted for payment moratorium and hence there is no impact of this circular on the financial position of the Company.

No part of trade and other receivables has become impaired on account of the COVID - 19 outbreak.

The extent to which the global pandemic will impact the Company's impairment assessment and resultant provisions is uncertain. The Company has assessed the potential impact of COVID-19 on the carrying value of its investments and has considered internal and external information available, up to the date of approval of these financial statements.

The Company has honoured all of its debt obligations on time and has a comfortable capital and liquidity position.

The Company does not have any significant amount of investments in listed equities nor does it have any exposure to foreign currencies, hence, no material impact is expected due to COVID -19 outbreak.

1 Credit Risk

Tata Capital Limited and all of its subsidiaries have been rated CRISIL AAA/stable. The loans given to group companies are repayable by the companies on demand. Thus, TCL can call back a loan from the group companies as and when its liabilities fall due. The group companies rely on unused bank lines as the main liquidity back up to meet the contingency funding plan. Additionally, they also maintain a portfolio of highly liquid mutual fund units. Thus, the Company is not exposed to any Credit Risk on account of loans given.

For 2020, historical data of trade receivable is averaged for 5 years i.e. from 2019 till 2015. Based on reasonable and supportable information that is available without undue cost or effort, for 2019 similar data is averaged for 5 years which is from 2018 till 2014.

The Company has computed ECL on loans and trade receivables using the Simplified Method. This approach uses historical credit loss experience, for each revenue stream, of the Company to estimate Lifetime Expected Credit Loss and compute a provision matrix. The data shows that we have not suffered any losses from trade receivables in past.

However, as per CIC master circular DNBR. PD. 003/03.10.119/2016-17, Company carries impairment allowance provisions at 0.4% on loans and advances.

(i) Breakup of ECL

(₹ in lakh)

As at March 31, 2020	Amount outstanding	ECL	% of ECL
Loans	1,08,784	435	0.4%
Investment in Perpetual Debt Instruments	13,246	53	0.4%
Trade and Other Receivables	1,508	6	0.4%
Total	**1,23,538**	**494**	

As at March 31, 2019	Amount outstanding	ECL	% of ECL
Loans	58,176	566	0.4%
Investment in Perpetual Debt Instruments	12,406	50	0.4%
Trade and Other Receivables	1,972	8	0.4%
Total	**72,553**	**623**	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Bank balances of the company are with highly rated banks. Hence, the Company doesn't expect any ECL on cash and cash equivalents and other bank balances.

(ii) Movement in loss allowance

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	623	560
Addition during the year	–	63
Reversed during the year	(129)	–
Closing balance	**494**	**623**

2 Liquidity Risk

'Liquidity risk' is the risk that the Company will encounter difficulty in meeting its day to day financial obligations.

Tata Capital Limited is registered with RBI as a CIC. The Company is an investment holding company and consequently holds assets in the form of investments in equity shares, preference shares, bonds, debentures, debt or loans to group companies.

Management of liquidity risk

(i) Company's Board of Directors sets the strategy for managing liquidity risk commensurate with the business objectives.

(ii) The Board has delegated the responsibility of managing overall liquidity risk and interest rate risk management to a committee of the Board of Directors, in form of Asset and Liability Committee (ALCO).

(iii) Treasury department manages the liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the Company.

(iv) The Company's approach to managing liquidity is to ensure sufficient liquidity to meet its liabilities when they are due without incurring unacceptable losses or risking damage to the Company's reputation.

The key elements of the Company's liquidity risk management strategy are as follows:

(i) Maintaining a diversified funding resources base such as debentures, commercial papers and preference shares.

(ii) The loans given to group companies are repayable by the companies on demand. Thus, TCL can call back a loan from the group companies as and when its liabilities fall due. The group companies rely on unused bank lines as the main liquidity back up to meet the contingency funding plan. Additionally, they also maintain a portfolio of highly liquid mutual fund units.

(iii) Under the ALM guidelines, the dynamic liquidity statement and structural liquidity statement are being prepared on monthly basis to monitor the maturity gaps in the Assets and Liabilities cash flows. Treasury monitors the behavioural characteristics of the Company's financial assets and financial liabilities while preparing the structural liquidity statement.

(iv) The company carries out stress testing of cash flows on periodic basis and shares the results with ALCO to gauge the adequacy of liquidity.

The maturity analysis of for financial liabilities and financial assets has been disclosed in note 38 A to the financial statements.

3 Market Risk

'Market risk' is the risk that changes in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) – will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the solvency while optimising the return on risk.

Exposure to Market Risk : Interest rate risk

The core business of the Company is borrowing and investment in equity shares, preference shares, bonds, debentures, debt or loans to group companies as permitted by the Core Investment Companies (Reserve Bank) Directions, 2016. These activities expose us to interest rate risk.

Interest rate risk is measured through earnings at risk from an earning perspective. The Company monitors the change in economic value of equity arising out of change in the Interest rate. Further, an interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to earliest of contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The Company monitors interest rate risk through above measures on a monthly basis. The interest rate risk limits are approved by the ALCO.

On asset side, the company has loans (Inter corporate deposits) given at floating rate of interest, investment in Perpetual Debentures at fixed rate of interest.

On liabilities side, the company has borrowings in the form of Commercial Papers and Non-Convertible Debentures and Subordinate Liabilities issued at fixed rate of interests.

Below table illustrates impact on earnings on account of 100 bps change on in interest rate on the rate sensitive assets and rate sensitive liabilities.

As at March 2020 (₹ in lakh)

Particulars	**Less than 1 Year**	**@ 100bps change increase**	**@ 100bps change decrease**
Loans given	1,08,784	1,043	(1,043)
Borrowings	69,446	(407)	407
Net Gap (Asset - liability)	**39,338**	**636**	**(636)**

As at March 2019 (₹ in lakh)

Rate sensitive	**Less than 1 Year**	**@ 100bps change increase**	**@ 100bps change decrease**
Loans given	58,176	364	(364)
Borrowings	1,57,537	(742)	742
Net Gap (Asset - liability)	**(99,361)**	**(378)**	**378**

4 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, systems and from external factors other than credit, compliance, reputation, market and liquidity risks.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The Company has a Board approved Operational Risk Management framework. Ongoing monitoring of Key Risk Indicators ("KRI") is done and corrective actions are implemented on KRI exceptions. An oversight committee of Senior Management representatives viz. the Operational Risk Management Committee, meets periodically to review the operational risk profile of the Company.

Risks associated with frauds are mitigated through a Fraud Risk Management framework. A Fraud Risk Management Committee comprising representatives of the Senior Management, reviews matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

The Company has also adopted "Framework for Improving Critical Infrastructure Cyber Security" published by the National Institute of Standards & Technology (NIST) and complies with regulatory guidelines. Various Measures are adopted to effectively protect against phishing, social media threats and rogue mobile.

5 Capital Management Risk

The Reserve Bank of India (RBI) sets and monitors capital adequacy requirements for the Company from time to time. The Core Investment Companies (Reserve Bank) Directions, 2016, stipulate that the Adjusted Net Worth of a CIC-ND-SI shall at no point in time be less than 30% its risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on date of the last audited balance as at the end of the financial year.

The Core Investment Companies (Reserve Bank) Directions, 2016, further stipulate that the outside liabilities of a CIC-ND-SI shall at no point of time exceed 2.5 times its Adjusted Net Worth as on date of the last audited balance as at the end of the financial year.

The Company's policy is to maintain a strong capital base to maintain investor, creditor and shareholder confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' returns is also recognised and the Company recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a stronger capital position.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

The Company has complied with minimum stipulated capital requirement which has been disclosed in note 40 in the financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

A. Liquidity risk

Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Standalone financial liabilities and financial assets:

As at March 31, 2020	Note	Carrying amount	Gross nominal inflow/ (outflow)	1 day to 30/31 days (One month)	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Financial Liability											
Trade payables	11	2,137	2,137	–	–	–	–	2,137	–	–	–
Debt securities issued	12	1,72,179	1,72,500	–	30,000	10,000	–	–	1,20,000	12,500	–
Borrowings	13	–	–	–	–	–	–	–	–	–	–
Subordinated liabilities	14	1,46,146	1,46,720	–	–	–	–	30,000	76,320	40,400	–
Other financial liabilities	15	11,213	12,327	27	3	157	371	5,589	6,180	–	–
Total		**3,31,675**	**3,33,684**	**27**	**30,003**	**10,157**	**371**	**37,726**	**2,02,500**	**52,900**	**–**
Market Borrowings			3,19,220	–	30,000	10,000	–	30,000	1,96,320	52,900	–
Bank borrowings			–	–	–	–	–	–	–	–	–
Total Borrowings			**3,19,220**	**–**	**30,000**	**10,000**	**–**	**30,000**	**1,96,320**	**52,900**	**–**
Financial Asset											
Cash and cash equivalents	3	173	173	173	–	–	–	–	–	–	–
Other balances with banks	4	24	24	24	–	–	–	–	–	–	–
Receivables	5	1,502	1,508	–	–	–	–	1,508	–	–	–
Loans	6	1,08,349	1,08,784	–	40,000	10,000	25,000	33,784	–	–	–
Investments	7	9,00,063	9,00,063	–	–	–	–	–	–	–	9,00,063
Other Financial Assets		72	75	–	–	–	–	–	23	–	52
Total		**10,10,183**	**10,10,627**	**197**	**40,000**	**10,000**	**25,000**	**35,291**	**23**	**–**	**9,00,115**

As at March 31, 2019	Note	Carrying amount	Gross nominal inflow/ (outflow)	1 day to 30/31 days (One month)	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Financial Liability											
Trade payables	11	2,927	2,927	–	–	–	–	2,927	–	–	–
Debt securities issued	12	1,55,327	1,57,500	7,500	32,500	10,000	12,500	95,000	–	–	–
Borrowings	13	37	37	37	–	–	–	–	–	–	–
Subordinated liabilities	14	1,90,478	1,91,386	–	–	–	64,761	16,305	94,975	15,345	–
Other financial liabilities	15	21,454	22,956	–	4,470	–	–	12,315	–	6,171	–
Total		**3,70,223**	**3,74,805**	**7,537**	**36,970**	**10,000**	**77,261**	**1,26,547**	**94,975**	**21,516**	**–**
Market Borrowings			3,48,886	7,500	32,500	10,000	77,261	1,11,305	94,975	15,345	–
Bank borrowings			37	37	–	–	–	–	–	–	–
Total Borrowings			**3,48,923**	**7,537**	**32,500**	**10,000**	**77,261**	**1,11,305**	**94,975**	**15,345**	**–**
Financial Asset											
Cash and cash equivalents	3	58,212	58,212	58,212	–	–	–	–	–	–	–
Other balances with banks	4	5	5	5	–	–	–	–	–	–	–
Receivables	5	1,965	1,972	–	–	–	–	1,972	–	–	–
Loans	6	57,611	58,176	58,176	–	–	–	–	–	–	–
Investments	7	8,26,695	8,26,695	–	–	–	–	–	–	–	8,26,695
Other Financial Assets		121	124	–	–	–	25	15	23	–	62
Total		**9,44,608**	**9,45,185**	**1,16,393**	**–**	**–**	**25**	**1,987**	**23**	**–**	**8,26,757**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

B. Liquidity risk

Maturity analysis of financial assets and financial liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lakh)

	As at March 31, 2020			As at March 31, 2019		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Cash and cash equivalents	173	–	173	58,212	–	58,212
Other balances with banks	24	–	24	5	–	5
Trade receivables	1,502	–	1,502	1,964	–	1,964
Loans	1,08,349	–	1,08,349	57,611	–	57,611
Investments	–	9,00,063	9,00,063	–	8,26,695	8,26,695
Other financial assets	–	72	72	39	82	121
Financial Assets	**1,10,048**	**9,00,136**	**10,10,183**	**1,17,831**	**8,26,777**	**9,44,608**
Current tax asset	–	–	–	–	–	–
Deferred tax Assets (Net)	–	246	246	–	745	745
Investment property	–	5,559	5,559	–	5,871	5,871
Property, Plant and Equipment	–	4,142	4,142	–	4,471	4,471
Other Intangible assets	–	8	8	–	54	54
Other non-financial assets	197	648	844	194	784	978
Non-financial Assets	**197**	**10,602**	**10,799**	**194**	**11,925**	**12,119**
Total Assets	**1,10,244**	**9,10,738**	**10,20,982**	**1,18,025**	**8,38,702**	**9,26,727**
LIABILITIES						
Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	0*	–	0*	–	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,137	–	2,137	2,927	–	2,927
Debt securities	39,654	1,32,525	1,72,179	1,55,327	–	1,55,327
Borrowings (other than debt securities)	–	–	–	37	–	37
Subordinated liabilities	29,945	1,16,200	1,46,146	80,987	1,09,491	1,90,478
Other financial liabilities	6,145	5,068	11,213	16,785	4,669	21,454
Financial Liabilities	**77,881**	**2,53,793**	**3,31,675**	**2,56,063**	**1,14,160**	**3,70,223**
Current tax liability	447	–	447	905	–	905
Provisions	45	422	467	56	397	454
Other non financial liabilities	355	1,015	1,370	585	1,422	2,007
Non-Financial Liabilities	**847**	**1,437**	**2,284**	**1,547**	**1,819**	**3,366**
Total liabilities	**78,728**	**2,55,230**	**3,33,959**	**2,57,610**	**1,15,980**	**3,73,589**

* Amount less than 50,000

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "39"

ASSET LIABILITY MANAGEMENT

Maturity pattern of Financial assets and Financial liabilities (Based on RBI Guidelines):

The following table sets out remaining contractual maturities of company's financial assets & financial liabilities

As at March 31, 2020 (₹ in lakh)

Particulars	Financial Liabilities			Financial Assets		
	Borrowings from Banks	Market Borrowings	Other Financial Liabilities	Advances	Investments	Other Financial Assets
1 day to 30/31 days (One month)	–	–	27	–	–	197
Over 1 month to 2 months	–	30,000	3	40,000	–	–
Over 2 months to 3 months	–	10,000	157	10,000	–	–
Over 3 months to 6 months	–	–	371	25,000	–	–
Over 6 months to 1 year	–	30,000	7,726	33,784	–	1,508
Over 1 year to 3 years	–	1,96,320	6,180	–	–	23
Over 3 years to 5 years	–	52,900	–	–	–	–
Over 5 years	–	–	–	–	9,00,063	52
Total	**–**	**3,19,220**	**14,464**	**1,08,784**	**9,00,063**	**1,780**

Note :Advances of ₹ 1,08,784 lakhs represents Inter corporate deposits (including interest accrued) given to subsidiaries which are callable on demand to meet maturities of borrowings. During the year, the Company has also received Equity infusion of ₹ 1,00,000 lakhs from its parent Tata Sons Private Limited.

As at March 31, 2019 (₹ in lakh)

Particulars	Financial Liabilities			Financial Assets		
	Borrowings from Banks	Market Borrowings	Other Financial Liabilities	Advances	Investments	Other Financial Assets
1 day to 30/31 days (One month)	37	7,500	–	58,176	–	58,217
Over 1 month to 2 months	–	32,500	4,470	–	–	–
Over 2 months to 3 months	–	10,000	–	–	–	–
Over 3 months to 6 months	–	77,261	–	–	–	25
Over 6 months to 1 year	–	1,11,305	15,242	–	–	1,987
Over 1 year to 3 years	–	94,975	–	–	–	23
Over 3 years to 5 years	–	15,345	6,171	–	–	–
Over 5 years	–	–	–	–	8,26,695	62
Total	**37**	**3,48,886**	**25,882**	**58,176**	**8,26,695**	**60,314**

Note: Advances of ₹ 58,176 lakhs represents Inter corporate deposits (including interest accrued) given to subsidiaries which are callable on demand to meet maturities of borrowings. In addition, as at March 31, 2019, the Company holds cash and cash equivalents of of ₹ 58,212 lakhs. During the year, the Company has also received Equity infusion of ₹ 2,50,000 lakhs from its parent Tata Sons Private Limited.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "40"

CORE INVESTMENT COMPANY ("CIC") COMPLIANCE RATIOS :

(₹ in lakh)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Investments & loans to group companies as a proportion of Net Assets (%)	97%	97%
(b)	Investments in equity shares and compulsorily convertible instruments of group companies as a proportion of Net Assets (%)	85%	89%
(c)	Capital Adequacy Ratio (%) [Adjusted Net worth / Risk Weighted Assets]	65%	61%
(d)	Leverage Ratio (Times) [Outside liabilities / Adjusted Networth]	0.55	0.74

As per RBI circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, unrealised gains arising out of fair valuation of financial instruments, are ignored for calculation of "owned funds" ; consequently, the net unrealised gains are also excluded from Risk Weighted Assets (RWA).

NOTE "41"

EXPOSURE TO REAL ESTATE SECTOR

(₹ in lakh)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
i)	**Direct Exposure**		
	Residential Mortgages -	NIL	NIL
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
	– Individual housing loans up to ₹ 15 lakh	NIL	NIL
	– Individual housing loans above ₹ 15 lakh	NIL	NIL
	Commercial Real Estate -	NIL	NIL
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.		
	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	1. Residential	NIL	NIL
	2. Commercial Real Estate	NIL	NIL
ii)	**Indirect Exposure**		
	Fund based exposure on Housing Finance Companies (Refer footnote 1)	2,40,600	2,15,798
	Non-fund based exposure on National Housing Bank (Refer footnote 2)	39,867	54,334

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Footnotes

1 Represents investments in Equity , Compulsorily Convertible Cumulative Preference Shares and Inter Corporate Deposits (including accrued interest) of Tata Capital Housing Finance Limited.

2 Guarantees issued to National Housing Bank on behalf of Tata Capital Housing Finance Limited ₹ 120,000 lakh (As at March 31, 2019 : ₹ 120,000 lakh) against which the amount liable by Tata Capital Housing Finance Limited is ₹ 39,867 lakh as at March 31, 2020 (As at March 31, 2019 ₹ 54,334 lakh). Pursuant to the terms of the Guarantee, the Company's liability on invocation is capped at the outstanding amount.

NOTE "42"

DISCLOSURE OF DETAILS AS REQUIRED BY RBI/DNBR/2016-17/39 i.e. MASTER DIRECTION - CORE INVESTMENT COMPANIES (RESERVE BANK) DIRECTIONS, 2016 DATED AUGUST 25, 2016 (UPDATED AS ON NOVEMBER 22, 2019)

Liabilities Side: (₹ in lakh)

Particulars	Amount Outstanding as at		Amount Overdue as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1) Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid				
a) Debentures: (other than those falling within the meaning of Public deposits)				
(i) Secured	**–**	–	**–**	–
(ii) Unsecured (Refer footnote 1)	**1,35,562**	1,09,075	**–**	–
b) Deferred Credits	**–**	–	**–**	–
c) Term Loans	**–**	–	**–**	–
d) Inter-corporate loans and borrowing	**–**	–	**–**	–
e) Commercial Paper (Refer footnote 2)	**39,654**	52,862	**–**	–
f) Other loans (Bank overdraft)	**–**	37	**–**	–
g) Other loans (Subordinated liabilities)	**1,46,146**	1,90,478	**–**	–

Footnotes :

1 Outstanding amount of Unsecured Debentures is net off deferred revenue expenditure to the extent not written off and TDS on interest accrued but not paid.

2 Outstanding amount of Commercial Paper is net off deferred revenue expenditure to the extent not written off.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Assets Side: (₹ in lakh)

Particulars	**Amount Outstanding**	
	March 31, 2020	**March 31, 2019**
2) Break up of Loans and Advances including bills receivables		
(other than those included in (4) below)		
a) Secured	–	–
b) Unsecured	**1,10,327**	60,182
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
i) Lease assets including lease rentals under sundry debtors:		
(a) Financial Lease	–	–
(b) Operating Lease	–	–
ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	–	–
(b) Repossessed assets	–	–
iii) Other loans counting towards Asset Financing Company activities		
(a) Loans where assets have been repossessed	–	–
(b) Loans other than (a) above	–	–
4) Break up of Investments		
Current Investments:		
1 Quoted:		
(i) Shares:		
(a) Equity	–	–
(b) Preference	–	–
(ii) Debentures and Bonds	–	–
(iii) Units of Mutual Funds	–	–
(iv) Government Securities	–	–
(v) Others	–	–
2 Unquoted:		
(i) Shares:		
(a) Equity	–	–
(b) Preference	–	–
(ii) Debentures and Bonds	–	–
(iii) Units of Mutual Funds	–	–
(iv) Government Securities	–	–
(v) Others	–	–

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Assets Side: (₹ in lakh)

Particulars	**Amount Outstanding**	
	March 31, 2020	**March 31, 2019**
Long Term Investments :		
(1) Quoted:		
(i) Shares:		
(a) Equity	**55**	110
(b) Preference	**–**	–
(ii) Debentures and Bonds	**–**	–
(iii) Units of Mutual Funds	**–**	–
(iv) Government Securities	**–**	–
(v) Others	**–**	–
2 Unquoted:		
(i) Shares:		
(a) Equity (Refer Footnote 1)	**8,68,086**	4,82,483
(b) Preference	**–**	3,16,176
(ii) Debentures and Bonds	**13,246**	12,406
(iii) Units of Mutual Funds	**291**	260
(iv) Government Securities	**–**	–
(v) Others (Refer Footnote 1 & 2)	**18,384**	15,260

Footnote

1 Investments in equity shares as at March 31, 2020 are net of impairment provision of ₹ 625 lakh (as at March 31, 2019 ₹ 128 lakh) and Investments in others as at March 31, 2020 are net of impairment provision of ₹ 4,408 lakh (as at March 31, 2019 ₹ 2,370 lakh)

2 Others include investment in Venture capital units and investments in units of category III AIFs

5) Borrower group-wise classification of assets financed as in (2) and (3) above :

For 2019-20 (₹ in lakh)

Category	**Amount net of provisions**		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	–	1,09,699	1,09,699
(b) Companies in the same group	–	2	2
(c) Other related parties	–	160	160
(d) Other than related parties	–	466	466
Total	**–**	**1,10,327**	**1,10,327**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

For 2018-19 (₹ in lakh)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	–	59,562	59,562
(b) Companies in the same group	–	5	5
(c) Other related parties	–	7	7
(d) Other than related parties	–	608	608
Total	**–**	**60,182**	**60,182**

6) **Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)**

(₹ in lakh)

Category	As at March 31, 2020		As at March 31, 2019	
	Market Value / Breakup Value or Fair Value or NAV	Book Value (Net of Provisions)	Market Value / Breakup Value or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	10,58,768	8,69,647	9,74,876	7,97,798
(b) Companies in the same group	–	–	–	–
(c) Other related parties	50,539	28,086	53,913	28,637
(d) Other than related parties	2,330	2,330	260	260
Total	**11,11,637**	**9,00,063**	**10,29,050**	**8,26,695**

7) **Other Information**

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
	Amount	Amount
(i) Gross Non-Performing Assets		
(a) Related Parties	–	–
(b) Other than Related Parties	–	–
(ii) Net Non-Performing Assets		
(a) Related Parties	–	–
(b) Other than Related Parties	–	–
(iii) Assets acquired in satisfaction of debt (Refer note 10 (g))	**47**	**47**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "43"

DISCLOSURE OF DETAILS AS REQUIRED BY RBI/2019-20/88/DOR.NBFC (PD) CC. NO. 102/03.10.001/2019-20 DATED NOVEMBER 04, 2019 REGARDING LIQUIDITY RISK MANAGEMENT FRAMEWORK FOR NON-BANKING FINANCIAL COMPANIES AND CORE INVESTMENT COMPANIES

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹ in lakh)

Sr. No	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	11	**2,08,770**	**0%**	**63%**

(ii) Top 20 Large Deposits

(₹ in lakh)

Sr. No	Counterparty	Amount	% of total deposits
	Nil		

(iii) Top 10 Borrowing (amounts to ₹ 2,05,300 lakhs and 64% of total borrowings)

(₹ in lakh)

Sr. No.	Name of Borrower	Amount	% of total borrowings
1	SBI Mutual Fund	80,000	25%
2	Aditya Birla Sun Life Mutual Fund	52,500	16%
3	Shree Cement Ltd	13,500	4%
4	Britannia Industries Limited	12,500	4%
5	ICICI Securities Primary Dealership Limited	10,000	3%
6	Oriental Bank of Commerce	10,000	3%
7	Nippon India Mutual Fund	7,500	2%
8	Wipro Enterprises Private Limited	9,500	3%
9	Voltas Limited	5,000	2%
10	Balkrishna Industries Limited	4,800	2%

(iv) Funding Concentration based on significant instrument / product

(₹ in lakh)

Sr. No	Name of the instrument / product	Amount	% of total liabilities
1	CP	40,000	12%
2	NCD	1,32,500	40%
3	CRPS	1,46,720	44%
	Total	**3,19,220**	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(v) Stock Ratios

	Particulars	%
(a)(i)	Commercial papers as a % of total public funds	12.53%
(a)(ii)	Commercial papers as a % of total liabilities	11.98%
(a)(iii)	Commercial papers as a % of total assets	3.92%
(b)(i)	Non-convertible debentures (original maturity less than 1 year) as a % of total public funds	0.00%
(b)(ii)	Non-convertible debentures (original maturity less than 1 year) as a % of total liabilities	0.00%
(b)(iii)	Non-convertible debentures (original maturity less than 1 year) as a % of total assets	0.00%
(c)(i)	Other Short-term liabilities as a % of total public funds	12.24%
(c)(ii)	Other Short-term liabilities as a % of total Liabilities	11.70%
(c)(i)	Other Short-term liabilities as a % of total Assets	3.83%

(vi) The Company's Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Footnotes :

1 For the purpose of above disclosure, "Public Funds" i.e. Commercial papers, NCD's and CRPS are shown at Face value whereas total assets and total liabilities are shown at Carrying values.

2 Total Liabilities refer to Total outside liabilities i.e. Balance sheet total excluding Share Capital and Reserves.

3. Other short term liabilities include Financial liabilities and Non-financial liabilities payable within a year (Excluding CP maturity and NCD maturity of original tenor less than 1 year)

NOTE "44"

DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DOR (NBFC).CC.PD.NO. 109/22.10.106/2019-20 DATED MARCH 13, 2020 PERTAINING TO ASSET CLASSIFICATION AS PER RBI NORMS

As at March 31, 2020

(₹ in lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind As 109 Provisions and IRACP norms
		A	B	C = A - B	D	E = B - D
Performing Assets						
Standard	Stage 1 and Stage 2	1,23,729	686	1,23,043	494	192

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "45"

The Company is in receipt report u/s 45N of Reserve Bank of India Act, 1934 (RBI Act), wherein the regulator has observed that the Company is involved in Private Equity Business (advising/managing and investing in private equity funds) and the same does not fall within the purview of Core Investment Company (CIC) {as per Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 (CIC Regulations)} as a result of which, the Company may consider a review of its private equity business.

The Company has represented that there is no restriction on advising/managing private equity funds as stipulated by the CIC Regulations and investments in private equity funds falls within the investments permitted by the CIC Regulations. The view of the company is also supported by an independent legal view from a reputed law firm. While the matter is under discussion with the Regulator, the Company believes that the observation does not have any impact on the financial statements of the Company as at and for the year ended March 31, 2020.

NOTE "46"

The Securities and Exchange Board of India (SEBI), in a circular released on October 1, 2019, has reviewed and reformed the norms for investments by Mutual Fund schemes. The new regulations restrict and /or limit investment by mutual funds in unlisted Debt instruments including Commercial Papers.

Pursuant to this development, the Company has listed its outstanding Commercial papers on January 9, 2020 with National Stock exchange to enable the Mutual Fund investors to stay invested in the Company. The Company has also listed its new issue of Privately Placed Non-Convertible Debentures on December 12, 2019. All subsequent issues of Commercial Paper and Privately Placed Non-Convertible Debentures have also been listed.

NOTE "47"

The Company has assessed its obligations arising in the normal course of business, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Indian Accounting Standard (Ind AS) - 37 on 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

NOTE "48"

Previous year figures have been regrouped / reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

In terms of our report attached	For and on behalf of the Board of Directors		
For **B S R & Co. LLP** Chartered Accountants Firm Reg No: 101248W/W- 100022	**Saurabh Agrawal** (Chairman) DIN: 02144558	**Nalin M. Shah** (Director) DIN: 00882723	**Mehernosh B. Kapadia** (Director) DIN: 00046612
Sagar Lakhani Partner Membership No: 111855	**Varsha Purandare** (Director) DIN : 05288076 (Pune)	**F. N. Subedar** (Director) DIN: 00028428	**Aarthi Subramanian** (Director) DIN: 07121802
Mumbai June 30, 2020	**Rajiv Sabharwal** (Managing Director & CEO) DIN: 00057333	**Avan Doomasia** (Company Secretary)	**Rakesh Bhatia** (Chief Financial Officer)

TATA CAPITAL

Count on us

TATA CAPITAL LIMITED

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