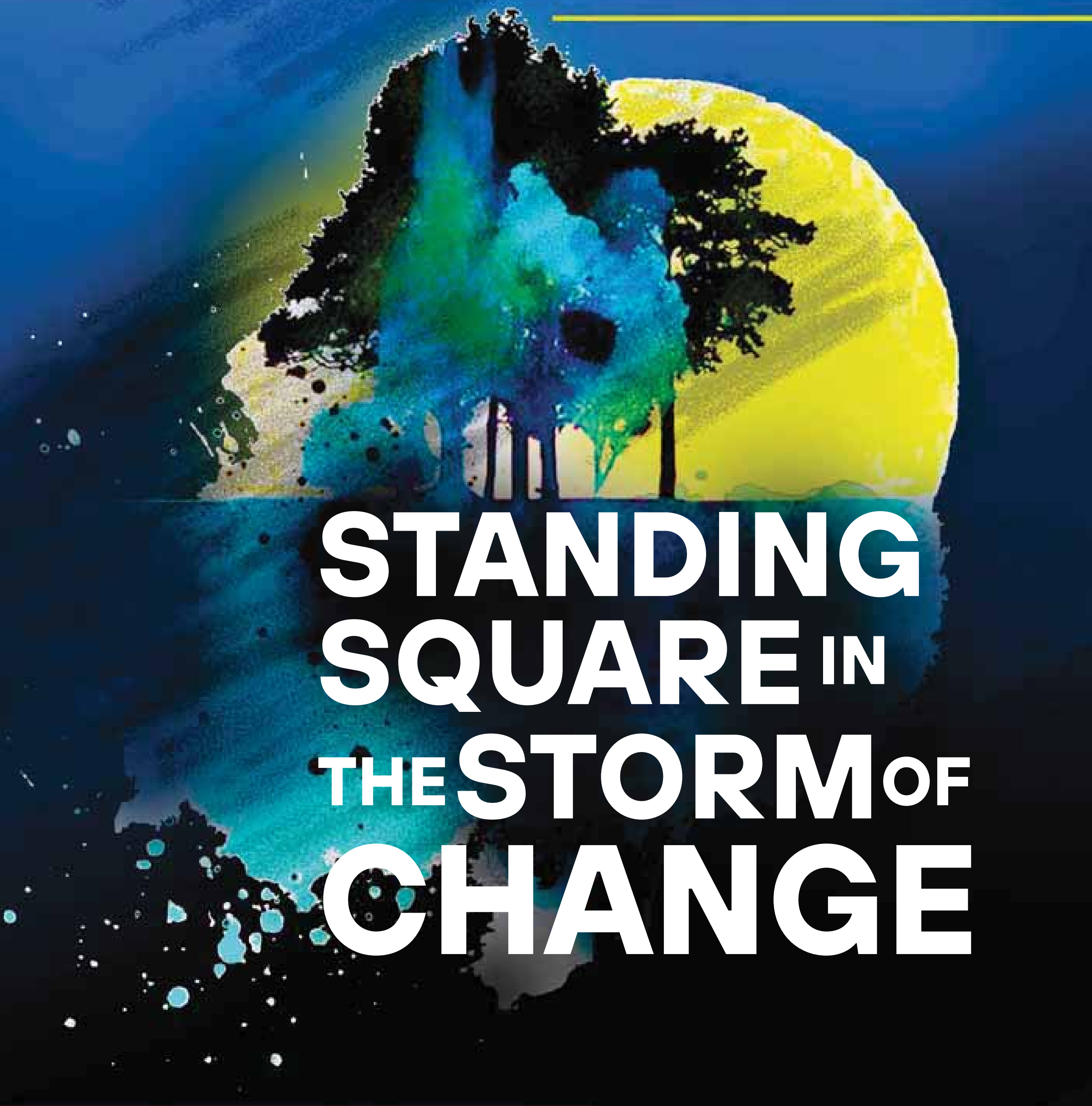
ANNUAL REPORT
2020-2021

TATA CAPITAL
Count on us



STANDING SQUARE IN THE STORM OF CHANGE

TATA CAPITAL

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CONTENT

THOSE WHO BELIEVE, CAN'T BE STOPPED.

In 1886, **Jamshetji Tata** played his part in the Swadeshi Movement and bought over the ailing Dharamsi Mills, which he later renamed Svadeshi Mills. The machinery was outdated, the workers unskilled and one of the first shipments of coarse yarn was rejected in China. As a result, the share price plummeted and his business went on a downward spiral. To give up and call it a day would have been prudent. But Jamshetji was not one to give up.

Despite the heavy losses he decided to invest in the business again. He built a Trust in his family's name so that he could leverage with the bank for an overdraft. With the money, Jamshetji brought in modern machinery, employed skilled workmen and raised the quality of the produce manifolds.

In little less than a decade, his yarn fetched the highest prices in the Far East market, and Svadeshi Mills of Bombay was regarded as a serious competition to the once mighty Lancashire Cotton Mills. His indomitable spirit is part of us, even today: steadfast and full of self-belief.

About us

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 lending and offering a wide array of services/products in the financial services sector.

PURPOSE IS UNSTOPPABLE.

The world knows of Nelson Mandela's unflinching struggle to end apartheid in South Africa. However, his struggle for education isn't something that is very well known. From a young age, Mandela strived for a formal education. But fate had other plans.

In 1931, he joined the Fort Hare University from where he was expelled for taking part in a peaceful students protest. His dream of pursuing law too, was cut short, when he was denied a degree on racial grounds. Flustered but adamant, Mandela took the bar exam instead, and passed it without having ever graduated. He wanted nothing more than to practice law and serve his nation, but he was arrested and sentenced to life imprisonment for conspiring to overthrow the state.

The man whose spirit should have been crushed, was still standing. Even in jail, he refused to give up on his education. In 1989, during the last months of his imprisonment, Mandela finally received his law degree from the University of South Africa, along with honorary degrees from more than fifty universities. His unwavering determination is nothing short of extraordinary and is truly inspiring.

OUR PURPOSE AND PILLARS

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.

REAL HEARTS BEAT FOR OTHERS.

When the Crimean War broke out between the British and the Russians in October 1853, there were heavy casualties on both sides. Over eighteen thousand British soldiers were injured. In light of this, the British Secretary of War sent for Florence Nightingale, asking her to rise to the challenge and organise a corps of nurses to tend to the soldiers.

On arrival, Florence worked tirelessly, caring for the wounded. In the evenings, she carried a lamp through the dark hallways of the hospital checking on patients. That's when the soldiers started calling her "The Lady with the Lamp." Others called her " The Angel of the Crimea." Her dedication did bear fruit - she helped bring down the death rate by two-thirds.

After the war was over, she returned to England and vowed to improve healthcare infrastructure, establishing the St. Thomas' Hospital and the Nightingale Training School for Nurses which continue her tradition of caregiving even today. Florence Nightingale has etched her name in the annals of history as the pioneer of modern nursing.

Her story is one of unwavering pursuit of compassion that inspires caregivers around the world even today.

CSR INITIATIVES

True to the spirit of the Tata Group, 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.

Focus Areas

Education	Climate Action	Health	Skill Development & Entrepreneurship

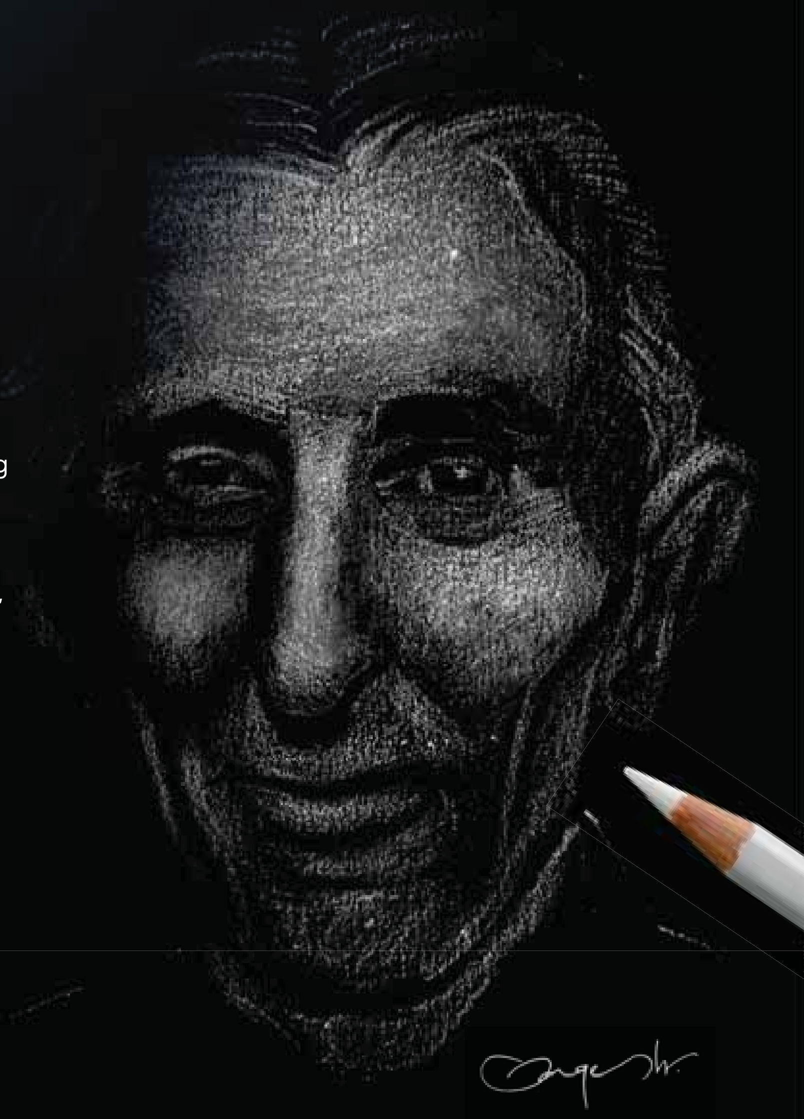
Number of beneficiaries for the year: 1,53,271

Initiatives and programs undertaken:

- The Cluster Development program aims to provide supplementary education to underprivileged students in Vikramgad, Sudhagad in Maharashtra and Jalpaigudi, West Bengal.
- The Tata Capital Pankh Scholarship program supports meritorious underprivileged youth with scholarships and mentoring for higher education.
- ProAspire is a skilling initiative for the underprivileged youth to learn 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 English and Hindi (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 project aims to provide clean, renewable and reliable electricity to unlit homes in rural parts of India through a community partnership model.
- Project Ecosphere focuses to ensure availability of clean drinking water and water for irrigation with use of solar pumping system in the water stress areas of Mokhada, Maharashtra.
- Covid Rehabilitation project (Mission Gaurav) aims to focus on awareness creation & facilitates the delivery of Government Covid-19 relief package and entitlements to individual migrant workers across 8 districts of Madhya Pradesh.

REAL INVENTIONS TRANSFORM REALITY.

Nikola Tesla, the father of the first Alternating Current Motor, made scores of inventions in the field of electric power. Despite his genius, success for Tesla was hard to come by. In a collaboration with Thomas Alva Edison in the United States in 1884, Tesla also devised a better design for a Direct Current (DC) Generator to produce electricity. But his efforts went unrewarded, and he walked away without a dime. Soon after, Tesla started his own electric company. And while he raised finance for his research in Alternating Current (AC), he had to take up a job of digging ditches that paid him a meagre two dollars a day. Eventually, he found investors and went on to create Alternating Current which would bring light to every home across the world. He also became one of the most decorated inventors of history, with over 300 patents to his name. He pioneered not just technology, but also the "never say die" attitude that inspires the world even today.



PRODUCT PORTFOLIO

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:

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

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

POSSIBILITIES ARE WHAT YOU MAKE OF THEM.

Alan Turing, widely known as the father of computer science and artificial intelligence made many significant breakthroughs in the realm of computer science with his unconventional ideas.

After his formal education in the UK, he studied in the United States, where his passion for cryptography grew, and he tried building computers to solve mathematical problems. Returning to the UK he proved his mettle when his computer helped crack the German Enigma code in the Second World War. This was Germany's encrypted line of communication, which was deemed unbreakable with over a hundred trillion possible combinations changing every day. By cracking the code, Turing shortened the war by at least two years and saved thousands, perhaps millions of lives.

Alan Turing endured a lot of persecution owing to his sexual orientation. It was against the law at the time and he was subjected to inhuman punishment. Despite this, Turing worked every day of his life to make computers more useful, laying the foundation stone for the technology we carry in our pockets today.

His life teaches us an important lesson that one must look beyond the troubles that befall them, and onto the wide horizon of possibility.

DIGITAL INITIATIVES

In the FY 2020-21, Tata Capital continued to progress on its digital transformation journey across all businesses and operational functions. The digital strategy is aimed at driving growth and innovation across the organization. The objective set out was to build an agile digital ecosystem that increased productivity and significantly optimized cost. A series of digital products and service offerings across retail and commercial channels has helped increase Tata Capital's digital footprint across the country.

Tata Capital laid special emphasis on further enhancing customer experience across all products and services. Seamless digital platforms were launched and the existing platforms were enhanced for paperless and instant disbursal of loans to all eligible customers. This included industry-first products such as instant online sanctions for Home Loans, Online Business Loans, automated renewals for Channel Finance customers, Term Loans products amongst others. Various digital offerings were upgraded such as the Construction Equipment Loans digital journey to accommodate higher ticket size applications which were exclusively launched for Tata Capital's Relationship Managers and Dealer partnerships. Also, service features were enabled across customer segments which included servicing via bots, WhatsApp based servicing and others.

Mobile app-based servicing was also introduced for new customer segments. Further, there was a greater focus on the implementation of score-based decisions for customer applications - retail as well as small and medium enterprises. In addition, there was significant automation carried out across all processes related to debt servicing. This included automation of banking process, introduction of new digital payment channels, simplification and automation of the allocation processes. Further, smart automation was used to upgrade other processes such as operations, fraud control and field investigation. Technology continues to play a crucial component in reimagining customer journeys, simplifying processes and creating new platforms and channels for customers to engage. This paved the way for growth and helped acquire new customers. In addition, cross-sell of various products across digital platforms created even more opportunities for growth. During the year, various new platforms were launched for retail and commercial loan customers.

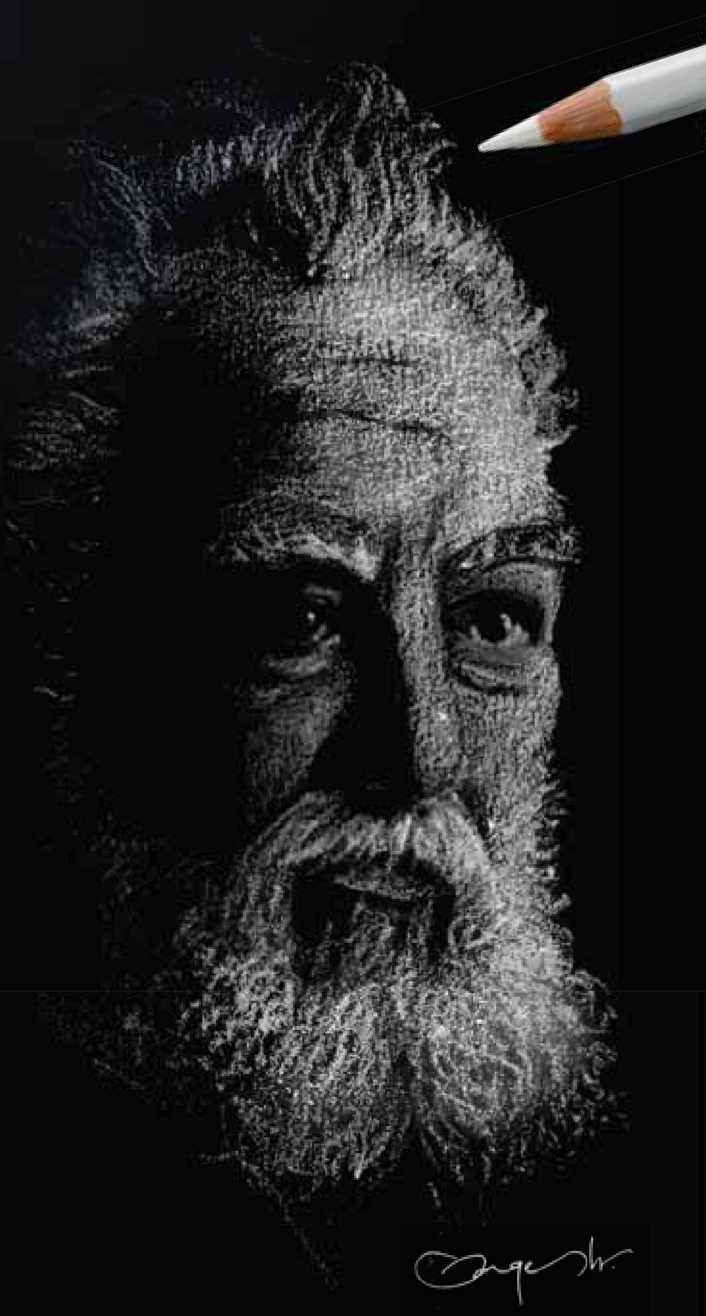
During FY 2020-21, the use of data science was augmented across all functions in the organisation. The objective was to build a data-driven culture across the organization and use data at all points to make faster and smarter decisions across all businesses. Data Analytics continued to be used in all businesses and functions - customer acquisition, underwriting, risk management, operations, customer service, debt servicing and marketing. Customer insights using data has helped design new marketing strategies, improve underwriting, enhance collection efficiency, address customer needs and grievances on a real - time basis. Data Analytics will continue to play an important role in exponentially improving productivity, accelerating growth and efficiently managing risk control at Tata Capital.

FUELED BY A FIRE TO INNOVATE.

Alexander Graham Bell reimagined the way we communicate. His breakthrough took the world by storm, ushering in a new age of connectivity and redefining what's possible. But the joy of his achievement was short-lived.

Soon after his invention, in the late 1800s, he tried to sell his patent to Western Union, who scoffed at his idea and called it 'nothing more than a toy.' But as word of his remarkable breakthrough spread across the country, over six hundred patent lawsuits arrived at his doorstep. Five of them even reached the United States Supreme Court, which ultimately upheld Bell's claims in one of the longest patent battles in American history. All through the tedious legal battles, Bell never yielded and rightfully claimed the title of 'Father of the telephone'.

His steadfast zeal, and the compelling need to innovate have been etched in history, and his story is a beacon of hope for people facing insurmountable odds the world over.



Tata Capital's Moneyfy app adds NFO Subscriptions

Tata Capital brings to its customers the ease of applying to New Fund Offers (NFO), using Moneyfy. In addition to the existing suite of offerings which comprises mutual funds, insurance and Tata Capital's loans, customers can also add NFOs to their portfolio.

Moneyfy's latest NFO offering helps customers to diversify their portfolio through new investment or sectoral themes. First-time investors can simply download the Moneyfy App (Google Play store/Ápple App store), register and purchase the units of the NFO digitally.

The App further helps users plan and make an informed decision by providing the following updates:

- List of NFOs that are currently open and upcoming NFOs
- Minimum investment amount
- The closing date and the number of days for which the NFO will remain open
- Details of the Fund Managers
- Comparison of other mutual funds in that category along with their performance history

Moneyfy App, which was launched in March 2020 has received a very good response, including from first-time investors. Based on each customer's defined parameters and goals, the app's advanced algorithm curates financial plans which suit his/her investment style. Moneyfy provides easy access to the most frequently needed financial products including Mutual Funds, Insurance and Tata Capital's loan offerings.

Tata Capital rolls out Version 2.0 Digital Platform Exclusively for MSMEs

Tata Capital rolls out Version 2.0 digital platform to provide faster and easier loans exclusively for MSMEs. Customers can now use this enhanced digital platform to avail working capital loans of Rs.2 crore within 48 hours with minimal documentation. Loans are available across various categories i.e. Channel Finance, Sales Invoice Discounting and Equipment Finance.

Tata Capital's Version 2.0 digital platform for MSMEs offers a series of value-added features such as:

- An automated credit scoring engine across all loan products
- Digital underwriting capabilities using over 1000 data points
- Seamless integration with a host of third-party information sources such as Udyog Aadhar, PAN, GST, ITR, CIN, bureau data, bank statement analysis amongst others, to eliminate data entry and enable immediate decisions.

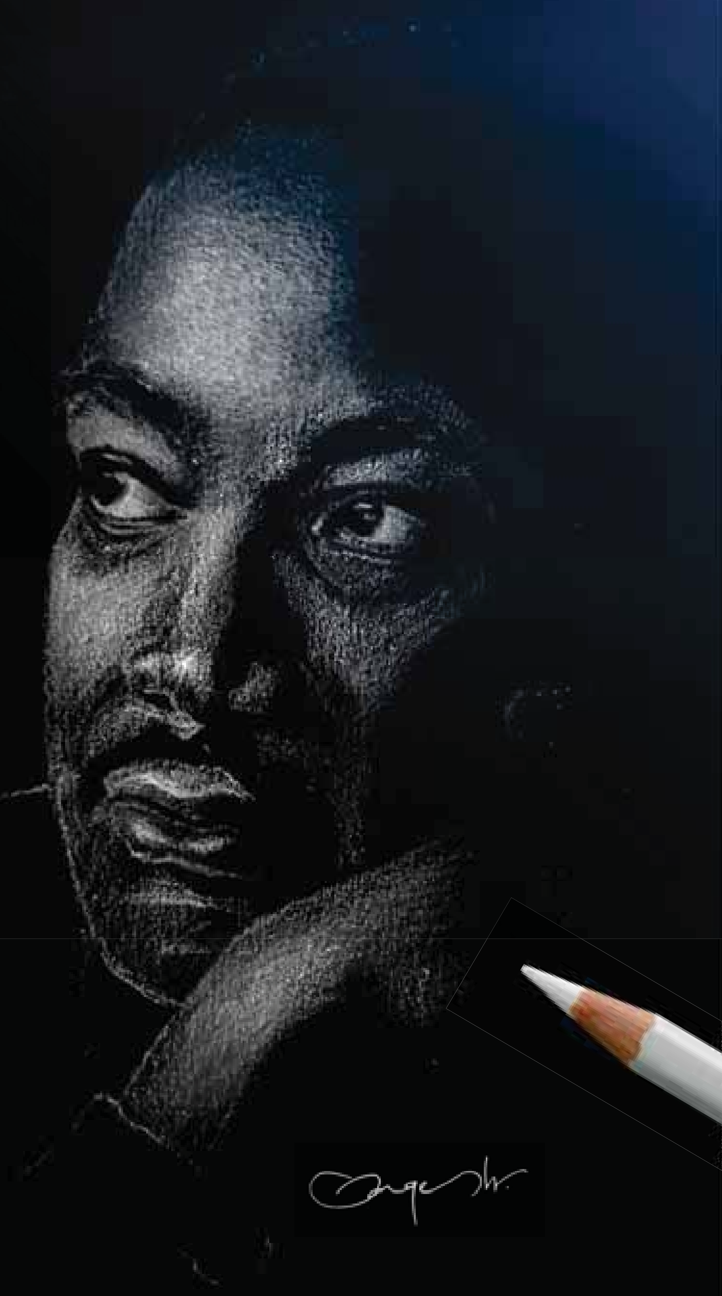
The new digital lending platform for MSME was launched a few months ago and so far over 50% of new customers are acquired using this platform. The platform has also enabled the organization to enter new segments and offer loans with lower-ticket sizes. Customers can now avail channel finance loans up to Rs.2 crore, sales-invoice discounting facility up to Rs.20 crore and equipment finance loans up to Rs.1 crore.

TOUGH TIMES FORGE GREAT LEADERS.

The most visible spokesperson and a leading light of the American Civil Rights Movement, Dr. Martin Luther King Jr's contribution towards ending racial injustice against blacks is unparalleled in American history.

His march from Selma to Montgomery in 1965 was both an act of resilience and defiance. Despite being violently attacked by local authorities and white vigilante groups, he neither yielded nor turned back. Walking twelve hours a day and sleeping in the fields at night, battered by clubs and whips, bleeding, bruised but unbowed, the group reached Montgomery after five harrowing days. Nearly fifty thousand supporters -both black and white - gathered at the steps of the State Capitol to hear Dr. King, who received the Nobel Peace Prize in 1964.

His famous words "No tide of racism can stop us" resonate even today and inspire countless oppressed people around the world to never give up the fight for equality.



TATA CAPITAL TEAM

TATA CAPITAL LIMITED

Board of Directors

Mr. Saurabh Agrawal - Chairman
Mr. Farokh N. Subedar
Ms. Varsha Purandare
Ms. Malvika Sinha
Ms. Aarthi Subramanian
Mr. Rajiv Sabharwal - Managing Director & CEO

Chief Financial Officer
Mr. Rakesh Bhatia

Head – Legal and Compliance & Company Secretary
Ms. Sarita Kamath

Statutory Auditors
B S R & Co. LLP

Registrar & Transfer Agents
TSR Darashaw Consultants
Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai - 400 083
Tel : 022 66568484

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

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 CLEANTECH CAPITAL LIMITED

Board of Directors

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

TATA SECURITIES LIMITED

Board of Directors

Mr. Rajiv Sabharwal - Chairman
Mr. Avijit Bhattacharya
Ms. Abonty Banerjee

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

GROWTH BEGINS WITH NUMBERS.

India's greatest mathematical mind, Ramanujan was born to poor parents. He was not the brightest student either, and failed to pass the entrance exams needed to attain formal education. But his mind could relentlessly pursue numbers, and he grew to become a self-taught mathematical prodigy. Having created his first theorem at the age of just thirteen, his sheer dedication turned many heads, and by the age of twenty-three, he was famous all over the country for his acumen in the subject. He was the second Indian to become a fellow of the Royal Society in England, and the first Indian ever to become a fellow at Trinity College, Cambridge despite facing the brunt of colonial racism. His unparalleled contribution in solving the infinite series for pi has been the foundation of numerous algorithms we use today.
Despite his untimely passing at the age of just 32, he has left an eternal mark in the field of mathematics. To honour his genius, his birth anniversary on December 22nd is commemorated as National Mathematics Day. His steadfast zeal in the pursuit of numbers teaches us the dedication needed to change the world and create history.

SNAPSHOT OF NUMBERS

Book size *77,219 cr*	***One of the Top 10*** *NBFCs in the Private sector*
Total Comprehensive Income *1,126 cr*	***5th*** *Most profitable company in the TATA group*
Locations *148*	***76%*** *Locations in non - metros*
Customers *Over 2.5 million*	***66%*** *Customers from non - metro*

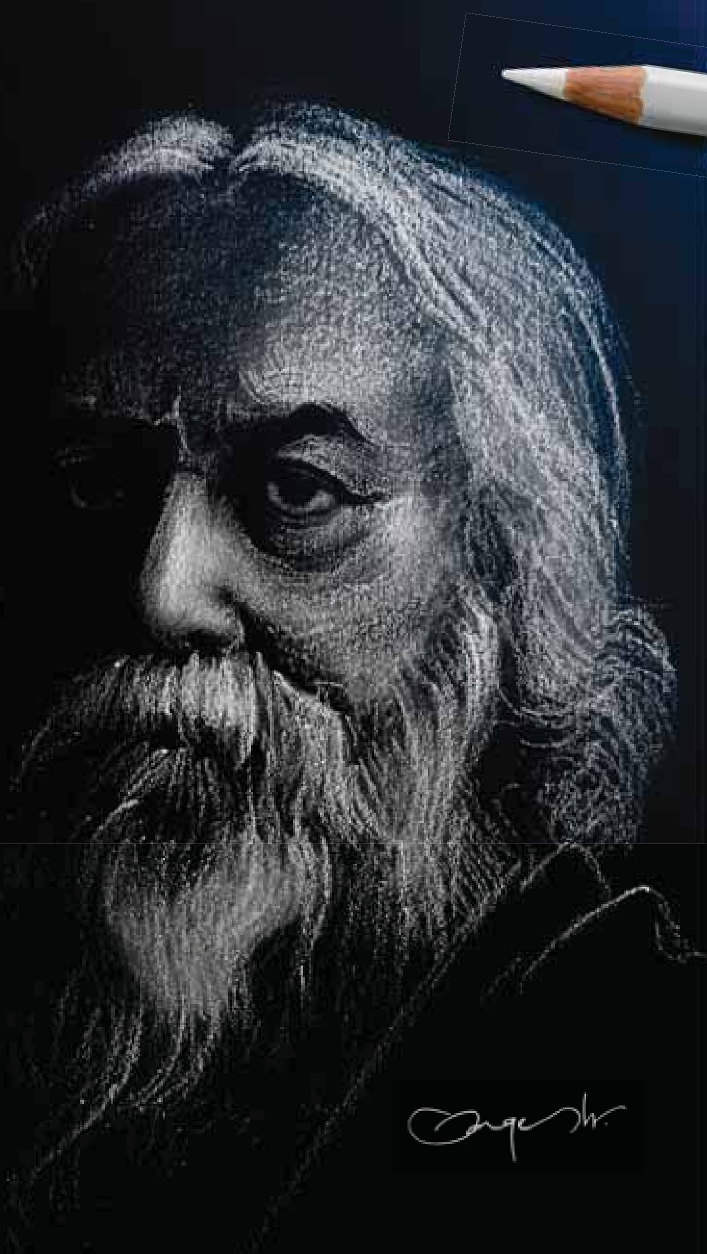
EXCELLENCE DRIVES ACHIEVEMENT.

Rabindranath Tagore, India's first Nobel laureate wasn't just the first Asian to win a Nobel Prize, but also the first Non-European to mark his prominence in literature. His writings have stirred the hearts of generations after him. Several of the poet-playwright's works still need to be adequately explored.

The Crown bestowed him with a knighthood, the highest honour that could've been given to a subject of the British Empire, two years after the poet received the Nobel Prize for Literature. However, a month after the Jallianwala Bagh massacre in 1919, Tagore repudiated it to awaken his countrymen against this brutal incident.

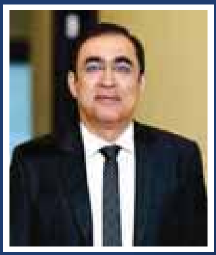
In his letter to the viceroy, Tagore wrote, "The time has come when the badge of honour makes our shame glaring in their incongruous text of humiliation, and I, for my part, wish to stand shorn of all special distinctions, by the side of those of my countrymen who, for their so-called insignificance are liable to suffer degradation not fit for human beings."

His renouncing of the knighthood drew attention to the Indian freedom struggle, not just in India but all across the world. Gurudev had an international voice and any criticism by him mattered internationally. This incident provided a great impetus to the freedom movement in India.



AWARDS AND ACCOMPLISHMENTS

- BFSI Digital Stallions for Moneyfy App campaigns.
- India Content Leadership Award for Best Website/Blog in Finance.
- ASSOCHAM Award for Digital Lending (TCFSL).
- ASSOCHAM Award - Runner up for Digital Lending (TCHFL).
- ASSOCHAM Award for Digital Services (TCFSL).
- ACEF Award for Tata Capital Commercial & SME App.



MESSAGE FROM THE MANAGING DIRECTOR & CEO

Dear Shareholders,

The year 2020 was a tribute to the spirit of human determination and fortitude. This has been an extraordinary time as all of humanity valiantly faced the pandemic and tried to manage their personal and professional lives. We too, at Tata Capital responded to this global outbreak with resilience and resolved to emerge stronger. Let me take you through our journey of how we re–aligned to the new normal and our plans to navigate the future.

Count on Us

From the onset of the pandemic, we as a Company reinforced in our customers, colleagues and community members the belief – To Count on Us always , and we will do whatever it takes.

The Key Steps

As the pandemic unfolded and engulfed the country and the world at large, we focused on how best we could serve. To begin with, we acted with speed but also exercised caution at every step. Our prior investments in building a digital ecosystem enabled us to continue our work virtually, uninterrupted. We stayed connected with our customers and employees and carried out all functions virtually. Existing digital platforms were used, and seamless new platforms launched to ensure paperless sanction, disbursement and customer servicing across segments. The unpredictable nature of the pandemic and its impact on our business also required us to make changes along the way. We strengthened our debt servicing function by channelizing additional resources to drive efficiency as well as by significantly enhancing automation. Our constant focus on cost optimization across the organisation helped us increase our savings significantly. While we have always maintained a well-diversified lending portfolio, we further deepened our focus on secured assets. Further, we continued to strengthen our risk management framework which remains crucial to our business. During the year, use of data science was increased across the whole lending value chain. The use of analytics enabled us to make faster and smarter business decisions. As we continued to work uninterrupted, we also took continuous measures to protect our colleagues and their families' from the virus.

Financial Performance

While our Company since its inception in 2007, has always made profits, this year has been exceptional. TCL recorded the highest ever PAT which stands at Rs. 1,126 crore in FY 2020-21 and is 280 % higher from FY 2019-20.

The key highlights of our financial performance are:

- A sharp focus enabled us to maintain the asset quality of the book. The provision coverage ratio stands at 65.4%
- We laid emphasis on strengthening the balance sheet by reducing debt equity from 7.6 to 6.7 times. Our total provisions against existing assets (including macro provisions) were further enhanced from 2.9% to 3.4%
- A well-diversified product mix enabled our net income margins to increase from 5.3% to 5.5%
- We continued to leverage digital and technology to enhance productivity and efficiency which reduced the cost to income ratio from 42.4% to 38.8%

Within the complexities of pandemic, each of our subsidiary companies performed well. Here is a brief on each of them:

Tata Capital Financial Services Limited ("TCFSL")

In our retail business, we worked on two fronts. While growing business volumes we implemented various cost control initiatives as well as executed a right product mix for customers, as a result of which our NIMs strengthened. Our wealth management business and retail loan against securities businesses have seen significant improvement in their overall AUM.

In our Commercial and SME loan business, we continue to have a strong product portfolio which has been extremely profitable. We currently serve 11,000+ active customers spread across different industries. We further on-boarded 215 new customers in FY 2020-21, of which 80% were from the SME segment. We intensified our focus on digital lending in supply chain finance, vendor financing and equipment financing.

Tata Capital Housing Finance Limited ("TCHFL")

TCHFL continues to play an important role in enabling our customers to own a home. We have carefully segmented our markets to offer a full suite of mortgage products and solutions to our customers. In FY 2021-22, we endeavour to grow the TCHFL loan book by making our products available in more cities and towns across India. Home loans & Home Equity currently constitute more than 85% of our total disbursements and will seek new opportunities to maintain growth in these segments. In the affordable home loan category, we have built good traction and see immense potential for future growth. Government incentives, rising disposable incomes and rapid urbanization will further strengthen this segment. We also strive to provide our customers with a seamless experience through technology.

Tata Cleantech Capital Limited ("TCCL")

During the year TCCL made forays into emerging sectors such as Green Logistics and Energy Efficiency. TCCL also ventured into financing of E-mobility and water treatment project under Namami Gange programme administered by the National Mission for Clean Ganga. Building on its relationship with Climate investors, TCCL secured over $120m of green lines from global Development Financial Institutions such as Japan International Co-operation Agency (JICA) and the UK based CDC Group. As part of its wider outreach initiative, TCCL is looking to expand its Climate and Financial Advisory footprint. TCCL witnessed a healthy growth in its asset book and profits during FY 2020-21.

As we step into the future, the role played by the Government of India and the Reserve Bank of India ("RBI") continues to be crucial. So far, the policies have definitely helped in easing the severity of the pandemic. As stated in the Union Budget FY 2021-22 provisions have been made to support the vulnerable sectors, increase healthcare spends and aid faster economic recovery. RBI's role in providing liquidity to the financial sector, lowering interest rates and efficiently manging inflation has helped build resilience and stability in the economy.

Priorities for the Future

Tata Capital will continue to align itself with the Group's principle of Simplicity, Scale and Synergy as we will further enforce the One-Tata Philosophy. Our foremost priority for FY 2021-22 will be to support our community through our various Covid- 19 response programs. We will continue to take care of the wellbeing of our employees and their family members. Our efforts to rely on our digital ecosystem and be a technology leader will only increase as we move forward. We plan to expand our geographical footprint by adding more branches to our existing network. Our focus on maintaining the asset quality of our book will remain critical even as we pursue opportunities to grow. As I conclude, I take this opportunity to express my gratitude to each one of you who have trusted in us and believed in our ability to serve you. I am optimistic that the future will be a better one for all of us.

Regards
Rajiv Sabharwal
Managing Director & CEO

TATA CAPITAL

Count on us

BOARD'S REPORT

To the Members,

The Board has pleasure in presenting the 30th Annual Report and the Audited Financial Statements for the Financial Year ("FY") ended March 31, 2021.

1. BACKGROUND

Tata Capital Limited ("Company" or "TCL"), the flagship financial services company of the Tata Group, primarily holds investments in its subsidiaries which are mainly engaged in lending and offering 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".

2. FINANCIAL RESULTS

(₹ in crore)

Particulars	Consolidated		Standalone	
	FY 2020-21	**FY 2019-20**	**FY 2020-21**	**FY 2019-20**
Gross Income	9,984.82	9,790.58	452.17	415.80
Less:				
Finance Costs	5,212.58	5,770.87	255.13	271.85
Net loss on fair value changes	-	122.61	0.00	0.74
Impairment of investment in Associates	52.54	46.47	0.00	0.00
Impairment on Financial Instruments	1,397.77	1,411.63	18.98	21.45
Employee Benefits Expense	693.37	673.99	91.23	47.14
Depreciation, Amortisation and Impairment	334.37	385.80	7.27	7.77
Other expenses	676.49	742.95	16.53	12.35
Profit Before Tax	**1,617.69**	**636.26**	**63.03**	**54.50**
Less: Provision for Tax	370.33	512.03	16.36	25.24
Profit After Tax	**1,247.36**	**124.23**	**46.67**	**29.26**
Add: Share of net profit of associates using the equity method	-2.72	31.49	0.00	0.00
Less: Non-controlling interest	118.81	-140.22	0.00	0.00
Profit After Tax attributable to owners of the Company	**1,125.83**	**295.42**	**46.67**	**29.26**
Other comprehensive income	-1.46	-17.48	9.09	6.27
Less: Tax on other comprehensive Income	-0.90	5.86	-2.20	-1.55
Other comprehensive income after tax	-2.36	-11.62	6.88	4.72
Less: Non-controlling interest	2.67	-0.71	0.00	0.00
Other comprehensive income attributable to owners of the Company	-5.03	-10.91	6.88	4.72
Total comprehensive income attributable to owners of the Company	**1,120.80**	**285.01**	**53.55**	**33.98**
Amount brought forward from previous year	1,001.24	851.76	133.00	110.57
Amount available for appropriation	2,122.04	1,136.77	186.55	144.55

(₹ in crore)

Particulars	Consolidated		Standalone	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Less Appropriations:				
Special Reserve Account	304.90	99.72	9.33	11.53
Dividend Distribution Tax	-	23.56	0.00	0.00
Others	-21.67	12.25	0.00	0.02
Surplus carried to Balance Sheet	**1,838.81**	**1,001.24**	**177.22**	**133.00**

Consolidated Results:

Tata Capital's consolidated book size of Rs. 77,219 crore as at March 31, 2021 was nearly similar to its book size as at March 31, 2020 of Rs. 77,610 crore.

During FY 2020-21, Tata Capital recorded consolidated Total Income of Rs. 9,985 crore as against Rs. 9,791 crore in FY 2019-20, an increase of about 2%. The Total Income comprised Income from financing activities of Rs. 8,879 crore (FY 2019-20: Rs. 9,178 crore), Investment Income of Rs. 601 crore (FY 2019-20: Rs. 21 crore) and Other Income of Rs. 505 crore (FY 2019-20: Rs. 592 crore).

During the year, Tata Capital's Profit After Tax attributable to owners of the Company on a consolidated basis increased by about 280%, to Rs.1,126 crore (FY 2019-20: Rs. 296 crore).

During FY 2020-21, Tata Capital's consolidated interest expense was Rs. 5,213 crore (FY 2019-20: Rs. 5,771 crore). This decrease was mainly on account of decrease in the cost of funds.

The Operating Expenses, excluding Impairment of Investments and Financial Instruments, decreased by 5%. Employee costs increased from Rs. 674 crore in FY 2019-20 to Rs.693 crore in FY 2020-21. Impairment on Investments and Financial Instruments increased to Rs.1,450 crore in FY 2020-21 compared to Rs. 1,458 crore in FY 2019-20.

The consolidated Gross Non-Performing Assets ("NPA") showed an increase from 1.9% in FY 2019-20 to 2.5% in FY 2020-21. The Net NPA also increased from 0.6% in FY 2019-20 to 0.9% in FY 2020-21. The consolidated Return on Assets ("RoA") for FY 2020-21 was 1.5% (FY 2019-20: 0.4%) while the Return on Equity ("RoE") was 12.2% (FY 2019-20: 3.4%).

Standalone Results:

During FY 2020-21, TCL recorded Gross Income of Rs. 452.17 crore (FY 2019-20: Rs. 415.80 crore) and a PAT of Rs. 46.67 crore (FY 2019-20: Rs. 29.26 crore). The increase in Revenue was mainly on account of profit on sale of investments.

The Company has transferred an amount of Rs. 9.33 crore to the Special Reserve Account. The closing balance of the retained earnings of the Company for FY 2020-21, after all appropriation and adjustments, was Rs.170.84 crore (As on March 31, 2020 : Rs. 133.50 crore).

3. SHARE CAPITAL

The paid up Equity Share Capital of the Company was Rs. 35,16,16,77,440 as on March 31, 2021.

During FY 2020-21, consequent to the Call / Put Option exercised by the Company / Shareholders, as the case may be, Cumulative Redeemable Preference Shares ("CRPS") aggregating Rs. 307.40 crore were redeemed during the year. Accordingly, the paid-up Preference Share Capital as on March 31, 2021, was Rs. 1,159.80 crore. The details of CRPS redeemed are available at Page No. 293 of the Annual Report.

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

During the year no fresh issue of Equity Shares or CRPS was made.

4. DIVIDEND

The Board of Directors of the Company declared Interim Dividend on the CRPS for the following tranches for the period April 1, 2020 to March 31, 2021, on March 25, 2021, as under:

Tranche(s)	No. of Shares	Dividend Rate (%) p.a.	Dividend Amount including TDS (In ₹)
T*, U, V, W, AF, AG, AH, AI, AJ, AK, AL, AM and AN	70,66,000	7.50	52,99,50,000
X and Y	14,97,500	7.33	10,97,66,750
Z	7,50,000	7.15	5,36,25,000
AA, AB, AC and AD	18,84,500	7.10	13,37,99,500
AE	4,00,000	7.75	3,10,00,000
		Total	**85,81,41,250**

**CRPS on which Put Option has not been exercised.*

Since the Company has paid Dividend to the CRPS holders for the period April 1, 2020 to March 31, 2021, by way of an Interim Dividend, the Directors do not recommend any final dividend on the CRPS.

Further, consequent upon the exercise of Call / Put Option by the Company / Shareholders, as the case may be, CRPS of the nominal value aggregating Rs. 307.40 crore were redeemed during the year and accordingly, Interim Dividend aggregating Rs. 11,34,14,793 (including TDS) was paid on these CRPS for the period from April 1, 2020 upto the date of redemption. The details of Interim Dividend paid on redemption are, as under:

Tranche(s)	Dividend Rate (%)	No. of CRPS	Redemption Date	Dividend Amount including TDS (In ₹)
P, Q, R and S	7.50	30,00,000	September 22, 2020	10,78,80,000
T*	7.50	74,000	March 30, 2021	55,34,793
	Total	**30,74,000**		**11,34,14,793**

**partial redemption consequent upon exercise of Put option by the shareholders.*

In order to conserve the resources of the Company and to build up the reserves, the Directors do not recommend payment of Dividend on the Equity Shares for FY 2020-21.

5. OVERVIEW OF THE COMPANY, ITS SUBSIDIARIES AND ASSOCIATES

5.1 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 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.

A detailed discussion on the Private Equity Funds and TCL’s subsidiaries is set out in the below paras.

5.2 Private Equity

5.2.1 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. The aggregate Assets Under Management of these Funds is Rs. 2,457 crore, as at March 31, 2021.

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 Fund typically targets 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 Rs. 40 crore. TCGF I declared its final close in February 2011, with commitments of Rs. 339 crore, of which, Rs. 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 requisite majority of Contributors.

As at March 31, 2021, the TVPI multiple (Total Value, including Distributions, to Paid in Capital), after providing for estimated manager incentive is 2.26.

TCGF II is the follow-on fund to TCGF I and is registered with SEBI as a Category II Alternative Investment Fund. TCGF II declared its final close on January 15, 2021 and has commitments of Rs. 1,214 crore (includes commitments of USD 118 million) as at March 31, 2021. TCL has committed Rs. 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 Fund typically targets 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 Rs. 35 crore. TCHF I declared its final close in April 2012, with commitments of Rs. 319 crore, of which, Rs. 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 December 31, 2020 with approval of TCHF I's Investor Advisory Board and requisite majority of Contributors.

During the year, the Fund exited its investment in Shriji Polymers India Limited at 2.79 times multiple of cost. As at March 31, 2021, the TVPI multiple, after providing for estimated manager incentive was 1.91.

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 Rs. 567 crore as at March 31, 2021. TCL has committed Rs. 140 crore as Sponsor commitment to TCHF II continues to source Investor commitments and is yet to declare its final close.

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 Rs. 287 crore, of which, Rs. 218 crore has been invested in seven portfolio companies as at March 31, 2021. The TVPI multiple as at March 31, 2021 was 0.40. TCIF's commitment period ended on January 29, 2017 and its term ended on January 29, 2021, although steps have been initiated for extension of the term of the Fund.

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 Rs. 265 crore, Rs. 222 crore was invested in four portfolio companies. TCSSF's commitment period ended on March 31, 2014 and its term ends on December 4, 2021. As at March 31, 2021, the multiple of TVPI is 1.19.

5.2.2 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, Tata Capital Advisors Pte. Ltd is the Investment Manager for TCGFLP, TCGFIILP, TCHHFLP, TCHFIILP and TOF. Overseas Funds accept commitments only from overseas investors. The aggregate investor commitments raised by the Overseas Funds as at March 31, 2021 were US$ 858 million.

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 portfolio companies. TCGFIILP, with commitments as at March 31, 2021 of US$ 108 million, is a feeder fund to TCGF II. TCGFIILP declared its final close on January 15, 2021.

TCHHFLP declared its final dclose 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.

TCHFIILP with commitments as at March 31, 2021 of US$ 23 million is a feeder fund to TCHF II. TCHFIILP continues to source Investor commitments and is yet to declare its final close.

TOF declared its final close in March 2013, with commitments of US$ 545 million, of which, over US $ 475 million (87%) has been drawn down as at March 31, 2021 and over US$ 385 million has been invested in portfolio companies.

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.

5.3 Review of Subsidiaries and Associates

5.3.1 Subsidiaries:

As on March 31, 2021, 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's main areas of business include Retail Finance, SME and Commercial Finance. In the Retail Finance space, TCFSL offers a wide range of Loans, such as Auto Loans (Used Car Loans and Two Wheeler Loans), Business Loans, Loans Against Property, Personal Loans, Consumer Durables Loans, Construction Equipment and Commercial Vehicle Loans, Channel Finance and Loans Against Securities.

In the SME and Commercial Finance segment, TCFSL specializes in product offerings ranging from Term Loans, Working Capital Term Loans, Channel Finance, Bill Discounting, Equipment Finance, Leasing Solutions, Lease Rental Discounting, Promoter Finance, Loan Against Securities and Structured Products.

TCFSL's portfolio increased by Rs. 287 crore from Rs. 44,814 crore in FY 2019-20 to Rs.45,101 crore in FY 2020-21. TCFSL's Profit Before Tax was Rs. 825 crore (FY 2019-20: Rs. 452 crore) and the Profit After Tax for the year increased by about 496% to Rs.677 crore (FY 2019-20: Rs. 114 crore).

In FY 2020-21, the Gross and Net Non-Performing Assets ("NPA") stood at 3.0% and 0.9% as compared to 2.4% and 0.5% in FY 2019-20, respectively. The increase in Gross NPAs is attributable to Retail and SME customers getting impacted because of slowdown in the economy on account of COVID-19 Pandemic and resultant lockdowns.

The consolidated Profit After Tax, after accounting for share in Profits of Associates for FY 2020-21, increased by 494% to Rs. 675 crore, as compared to Rs. 114 crore in FY 2019-20.

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, Loans Against Property and Loans to Developers for constructing Residential and Commercial premises.

TCHFL's loan portfolio stood at Rs. 25,840 crore as on March 31, 2021 (Rs. 27,435 crore as on March 31, 2020). TCHFL's Profit Before Tax was Rs. 478 crore (FY 2019-20: Rs. 266 crore) and the Profit After Tax for the year increased by 133% to Rs. 355 crore (FY 2019-20: Rs.152 crore). In FY 2020-21, the Gross and Net NPA stood at 2.1% and 0.9% as compared to 1.4% and 0.5%, in FY 2019-20, respectively. The increase in Gross NPAs is attributable to the lockdowns and the general deterioration of the economy.

iii) **Tata Cleantech Capital Limited ("TCCL")**

TCCL is registered with the RBI as an Infrastructure Finance Company and is 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 respectively.

TCCL's portfolio increased by Rs. 919 crore from Rs. 5,362 crore in FY 2019-20 to Rs. 6,281 crore in FY 2020-21. TCCL's Profit Before Tax was Rs. 221 crore (FY 2019-20: Rs. 167 crore) and the Profit After Tax increased by about 37% to Rs. 168 crore (FY 2019-20: Rs. 123 crore).

In FY 2020-21, the Gross and Net NPAs stood at 1% and 0.6% as compared to 1.1% and 0.9%, in FY 2019-20, respectively.

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 Rs. 6.18 crore (FY 2019-20: Rs. 4.77 crore) and Loss after Tax of Rs. 1.89 crore (Profit After Tax for FY 2019-20: Rs. 1 crore).

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, carries out the business of proprietary investments and fund management, either on its own or through its subsidiaries.

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.

TCMPL, a wholly-owned subsidiary of TCPL, was holding a CMS licence from the MAS for conducting regulated activities (excluding IPOs) such as advising on corporate finance and dealings in securities. TCMPL has been wound up effective September 23, 2020.

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 and carry out market research.

During the year under review, TCPL recorded a consolidated Gross Income of US$ 17 million i.e. Rs. 128 crore (FY 2019-20: US$ 14 million i.e. Rs.101 crore). For FY 2020-21, Profit Before Tax was at US$ 12 million i.e.Rs. 87 crore (FY 2019-20: US$ 3 million i.e. Rs. 24 crore) and Profit After Tax was at US$ 10 million i.e. Rs. 74 crore (FY 2019-20: US$ 3 million i.e. Rs. 23 crore) [US$ amount translated at Rs. 74.0228, the annual average exchange rate for FY 2020-21].

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 has been wound up effective September 23, 2020.

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.

5.3.2 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. 244 and 245.

5.3.3 Other Investments:

As at March 31, 2021, the Company had, as per its Consolidated Financial Statements, total investments of Rs. 4,653 crore (FY 2019-20: Rs. 1,500 crore). Out of these, Rs. 830 crore (FY 2019-20: Rs. 851 crore) were investments in associate companies and the balance Rs. 3,823 crore (FY 2019-20: Rs. 649 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 Rs. 8,637 crore, as at March 31, 2021 (FY 2019-20: Rs. 8,564 crore), representing 82.15% of its total Assets (FY 2019-20: 83.88%), which amount is eliminated in the Consolidated Financial Statements, in accordance with the applicable Accounting Standards.

6. 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 and associates in the prescribed Form No. AOC-1, is also included in the Annual Report at Page Nos. 244 and 245. The said Financial Statements are also available for inspection on the website of the Company at www.tatacapital.com under Investor Information tab.

7. FINANCE

During FY 2020-21, the Company met its funding requirements through issue of Commercial Papers and Unsecured Non-Convertible Debentures ("NCD"). During the year, the Company issued Unsecured Listed NCDs of Rs. 905 crore (Face Value) on a private placement basis. The aggregate debt of the Company outstanding as at March 31, 2021 was Rs. 3,387 crore, including CRPS at amortised cost of Rs. 1,157 crore which has been classified as borrowings as per Ind AS. Out of total borrowings, Rs. 1,017 crore is payable within one year. The Debt Equity ratio of the Company as at March 31, 2021 was 0.56 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 Rs. 69,524 crore as at March 31, 2021 (FY 2019-20: Rs. 72,030 crore), which includes CRPS at amortised cost of Rs. 1,159 crore (FY 2019-20: Rs. 1,466 crore).

8. 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

9. RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the Risk Management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. A comprehensive Enterprise Risk Management ("ERM") Framework has been adopted across Tata Capital. The development and implementation of ERM Framework i.e. Risk Management policy has been covered in the Management Discussion and Analysis, which forms an integral part of this Annual Report.

10. INTERNAL FINANCIAL CONTROL

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms an integral part of this Annual Report.

11. INFORMATION TECHNOLOGY SUPPORT

Information Technology ("IT") has been focusing on driving digital initiatives and ensuring that best in class technology is adopted in areas of IT Infrastructure, Information Security and Analytics.

Tata Capital has already adopted hybrid cloud to ensure on demand scalability to support business growth at optimum cost. Tata Capital has also invested in solutions to ensure safe and secure Work from Anywhere environment for all employees. This has been used very effectively during the lockdown imposed due to COVID-19.

Tata Capital continues to enhance its Digital platform for both the Retail and the Corporate businesses, across customer acquisition as well as customer servicing area. The use of Robotic Process Automation, Artificial Intelligence and Machine Learning has been adopted to drive business growth, improve productivity and enhance customer experience.

Tata Capital has invested into cutting edge technologies to set up the Data Lake which acts as a backbone to provide single source of data across all reporting.

12. DIGITAL PLATFORM

Tata Capital continued to progress on the digital transformation journey across all businesses and operational functions. The digital strategy aims at driving growth and innovation across the organization. The objective set out was to build an agile digital ecosystem that increased productivity and significantly optimized cost. A series of products and service offerings across retail and commercial channels helped increase Tata Capital's digital footprint across the country.

During FY 2020-21, Tata Capital laid special emphasis on further enhancing customer experience across all products and services. Seamless digital platforms were launched and the existing platforms were enhanced for paperless and instant disbursal of loans to all eligible customers. This paved the way for growth and also helped acquire new customers. In addition, cross sell of various products across digital platforms created further opportunities for growth. During the year, various new platforms were launched for retail and commercial loan customers. This included industry-first products such as instant online sanctions for home loans, online business loans, automated renewals for channel finance customers, term loans products amongst others. Various digital offerings were upgraded such as the Construction Equipment loans digital journey to accommodate higher ticket size applications which was exclusively launched for Tata Capital's Relationship Managers and Dealer partnerships. Also, service features were enabled across customer segments which include servicing via bots, WhatsApp based servicing and others. Mobile app-based servicing was also introduced for new customer segments. Further, there was greater focus on the implementation of score-based decisions for customer applications — retail as well as small and medium enterprises. In addition, there was significant automation carried out across all processes related to debt servicing. This included automation of banking process, introduction of new digital payment channels, simplification and automation of the allocation processes. Further, smart automation was used to upgrade other processes such as operations, fraud control and field investigation. Technology continues to play a crucial role in re-imagining customer journeys, simplifying processes and creating new platforms and channels for customers to engage.

During FY 2020-21, use of data science was increased across all functions in the organisation. The objective was to build a data driven culture across the organization and use data at all points to make faster and smarter decisions across all businesses. Data Analytics continued to be used in all businesses and functions – customer acquisition, underwriting, risk management, operations, customer service and debt servicing. Customer insights using data has helped design new marketing strategies, improve underwriting, enhance collection efficiency, address customer needs and grievances on a real – time basis. Data Analytics will play an important role in exponentially improving productivity, accelerating growth and efficiently managing risk control at Tata Capital.

13. 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 seventh TBEM external assessment conducted by the Tata Business Excellence Group a division of Tata Sons Private Limited, between July to December 2020 and was placed in the 600-650 score band, which indicates the level of "Emerging Industry Leader" with an absolute score of 624 (TBEM score in 2018 was 582). This reflects a significant improvement in the journey of Excellence. This was also the first time, TCL participated in the TBEM 2020 External Assessment along with all its subsidiaries and businesses. All subsidiaries and businesses have been recognized as "Emerging Industry Leaders".

The assessment provided Tata Capital with important granular feedback in terms of its current strengths and opportunities for improvements to work towards in the coming year. Key strengths indicated in the TBEM 2020 Assessment were the (i) Organization's alignment with its Vision and the building of capability and structure for achieving the Vision (ii) Focus on building a quality book and (iii) Risk Management, Internal Audit and Governance mechanisms.

Tata Capital has implemented many improvement initiatives involving people, process, digitization and technology over the last few 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 with an objective to gain a competitive advantage. Many practices of Tata Capital have been recognized as Group wide Best Practices consistently in the last many years.

14. THE TATA CAPITAL BRAND

The Tata Capital brand has been built around the commitment of delivering on promises. The brand has grown with consistency and has good level of awareness and consideration in the Financial Services sector, especially amongst the NBFCs.

In 2020, Tata Capital raised its brand positioning by asking customers to "Count on Us". This year has been full of challenges and at Tata Capital, we wanted to 'deliver' more than just 'promises' made to our Customers. The year began with a nationwide lockdown and amidst all the efforts and struggles, the message of positivity was spread through our social media campaign #WeCountOnYou. It had eminent influencers encouraging people to extend a helping hand to everyone around them in the difficult times of the lockdown. The Diwali Campaign further consolidated this positive positioning as it focused on optimism in unprecedented times.

The year 2021 was welcomed with the new Brand Campaign and here again, Tata Capital extended a helping hand to those who had been impacted owing to the pandemic. An exclusive product suite was worked upon called ShubhArambh Loans with an extended tenure and an eased eligibility. The focus was on the need of the hour, as we strongly believed "yeh sirf Karz nahi humara Farz bhi hai".

The campaign saw an overwhelming response on all mediums used in the form of enquiries. This was possible due to effective brand building with a blend of thoughtful media usage and insight-oriented communication to elevate marketing efforts.

In the past year, our Brand promise was also adorned with a new musical identity that included a new brand anthem and a signature tune. It was launched alongside the Brand Campaign and will soon be synonymous with brand Tata Capital. It has been a year where we constantly reassured our customers to "Count on Us". The brand will continue to focus on social media and digital media campaigns, with supplementing conventional media at regular intervals to raise salience and consideration.

15. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ("CSR") is deeply rooted in the Tata Group's business philosophy laid down by its Founder, Mr. 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 & Entrepreneurship, Health and Climate Action, as adopted by the CSR Committee and the Board of Directors of the Company. During FY 2020-21, the CSR Policy was amended to, *inter alia*, include the implementing mechanism and the guidelines on formulation of CSR Action Plan in order to align the CSR policy with the amended Companies (Corporate Social Responsibility) Policy Rules, 2014 as notified by the Ministry of Corporate Affairs vide its Notification dated January 22, 2021. 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.

In FY 2020-21, Tata Capital has spent an aggregate amount of Rs. 2,152.51 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 Rs. 0.37 lakh towards a foundation engaged in cancer treatment.

The CSR budget for TCL standalone was Rs. 106.20 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 (CSR 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'.

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.

16. 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 ("RBI Directions"), as amended from time to time, and it does not carry on any activity other than those permitted by the RBI for CICs.

During the year ended March 31, 2021, the Company issued NCDs on a private placement basis which are 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").

17. 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.

18. 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.

19. DIRECTORS

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Company vide its Resolution passed by Circulation on March 30, 2021 have approved the appointment of Ms. Malvika Sinha (DIN: 08373142) as an Additional Director of the Company with effect from April 1, 2021 up to the ensuing Annual General Meeting ('AGM") of the Company and as an Independent Director of the Company, for an initial term of 3 years commencing from April 1, 2021 up to March 31, 2024, subject to the approval of the Members of the Company. The Company has received a Notice as per the provisions of Section 160 of the Act, from a Member proposing the appointment of Ms. Sinha as a Director of the Company.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Farokh N. Subedar (DIN: 00028428), 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 Resumes of Ms. Sinha and Mr. Subedar.

Pursuant to the 'Fit and Proper' Policy adopted by the Company under the RBI Directions for CICs, the Company has received the 'Fit and Proper' declarations from Ms. Sinha and Mr. Subedar for their appointment / re-appointment, as Directors of the Company, which have been taken on record by the NRC.

The Company has received declarations from the Independent Directors, viz. Ms. Varsha Purandare (DIN: 05288076) and Ms. Sinha (DIN: 08373142) 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 the 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 Manesar.

During the year, Mr. Mehernosh B. Kapadia and Mr. Nalin M. Shah retired as the Independent Directors of the Company with effect from the end of day on October 23, 2020 and March 31, 2021, respectively.

20. 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 as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the 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.

21. 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 Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'fit and proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the RBI Directions for CICs. The Company has received the 'Fit and Proper' declarations from all the Directors of the Company in April 2021, which have been taken on record by the NRC.

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

22. KEY MANAGERIAL PERSONNEL

During FY 2020-21, Ms. Avan Doomasia, resigned as the Company Secretary ("CS"), with effect from the end of day on November 30, 2020 and consequently, ceased to be the KMP of the Company. Ms. Sarita Kamath was appointed as the CS and KMP of the Company, in addition to her role as Head – Legal and Compliance, with effect from December 1, 2020.

Mr. Rajiv Sabharwal, Managing Director & CEO, Mr. Rakesh Bhatia, Chief Financial Officer and Ms. Sarita Kamath, Head – Legal and Compliance & Company Secretary, are the KMPs of the Company.

23. 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 2020-21.

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, Indian Accounting Standards 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 Act, other relevant provisions of the Act, guidelines issued by Regulators as applicable to an NBFC and other accounting principles generally accepted in 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 profits 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.

24. 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, investors, regulators and other stakeholders. 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.

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, 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 Tata Code of Conduct ("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 at the Workplace, a Fit and Proper Policy for ascertaining the fit and proper criteria of the directors at the time of appointment and on a continuing basis, a Policy on Board Diversity and Director Attributes, a Code of Conduct for Non-Executive Directors, an Occupational Health and Safety Management System, Anti-Bribery and Anti-Corruption ("ABAC") Policy and Whistleblower policy.

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.

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 date of this Report the Board comprises of six Directors viz. Mr. Saurabh Agrawal, Chairman of the Board of Directors and Non-Executive Director, Mr. Farokh N. Subedar, Non-Executive Director, Ms. Varsha Purandare, Independent Director, Ms. Malvika Sinha, Additional (Independent) Director, Ms. Aarthi Subramanian, Non-Executive Director and Mr. Rajiv Sabharwal, Managing Director & CEO of the Company.

During the year, Mr. Mehernosh B. Kapadia and Mr. Nalin M. Shah retired as the Independent Directors of the Company with effect from the end of day on October 23, 2020 and March 31, 2021, respectively.

Ms. Malvika Sinha was appointed as an Additional Director of the Company with effect from April 1, 2021 up to the ensuing AGM of the Company and as an Independent Director of the Company, for an initial term of 3 years commencing from April 1, 2021 up to March 31, 2024, subject to the approval of the Members of the Company.

During FY 2020-21, six meetings of the Board of Directors were held on the following dates: June 30, 2020, August 19, 2020, September 4, 2020, November 12, 2020, January 12, 2021 and February 11, 2021.

The details of attendance at Board Meetings held during FY 2020-21 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 September 8, 2020
			Held	Attended	
Mr. Saurabh Agrawal	02144558	Chairman and Non-Executive Director	6	6	Yes
Mr. Farokh N. Subedar	00028428	Non-Executive Director	6	6	Yes
Mr. Nalin M. Shah	00882723	Former Independent Director	6	6	Yes
Mr. Mehernosh B. Kapadia	00046612	Former Independent Director	6	3	No
Ms. Varsha Purandare	05288076	Independent Director	6	5	Yes
Ms. Aarthi Subramanian	07121802	Non-Executive Director	6	6	Yes
Mr. Rajiv Sabharwal	00057333	Managing Director & CEO	6	6	Yes

Mr. Nalin M. Shah, former Chairman of the Audit Committee and Ms. Aarthi Subramanian, Chairperson of the Stakeholders Relationship Committee had attended the last AGM of the Company.

b. **Remuneration to the Directors**

The Company paid Sitting fees to the Non-Executive Directors and Independent Directors for attending meetings of the Board and the Committees of the Board and will pay Commission for FY 2020-21, within the maximum prescribed limits to the NEDs and IDs who were

Directors of the Company during FY 2020-21, as recommended by the NRC and approved by the Board at their respective meetings held on
April 19, 2021 and April 23, 2021. The details of the same are, as under:

(₹ in lakh)

Name of Director(s)	Sitting Fees paid for attending Board and Committee Meetings held during FY 2020-21	Commission to be paid for FY 2020-21
Mr. Saurabh Agrawal, Chairman and Non-Executive Director	3.40	–
Mr. Farokh N. Subedar, Non-Executive Director	5.90	25
Mr. Nalin M. Shah, Former Independent Director	10.50	25
Mr. Mehernosh B. Kapadia, Former Independent Director	4.60	14.58
Ms. Varsha Purandare, Independent Director	6.80	25
Ms. Aarthi Subramanian, Non-Executive Director	4.50	–

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

Terms of Appointment and Remuneration of Mr. Rajiv Sabharwal, Managing Director & CEO:

Period of Contract	April 1, 2018 to March 31, 2023
Notice Period and Severance Fees	The Contract with the Managing Director & CEO may be terminated earlier by either party giving the other Party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof. There is no separate provision for payment of Severance fees.
Employee Stock Options ("ESOP")	49,60,000 ESOPs granted to be vested in 4 tranches over a period of 4 years and exercisable over a period of 7 years. ESOPs cost : Rs. 2,55,15,474 *Note:* ● *No ESOPs have been issued at a discount* ● *The compensation cost of Stock Options as mentioned above represents the amortised cost of the Fair Value of the Stock Options charged to the Statement of Profit and Loss.*
Salary	Rs. 4,92,14,950
Incentive Remuneration for FY 2020-21 to be paid in FY 2021-22	Rs. 4,00,00,000
Perquisites and allowances	Rs. 20,30,500
Retirement benefits	Rs. 68,22,704

The Members at its meetings held on March 29, 2018 and September 8, 2020 have approved the terms of remuneration including the Minimum remuneration to be paid to Mr. Sabharwal in the event of loss or inadequacy of profits in any financial year during his tenure.

Accordingly, at the meetings of the NRC and the Board of Directors held on May 31, 2021 respectively, an Incentive Remuneration of Rs. 4 crore was approved as payable to Mr. Sabharwal for FY 2020-21. With this, the total remuneration of Mr. Sabharwal for FY 2020-21, was Rs. 12.36 crore.

c. Committees of the Board

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

As on date of this Report the Audit Committee comprises of three Directors viz. Ms. Varsha Purandare, Chairperson and Independent Director, Ms. Malvika Sinha, Additional (Independent) Director and Mr. Farokh N. Subedar, Non-Executive Director.

The following changes occurred in the composition of the Audit Committee from April 1, 2020 to the date of this Report:

i. Mr. Mehernosh B. Kapadia ceased to be the Member of the Audit Committee, with effect from end of the day on October 23, 2020;

ii. Mr. Nalin M. Shah ceased to be the Member and Chairman of the Audit Committee with effect from end of day on March 31, 2021;

iii. Ms. Varsha Purandare was inducted as the Member of the Audit Committee, with effect from October 24, 2020. Subsequently, Ms. Purandare was designated as the Chairperson of the Audit Committee, with effect from April 1, 2021; and

iv. Ms. Malvika Sinha was inducted as the Member of the Audit Committee with effect from April 1, 2021.

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.

During FY 2020-21, four meetings of the Audit Committee were held on the following dates: June 29, 2020, September 2, 2020, November 11, 2020 and February 5, 2021.

The details of attendance at the Audit Committee meetings held during FY 2020-21 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Ms. Varsha Purandare	Chairperson and Independent Director	4	2
Mr. Nalin M. Shah	Former Chairman and Independent Director	4	4
Mr. Farokh N. Subedar	Non-Executive Director	4	4
Mr. Mehernosh B. Kapadia	Former Independent Director	4	2

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.

The responsibilities of the Audit Committee, *inter alia*, include:

- 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 examine the financial statements and the Auditors' Report thereon;
- To evaluate adequacy of the risk management systems;
- 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 review findings of internal investigations, frauds, irregularities, etc.; and
- To review the functioning of and compliance with the Company's Whistle Blower Policy.

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 as on date of this Report is, given below:

Name of the Member(s)	Category
Ms. Varsha Purandare	Chairperson and Independent Director
Ms. Malvika Sinha	Additional (Independent) Director
Mr. Saurabh Agrawal	Non-Executive Director

The following changes occurred in the composition of the NRC from April 1, 2020 to the date of this Report:

i. Mr. Mehernosh B. Kapadia ceased to be the Member of the NRC, with effect from end of the day on October 23, 2020;

ii. Mr. Nalin M. Shah ceased to be the Member and Chairman of the NRC with effect from end of day on March 31, 2021;

iii. Ms. Varsha Purandare was inducted as the Member of the NRC, with effect from October 24, 2020. Subsequently, Ms. Purandare was designated as the Chairperson of the NRC, with effect from April 1, 2021; and

iv. Ms. Malvika Sinha was inducted as the Member of the NRC, with effect from April 1, 2021.

Terms of reference

The responsibilities of the NRC, *inter alia*, include:

– 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 and approve the remuneration/compensation packages 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 decide Commission payable to the directors, subject to prescribed limits and approval of shareholders; and

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

iii. Risk Management Committee ("RMC")

Composition

The composition of the RMC as on date of this Report is, given below:

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

Mr. Nalin M. Shah ceased to be the Member of RMC with effect from end of day on March 31, 2021.

Terms of reference

The responsibilities of the RMC, *inter alia*, include:

– 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 as on the date of this Report is, given below:

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

Mr. Nalin M. Shah ceased to be the Member of ALCO with effect from end of day on March 31, 2021.

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 as on the date of this Report is, given below:

Name of the Member(s)	Category
Ms. Malvika Sinha	Chairperson and Additional (Independent) Director
Ms. Varsha Purandare	Independent Director
Ms. Aarthi Subramanian	Non-Executive Director
Mr. Rajiv Sabharwal	Managing Director & CEO
Mr. Bhavin Purohit	Chief Technology Officer

The following changes occurred in the composition of ITSC from April 1, 2020 to the date of this Report:

i. Mr. Mehernosh B. Kapadia ceased to be the Member of the ITSC, with effect from end of the day on October 23, 2020;

ii. Mr. Nalin M. Shah ceased to be the Member and Chairman of the ITSC with effect from end of day on March 31, 2021; and

iii. Ms. Malvika Sinha was inducted as the Member as also the Chairperson of the ITSC, with effect from April 1, 2021.

Terms of reference

The responsibilities of the ITSC, *inter alia,* include:

– To approve the IT strategy and policy documents;

– 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; and

– To recommend the appointment of IT/IS Auditor and review the IT/Information Systems Audit report and provide its observation/recommendations to the Board.

vi. Corporate Social Responsibility ("CSR") Committee

Composition

The composition of CSR Committee as on date of this Report is, given below:

Name of the Member(s)	Category
Mr. Saurabh Agrawal	Chairman and Non-Executive Director
Mr. Farokh N. Subedar	Non-Executive Director
Ms. Malvika Sinha	Additional (Independent) Director
Ms. Aarthi Subramanian	Non-Executive Director
Mr. Rajiv Sabharwal	Managing Director & CEO

The following changes occurred in the composition of CSR Committee from April 1, 2020 to the date of this Report:

i. Mr. Mehernosh B. Kapadia ceased to be the Member of CSR Committee, with effect from end of the day on October 23, 2020;

ii. Mr. Nalin M. Shah was inducted as the Member of CSR Committee, with effect from October 24, 2020. Subsequently, Mr. Shah ceased to be the Member of the CSR Committee with effect from March 31, 2021; and

iii. Ms. Malvika Sinha was inducted as the Member of the CSR Committee with effect from April 1, 2021.

Terms of reference

The responsibilities of the CSR Committee, *inter alia,* include:

– 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; and

– 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.

vii. Stakeholders Relationship Committee ("SRC")

Composition

The composition of the SRC as on the date of this Report is, given below:

Name of the Member(s)	Category
Ms. Aarthi Subramanian	Chairperson and Non-Executive Director
Ms. Malvika Sinha	Additional (Independent) Director
Mr. Rajiv Sabharwal	Managing Director & CEO

The following changes occurred in the composition of SRC from April 1, 2020 to the date of this Report:

i. Mr. Mehernosh B. Kapadia ceased to be the Member of the SRC, with effect from end of the day on October 23, 2020;

ii. Mr. Nalin M. Shah was inducted as the Member of SRC, with effect from October 24, 2020. Subsequently, Mr. Shah ceased to be the Member of the SRC with effect from March 31, 2021; and

iii. Ms. Malvika Sinha was inducted as the Member of the SRC with effect from April 1, 2021.

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, 2021, 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 FY 2019-20	14,76,557	March 30, 2027
Total	**14,76,557**	

As on March 31, 2021, 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 2020-21. Ms. Avan Doomasia, former Company Secretary, consequent to her resignation as the Company Secretary of the Company, ceased to be the Nodal Officer of the Company with effect from the end of day on November 30, 2020 and Ms. Sarita Kamath, Head – Legal and Compliance and Company Secretary has been appointed as the Nodal Officer, for and on behalf of the Company for the purpose of verification of claims and co-ordination with IEPF Authority, with effect from December 1, 2020, under IEPF Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019. The Contact details of Persons handling Investor Grievance are available on the website of the Company at www.tatacapital.com under Investor Information tab.

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 at 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 are listed on the NSE. 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 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: +8097474641, 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) C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai - 400 083 Website: www.tcplindia.co.in, Phone No.: 022- 66568484, e-mail: csg-unit@tcplindia.co.in

25. 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 Company's ABAC Policy and to the Chairperson 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

26. 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 2020-21, no complaints were received under the provisions of the POSH Act.

27. STATUTORY AUDITORS

At the Twenty Sixth AGM of the Company held on August 29, 2017, B S R & Co. LLP, 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.

28. 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, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013. 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.

29. EXPLANATION ON STATUTORY AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by BSR & Co. LLP, Chartered Accountants, Statutory Auditors, in their Reports dated April 23, 2021 on the Financial Statements of the Company for FY 2020-21.

30. 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 2020-21. 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 April 23, 2021 on the secretarial and other related records of the Company, for FY 2020-21.

31. 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, 2021 and May 31, 2021, being the date of this Report.

32. 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.

33. 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.

At Tata Capital regular Electrical audits as part of Energy Conservation activity are conducted and suggested measures are implemented to achieve and improve energy efficiency.

Several Office premises of Tata Capital have been retrofitted with LED lights to conserve electricity, as LED lights consume less electricity as compared to the conventional CFL bulbs. Air Conditioners' temperature across all Tata Capital Offices are maintained at the optimum ambient temperature (24-25 degree celsius) resulting into savings of energy and also at some premises outgoing air conditioner duct design has been modified to provide better energy efficiencies.

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 are being retrofitted with LED bulbs that consume less electricity as compared to the conventional incandescent or CFL bulbs.

iii. Capital investment on energy conservation equipment:

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:

Being a Core Investment Company and not being involved in any industrial or manufacturing activities, the Company has no particulars to report regarding technology absorption.

(C) Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of actual inflows during the year under review was Rs. 17.12 crore and the Foreign Exchange Outgo during the year under review in terms of actual outflows was Rs. 0.01 crore.

34. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the website of the Company at www.tatacapital.com under Investor Information tab.

35. 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. For implementation of the Scheme, the TCL Employee Welfare Trust ("Trust") was set up.

The Trust entrusted the NRC of the Board, with powers to effectively administer the Scheme. In accordance with 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, 2021, out of 7,02,34,526 Equity Shares of the Company allotted to the Trust, 1,77,38,997 Equity Shares of the Company aggregating 0.50% of its total paid up Equity Share Capital were held by the persons to whom ESOPs were granted and were exercised by them under the ESOP scheme.

The following disclosures, pertaining to ESOPs for the FY 2020-21, are being made as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014:

Sr. No.	Particulars	
(i)	Options Granted	71,50,000
(ii)	Options Vested	30,85,000
(iii)	Options Exercised	15,000
(iv)	Total number of shares arising out of exercise of Options	15,000
(v)	Options Lapsed	23,85,000
(vi)	Exercise Price	Rs. 50.60
(vii)	Money realized by exercise of Options	Rs. 7,59,000
(viii)	Variation of terms of Options	-
(ix)	Total number of Options in force as at March 31, 2021 *(Total No. of Options granted so far Less Total No. of Options exercised and lapsed / forfeited)*	1,91,00,000

Employee-wise details of options granted, during FY 2020-21, to (Options yet to be exercised):

a. Key Managerial Personnel:

Sr. No.	Name of Key Managerial Personnel	No. of Options granted
(i)	Mr. Rajiv Sabharwal	17,60,000
(ii)	Mr. Rakesh Bhatia	2,00,000
(iii)	Ms. Sarita Kamath*	1,10,000
(iv)	Ms. Avan Doomasia*	-

**Ms. Sarita Kamath has been appointed as a CS and KMP of the Company with effect from December 1, 2020 and Ms. Avan Doomasia ceased to be the CS and KMP of the Company with effect from end of day on November 30, 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. Anil Kaul*	6,60,000
Ms. Abonty Banerjee	4,40,000
Mr. Sarosh Amaria*	4,40,000
Mr. Manish Chourasia*	3,85,000
Mr. Avijit Bhattacharya	3,85,000

Employees of the Subsidiary Companies

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.

36. 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, 2021, is annexed as Annexure 'D'.

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, 2021, 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 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.

37. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms an integral part of this Annual Report.

38. 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. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs, 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 2020-21 of the Company's subsidiaries, is also available on the website of the Company, www.tatacapital.com.

39. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from the RBI, the NHB, SEBI, Registrar of Companies, MAS, 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, team work, professionalism and the resilience and dedication demonstrated by them during this difficult period of COVID-19 pandemic.

For and on behalf of the Board of Directors

Saurabh Agrawal
Chairman
DIN: 02144558

Mumbai
May 31, 2021

Annexure A

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

1. Brief outline on CSR Policy of the Company.

Vision: 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:

- Education
- Climate Action
- Health
- Skill Development

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. Composition of CSR Committee:

Sr. No.	Name of Member(s)	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Saurabh Agrawal	Chairman and Non-Executive Director	2	2
2.	Mr. Farokh N. Subedar	Non-Executive Director	2	2
3.	Mr. Mehernosh B. Kapadia[i]	Independent Director	2	1
4.	Mr. Nalin M. Shah[ii]	Independent Director	2	1
5.	Ms. Malvika Sinha[iii]	Additional (Independent) Director	2	Not Applicable
6.	Ms. Aarthi Subramanian	Non-Executive Director	2	2
7.	Mr. Rajiv Sabharwal	Managing Director & CEO	2	2

i. *Mr. Mehernosh B. Kapadia retired as an Independent Director of the Company with effect from end of the day on October 23, 2020.*

ii. *Mr. Nalin M. Shah was inducted as a Member of CSR Committee with effect from October 24, 2020. Subsequently, Mr. Shah retired as an Independent Director of the Company with effect from the end of day on March 31, 2021.*

iii. *Ms. Malvika Sinha was appointed as an Additional (Independent) Director of the Company with effect from April 1, 2021. Consequently, Ms. Sinha was inducted as a Member of the CSR Committee with effect from the same date.*

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

Composition of CSR Committee:
https://www.tatacapital.com/content/dam/tatacapital/pdf/footer/TCL_CSR%20Committee%20Composition.pdf

CSR Policy and CSR projects approved by the Board:
https://www.tatacapital.com/content/dam/tata-capital/pdf/footer/TCL-CSR%20Policy.pdf

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**
Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.**
Nil

6. **Average net profit of the company as per section 135(5):**

Financial Year	Net Profit (net of dividend) (in ₹)
FY 2017-18	22,91,956
FY 2018-19	1,19,31,28,388
FY 2019-20	39,74,68,080
Average Net Profit	**53,09,62,808**

7. (a) **Two percent of average net profit of the company as per section 135(5) :**
₹ 1,06,19,256/- rounded off to ₹ 1,06,20,000/-

(b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

(c) **Amount required to be set off for the financial year, if any:** Nil

(d) **Total CSR obligation for the financial year (7a+7b-7c):**
₹ 1,06,19,256/- rounded off to ₹1,06,20,000/-

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer.	Name of the Fund	Amount.	Date of Transfer
1,06,20,000	**Nil**	**NA**	**NA**	**Nil**	**NA**

(b) **Details of CSR amount spent against ongoing projects for the financial year:**
Not Applicable

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District.			Name	CSR Registration number
1	ProAspire	ii	Yes	Pan India	Pan India	61,00,000	No	Tata Community Initiatives Trust	CSR00002739
2	Arogyatara	i	Yes	Tamil Nadu	Kuppam	45,20,000	No	CBM India Trust	CSR00001156
					Total	1,06,20,000			

Notes:

Project Name Description – ProAspire is a skilling initiative; Aarogyatara is an eye care and treatment project

(d) **Amount spent in Administrative Overheads:** Nil

(e) **Amount spent on Impact Assessment, if applicable:** Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e) :** ₹ 1,06,20,000/-

(g) **Excess amount for set off, if any:** Nil

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,06,20,000
(ii)	Total amount spent for the Financial Year	1,06,20,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**
Not Applicable

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**
Not Applicable

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

(a) **Date of creation or acquisition of the capital asset(s) :** Not Applicable

(b) **Amount of CSR spent for creation or acquisition of capital asset:** Nil

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. :** Not Applicable

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not Applicable

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

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

Malvika Sinha
Member, CSR Committee
Independent Director
DIN: 08373142

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, 2021

(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, to the extent 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, 2021 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, 2021 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; (as may be applicable to the Company)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (as may be applicable to the Company)

(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; (as may be applicable to the Company)

(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 with respect to Non-Convertible Debentures issued by the Company on a private placement basis 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.

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. Consequent upon the exercise of Call Option by the Company, the Company has redeemed 30,00,000 Cumulative Redeemable Preference Shares ("CRPS") of ₹ 1,000 each at par, aggregating ₹ 300 crore, which were issued on a private placement basis.

ii. Consequent upon the exercise of Put Option by 14 CRPS holders for redemption of 74,000 CRPS, the Company has redeemed 74,000 CRPS of ₹ 1,000 each at par, aggregating ₹ 7.40 crore, which were issued on a private placement basis.

iii. The Company had issued and allotted 9,050 Unsecured Listed Non Convertible Debentures for an aggregate amount of Rs. 905 crore, on a private placement basis.

iv. The Company had issued 8,000 units of Commercial Papers ("CP") for an aggregate amount of Rs. 400 crore (Face Value)

v. The Company had redeemed 16,000 units of CPs for an aggregate amount of Rs. 800 crore (Face Value)

vi. 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 15,000 Equity Shares to the employees of the Company and its subsidiary companies and has bought back 7,61,335 Equity Shares in terms of the ESOP Scheme.

For **Parikh & Associates**
Company Secretaries

Jigyasa N. Ved
(Partner)
FCS No: 6488 CP No: 6018
UDIN: F006488C000162006

Mumbai
April 23, 2021

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: F006488C000162006

Mumbai
April 23, 2021

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 fourth 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 Capital Financial Services Limited	Subsidiary	a) Inter Corporate Deposits ("ICD") placed during the year	2,48,099	Tenor up to 1 year	Cost of Funds for previous month plus 25 bps.	–
			b) ICDs repaid during the year	1,91,391	Tenor up to 1 year	Not Applicable	–
			c) Dividend received on Equity shares	14,995	Not Applicable	During FY 2020-21, Interim Dividend was declared twice at the rate of Rs 0.35 and Rs. 0.57 per share on Equity shares	–
			d) Interest Income on ICDs during the year	6,672	Tenor of up to 1 year	Cost of Funds for previous month plus 25 bps	–
2	Tata Capital Housing Finance Limited	Subsidiary	a) ICDs placed during the year	1,23,840	Tenor up to 1 year	Cost of Funds for previous month plus 25 bps	–
			b) ICDs repaid during the year	1,20,950	Tenor up to 1 year	Not Applicable	–
			c) Dividend received on Equity shares	5,038	Not Applicable	During FY 2020-21, Interim Dividend was declared twice at the rate of Rs 0.35 and Rs. 0.57 per share on Equity shares	–
3	Tata Cleantech Capital Limited	Subsidiary	a) ICDs placed during the year	38,500	Tenor up to 1 year	Cost of Funds for previous month plus 25 bps	–
			b) ICDs repaid during the year	78,500	Tenor up to 1 year	Not Applicable	–
4	Tata Capital Healthcare Fund I	Subsidiary	a) Proceeds from Divestment	7,447	Not Applicable	Proportionate divestment proceeds attributable to units held by Tata Capital Limited	–
5	Tata Capital Growth Fund II	Subsidiary	a) Investment in units of Fund	9,300	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
May 31, 2021

Annexure D

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 2020-21 is, as under:

Name of Director(s)	Ratio to Median
Mr. Saurabh Agrawal#	-
Mr. F. N. Subedar	0.23:1
Mr. Mehernosh B. Kapadia*	-
Mr. Nalin M. Shah	0.27:1
Ms. Varsha Purandare	0.24:1
Ms. Aarthi Subramanian#	-
Mr. Rajiv Sabharwal	9.21:1

Notes:

#In line with the internal guidelines of the Company, no payment is made towards commission to Non-Executive Directors of the Company, who are in full-time employment with any other Tata Company.

**Mr. Mehernosh B. Kapadia retired as an Independent Director of the Company with effect from end of day on October 23, 2020 and hence not stated.*

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 2020-21 is, as under:

Name of Director(s)	% increase/ decrease in Remuneration
Mr. Saurabh Agrawal#	-
Mr. F. N. Subedar	5
Mr. Mehernosh B. Kapadia*	-
Mr. Nalin M. Shah	6
Ms. Varsha Purandare	14
Ms. Aarthi Subramanian#	-
Mr. Rajiv Sabharwal	14.4

Notes:

#In line with the internal guidelines of the Company, no payment is made towards commission to Non-Executive Directors of the Company, who are in full-time employment with any other Tata Company.

**Mr. Mehernosh B. Kapadia retired as an Independent Director of the Company with effect from end of day on October 23, 2020 and hence the percentage increase / decrease in his remuneration, has not been stated.*

The percentage increase/decrease in the remuneration of the Chief Financial Officer and Company Secretary for FY 2020-21 is, as under:

(i) Mr. Rakesh Bhatia was appointed as the Chief Financial Officer of the Company, with effect from March 2, 2020. Hence, the percentage change in remuneration paid during FY 2019-20 is not comparable to the remuneration paid during FY 2020-21.

(ii) Ms. Avan Doomasia, resigned as the Company Secretary of the Company, with effect from the end of day on November 30, 2020. In view of the same, the percentage increase in her remuneration, has not been stated.

(iii) Ms. Sarita Kamath was appointed as the Company Secretary of the Company with effect from December 1, 2020, hence the percentage increase in her remuneration, has not been stated.

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

There is a decrease in the median remuneration of employees in FY 2020-21 by 2.7% as compared to FY 2019-20.

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, 2021, were 42.

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 23%. The percentage increase in the overall Managerial Remuneration is 22.9%.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

1. ABOUT TATA CAPITAL

Tata Capital Limited ("TCL" or "Company"), registered with the Reserve Bank of India ("RBI") as a Systemically Important Non-Deposit Accepting Core Investment Company ("CIC"), primarily holds investments in its subsidiaries which are mainly engaged in lending and offering a wide array of services/products in the financial services sector. TCL is a subsidiary of Tata Sons Private Limited. TCL and its subsidiaries are hereinafter collectively referred to as "Tata Capital". TCL has sponsored Private Equity Funds in India, to which, it acts as an Investment Manager.

TCL has the following 3 subsidiaries engaged in the lending business:

i) **Tata Capital Financial Services Limited ("TCFSL")**, a wholly-owned subsidiary of TCL, is registered with the RBI as a Systemically Important Non-Deposit Accepting Non-Banking Financial Company ("NBFC-ND-SI"). TCFSL is a one stop financial service provider that caters to the diverse needs of the Retail, Corporate and Institutional Customers, across various areas of business namely the – SME and Commercial Finance segment and Consumer Loans segment.

ii) **Tata Capital Housing Finance Limited ("TCHFL")**, a wholly-owned subsidiary of TCL, is registered as a Housing Finance Company with the National Housing Bank offering long-term finance for housing purposes.

iii) **Tata Cleantech Capital Limited ("TCCL")** is registered with the RBI as an Infrastructure Finance Company. 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 respectively. TCCL offers finance and advisory services to entities in the clean technology and infrastructure space.

Apart from lending business, TCL has:

Private Equity 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 Funds. The Company has sponsored these Funds and acts as their Investment Manager.

Presence in Singapore: Tata Capital Pte. Ltd. ("TCPL"), a wholly-owned subsidiary of TCL, has been established in Singapore and is responsible for Tata Capital's international presence and activities. TCPL's 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.

Tata Securities Limited ("Tata Securities") is a wholly-owned subsidiary of the Company. Tata Securities has been empaneled with several Asset Management Companies operating in India. Tata Securities is currently engaged in the business of distribution of Mutual Fund units.

2. INDUSTRY AND ECONOMIC SCENARIO

Non-Banking Financial Companies ("NBFCs"), are one of the most critical pillars for financial services in India. They play an important role in reaching out to a hitherto under/unserved and thereby broad-basing the formal lending ecosystem, and at the same time, bringing the benefits of formalization to the *'Bharat'* we know. NBFCs cater to the needs of both retail as well as commercial sectors and, at times, develop strong niches with their specialized credit delivery models that even larger players including banks have found hard to match. They play a critical role in supporting economic growth across income levels, sectors as well as geographies, and in doing so, leading to more employment opportunities and greater wealth creation.

Over the past few years, NBFCs have steadily gained prominence and visibility with NBFCs' credit as proportion of scheduled commercial banks' non-food credit rising sharply during 2014 to 2019. However, the challenging macroeconomic environment, weaker than expected demand, liquidity concerns, and lower investor confidence in the sector, led to a significant moderation in the financial performance in FY 2019-20. While there were green shoots of recovery in the second half of the year, the spread of COVID-19 at the beginning of FY 2020-21, significantly altered the growth outlook. The whole country witnessed a lockdown at the beginning of the financial year which curtailed any hope for economic recovery post the lows of FY 2019-20. The financial services were severely hit during this time, as on one hand, the demand for credit plunged, and on the other hand, the quality of the book worsened.

The government and regulators rolled out multiple measures to support the sector, however, most of the players turned conservative limiting the growth and focused solely on collections and recovery. The impact on the vulnerable segments was disproportionately more, affecting their ability to generate cash flows and service their loans. The first half of FY 2020-21 saw the first wave of the pandemic peaking in the month of September and gradually lowering down by February. This period was accompanied by an upswing in the business as well as financial performance of the sector with most of the NBFCs reaching pre-COVID business volumes as well as collections in the fourth quarter of the year.

However, with the second wave hitting the country and the consistent rise in the number of new infections, there may again be significant disruption in the business operations affecting all segments – retail as well as commercial. As a result, managing asset quality and cost of operations may again become more important in the first half of the next year vis-à-vis loan growth. Tata Capital remains cautious on the growth outlook for the next year while keeping a close watch on the evolving healthcare situation, pace of vaccinations, monsoons, commodity prices and how the government and regulators assess and address the economic downslide with various fiscal and monetary policy measures. With the focus on both protecting lives as well as livelihoods through mass vaccinations as well as micro-containment strategy, we anticipate a faster economic recovery in the second wave. Furthermore, the concerted efforts of the government along with the strong participation from private sector should go a long way in effectively handling the pandemic and its after-affects.

3. COVID-19 PANDEMIC AND OUR RESPONSE

Consequent to the outbreak of the COVID-19 pandemic, the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government. With the second wave which has seen sudden increase in the number of cases, regional lockdowns continue.

The impact of COVID-19, including changes in customer behavior and pandemic fear, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets. 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 is highly uncertain.

In response, Governments across the world have taken massive fiscal measures to protect the economic activity. Regulators too have initiated multiple monetary and regulatory measures.

The extent to which the global pandemic will impact the Tata Capital's performance is uncertain.

Tata Capital has taken, amongst others, the following steps to combat this pandemic:

- We have accorded topmost priority to safety and well-being of the employees: Tata Capital has ensured that all employees were immediately moved to "Work from Home" arrangement in compliance with the Government's rules.

- In order to address this risk and to seamlessly carry out normal operations, Tata Capital immediately activated its Business Continuity Plan.
- Enhanced focus on credit quality and monitoring of the portfolio: Ensured portfolio monitoring through analytics, strengthening of collection teams, enhanced customer interactions through digital channels and strengthening of underwriting and credit controls. This helped us to maintain collection efficiency during the pandemic.
- Strengthened Customer focus: Took proactive measures to encourage payments through digital channels. Various mediums of communications were initiated by us to ensure interaction and engagement with the customers.
- Operating Costs: Focus on enhancing operating leverage by running slew of initiatives across expense lines including re-negotiations with vendors.
- Information Technology team ensured uninterrupted availability of core-systems, bandwidth and set-up virtual private networks for making platforms available to multiple users.
- Maintaining Sufficient Liquidity: Ensured adequate liquidity and has honored all its debt obligations. The Company's capital and liquidity positions remain strong and would continue to be an area of focus during this period.

Tata Capital has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors / information available, up to the date of approval of these financial statements for the year ended March 31, 2021. In order to cover the impact of COVID-19 on the future expected credit losses, Tata Capital has made a provision of Rs. 266 crore as on March 31, 2021 (Provision for the year ended March 31, 2020: Rs. 315 crore).

4. FINANCIAL PERFORMANCE ON A CONSOLIDATED BASIS

Even during the pandemic, Tata Capital has had a profitable year aided by expanding Net Interest Margins, prudent product mix, efficient liability management, focused management of operating costs and tightened credit policies/underwriting norms for containing credit costs.

Consolidated performance highlights of FY 2020-21 are, as under:

- The total loan book stood at Rs. 77,219 crore as at March 31, 2021.
- A well-diversified portfolio comprising of retail portfolio (63%), SME (14%) and corporate (23%).
- Cost to Income ratio improved from 42.4% in FY 2019-20 to 38.8% in FY 2020-21.
- The total provision to loan book improved from 2.9% in FY 2019-20 to 3.4% in FY 2020-21.
- The consolidated Net Non-Performing Assests stood at 0.9% with a healthy provision coverage ratio of 65%.
- Profit before tax increased Y-o-Y by 154% to Rs. 1,618 crore.
- Net profit after tax increased Y-o-Y by 280% to Rs. 1,126 crore.
- The Return on Equity increased from 3.4% in FY 2019-20 to 12.2% in FY 2020-21.
- All the lending subsidiaries are well capitalized and the capital adequacy ratio is well above the minimum stipulated RBI norms.
- Credit rating was reaffirmed to AAA by the leading credit rating agencies.

5. RISK MANAGEMENT

Being a financial institution, Tata Capital is exposed to various financial and non-financial risks viz. Credit Risk, Liquidity Risk, Market Risk, Operational Risk, Fraud Risk, Cyber Security Risk, Strategic Risk, Compliance and Reputation Risk.

Tata Capital has a robust and comprehensive Enterprise Risk Management ("ERM") framework which fosters a strong risk management culture across the Organization. The ERM framework includes the risk philosophy, approach, oversight structure and lays down detailed guidelines for risk identification, assessment and monitoring in line with the business strategies of Tata Capital.

At Tata Capital, risk management accountability and oversight form an integral part of the governance framework. The Risk Management Committee of the Board is set up to assist the Board in its oversight of various risks, analyze risk exposure related to specific issues and review the risk profile across Tata Capital. The Charter of the Risk Management committee is approved by the Board and lays down the risk management processes and controls.

The Risk Management Practices of the Company and its subsidiaries are compliant with ISO 31000:2018, which is the International Standard for Risk Management that lays down Principles, Guidelines and Framework for Risk Management in the Organization.

6. OPPORTUNITIES AND THREATS

NBFCs have played an important role by providing funding to the unbanked sector by catering to the diverse financial needs of the customers. Further, such companies play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. Emergency services like financial assistance and guidance is also provided to the customers in the matters pertaining to insurance. In the current year, the challenges for NBFCs have moved from liquidity to asset quality with the COVID-19 outbreak and the impact on customers repayment capacity to repay loans. Liquidity covers of the NBFCs are largely dependent on the repayments that they receive from their customers. In order to revive the economy, the RBI had announced numerous measures to inject liquidity and keep the cost of funds benign to increase credit offtake and promote economic growth. The regulator increased credit offtake to both Micro, Small & Medium enterprises and consumer segments (auto and housing).

In first half of FY 2020-21, collections were impacted, due to the announcement of lock down and rescheduling of payments as per the COVID-19 - Regulatory Package announced by the regulator on repayments between March 1, 2020 to August 31, 2020. With the increase in economic activity, post partial lockdowns being lifted, collection efficiencies across the lending entities have improved post September 2020.

The second wave of COVID-19 and its potential impact has now raised questions on the economic growth and credit offtake in India. Imposition of sudden lock downs / delay in vaccination program, could result in a deeper economic recession in near future posing threats for our lending business and may impact disbursals and consequent growth in the portfolio. The pressure on asset quality is expected to mount due to lockdown coupled with cash flow and liquidity issues for retail and MSME segments.

The Economist fraternity is expecting a sharp V-shaped recovery in the economy and are projecting India's GDP to grow in double digits which will result in increase in credit offtake and consumer spending. With its strong parentage, brand recognition, liquidity, and strong distribution network, Tata Capital is poised to capitalize on this opportunity and we foresee an increase in market share across all segments by introducing new products and tapping deeper markets. Further, we have a robust risk management framework with a deep understanding of underwriting and credit controls which will help us to mitigate the risk of deterioration in asset quality.

For our Private Equity business, we see a very limited impact. The performance of our portfolio companies continues to be robust and we don't forsee any challenges in making planned exits given the ample global liquidity and the buoyancy in capital markets. Further, our approach for the measured pace of investments till date have ensured that the fund have un-invested capital to deploy to capitalize on good investment opportunities.

7. 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.

8. 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 Organizations 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 shared service functions. Further, during FY 2020-21, 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, 2021. Based on the above, the Board believes that adequate Internal Financial Controls exist and are operating effectively.

9. HUMAN RESOURCES

Tata Capital had 4,048 permanent employees as of March 31, 2021.

Tata Capital firmly believes that Human Capital is its most important asset. During the COVID-19 pandemic, the health, safety & wellbeing of our employees & their families remained our top priority. A series of engagement interventions across identified key themes viz. Leadership Engagement, Employee Communication, Physical Fitness & Nutrition, Engaging Employees' Families, Fun@Work and Mental & Emotional Wellness were undertaken to assist employees deal with the sudden and unprecedented changes brought about during this period. Some of the key Employee Engagement initiatives across the aforementioned themes comprised Virtual Open sessions by the Managing Director & CEO and Business Unit Heads; COVID-19 Awareness & Getting Back to Work campaign through videos, mailers, booklets; a 24/7 Employee Assistance Program including counselling sessions, Wellness Webinars; Yoga Workshops; Nutrition tips and articles for boosting Immunity, Eye Care, Heart care; Q&A sessions with fitness experts; Digital Family Meets; Various fun activities to engage Kids at Home; WFH tips; Contests, Quiz; Sensitization sessions, COVID-19 mental awareness webinars, etc.

Continuing with our journey of "Happiness at the workplace", Tata Capital conducted the Employee Engagement & Happiness Survey – 2020. The response rate for the survey was an encouraging 92%. This survey was an important step in Tata Capital's journey to create a more positive and happy work environment by continuously seeking employee feedback. As a critical step post the survey, action planning was ensured, and several initiatives are being deployed to further strengthen engagement across Tata Capital.

During this period, we continued to deploy robust learning programs through Instructor Led Virtual Training sessions complimented by digital learning to ensure continuous development of our employees. Learn, unlearn and relearn continues to be our mantra.

The Advanced Learning Management System & introduction of the Learning Application at Tata Capital to promote anytime anywhere learning helped us deploy appropriate user-friendly modules. Dedicated digital learning campaigns have resulted in enhanced Learner Engagement and a higher e-learning coverage.

In addition to the above, several leadership development programs were conducted in collaboration with well-known universities and partners.

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 2021, 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2021, 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 the financial statements/ financial information referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Impairment of loans and advances to customers
Net Charge: INR 1,39,765 Lakhs for year ended 31 March 2021
Provision: INR 2,60,345 Lakhs at 31 March 2021
Refer to the accounting policies in “Note 28 to the Consolidated Financial Statements: Impairment on financial instruments”, “Note 7 to the Consolidated Financial Statements: Loans”, “Note 10 to the Consolidated Financial Statements: Other Financial Assets”, “Note 19 to the Consolidated Financial Statements: Provisions”, “Note 2(vii) to the Consolidated Financial Statements: Significant Accounting Policies- use of estimates”, “Note 47 to the Consolidated Financial Statements: Deferment and COVID 19”, “Note 44A to the Consolidated Financial Statements: Financial Risk Review : Credit Risk” “Note 45 to the Consolidated Financial Statements: Financial Risk Management”, “Note 48 to the Consolidated Financial Statements: Impact of Covid-19 on ECL impairment allowance”.</td></tr>
<tr><td>Subjective estimate</td><td>Our key audit procedures included</td></tr>
<tr><td>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”) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group’s estimation of ECL are:

• Data inputs – 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.

• Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Segmentation of Loan Book (“SLB”), Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company’s modelling approach.

• Economic scenarios – Ind AS 109 requires the Group to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them, including changes to methodology, especially when considering the current uncertain economic environment arising from COVID-19.</td><td>Design / controls

We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in the ECL process.

Key aspects of our controls testing for the Group involved the following:

• 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 updated processes, systems and controls implemented in relation to impairment allowance process, particularly in view of COVID-19 Regulatory Package.

• For the Holding Company and its subsidiaries, testing the ‘Governance Framework’ controls over validation, implementation, and model monitoring in line with the RBI guidance.

• Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.

• Testing the design and operating effectiveness of the key controls over the application of the staging criteria.

• Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.</td></tr>
</table>

• Modifications of assets – the Group has had a significant volume of restructured loans in the current year on account of COVID-19 related restructuring measures prescribed by regulatory bodies. This has resulted in increased management estimation over determination of losses for such restructured loans. • Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by the Group's management to address known impairment model limitations or emerging trends as well as risks not captured by models. Such overlay adjustments were assessed for certain pools of customers where the Group assessed a higher risk of default basis their moratorium and bounce rate behavior. The overlay provision represents approximately 19.84% of the ECL provision as at 31 March 2021 for the Stage 1 and Stage 2 borrowers. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the consolidated financial statements as a whole, and possibly many times that amount. Management has made disclosures regarding ECL approach in the credit risk sections of the consolidated financial statements *(Note 44 A (i))*. **Disclosures** The disclosures regarding the Group's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions will also be an area of focus, particularly as this will be the first year some of these disclosures will be presented and are related to an area of significant estimate.	• Testing the design and operating effectiveness of the key controls over modification of assets including identification/staging of the modified asset. • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs or data used in assessment and identification of Significant Increase in Credit Risk ('SICR') and staging of the assets. • Testing management's controls over authorization and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology in relation to loan impairment management systems, including system access and system change management, program development and computer operations. Involvement of specialists - we involved financial risk modelling specialists for the following: • Evaluating the appropriateness of the Group's Ind AS 109 impairment methodologies and reasonableness of assumptions used (including management overlays). • The reasonableness of the Group's considerations of the impact of the current economic environment due to COVID-19 on the ECL determination. **Substantive tests** Key aspects of our testing included the following: • 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 credit reviews on sample basis over loans given to corporate customers. • Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model.

<table>
<tr><td></td><td>• Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.
• Performing test of details over calculation of ECL, in relation to the completeness, accuracy and relevance of data.
• Test of details of post model adjustments, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data.
Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.</td></tr>
<tr><td colspan="2">Fair valuation and impairment testing of unquoted investments (other than in liquid mutual funds) and investments in associates respectively
Net impairment charge on investments in associates: INR 5,254 Lakhs for year ended 31 March 2021
Net gain on fair valuation of unquoted investments: INR 24,788 Lakhs for year ended 31 March 2021
Net carrying value of investments in associates: INR 82,969 Lakhs at 31 March 2021
Net carrying value of unquoted investments: INR 87,260 Lakhs as at 31 March 2021
Refer to the accounting policies in “Impairment on investment in associates in the Consolidated Statement Of Profit and Loss”, “Note 25 to the Consolidated Financial Statements : Net gain on fair value changes”, “Note 8 to the Consolidated Financial Statements : Investments”, “Note 9 to the Consolidated Financial Statements : Investments accounted using equity method”, “Note 2(v) to the Consolidated Financial Statements: Significant Accounting Policies- Investments in associates”, “Note 2(vi) to the Consolidated Financial Statements: Measurement of Fair Values”, “Note 45 to the Consolidated Financial Statements: Financial Risk Management”.</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Measurement of fair valuation unquoted and impairment on investments in associates involve significant management judgement.
As detailed in Notes 9 and 8a, the Group has investments in associates amounting to INR 82,969 Lakhs and investment in other unquoted investments (other than in liquid mutual funds) amounting to INR 87,260 Lakhs. Investments in associates are individually assessed for impairment as per the requirements of Ind AS 36 – Impairment of Assets and certain unquoted investments are carried at fair value as per the valuation policy of the Group.</td><td>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.</td></tr>
</table>

We have identified fair valuation of unquoted investments and impairment testing of associates as a key audit matter. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus. in the Group's estimation of fair valuation and impairment are: - As part of such fair valuation of unquoted investments and impairment assessment, management obtains independent valuation report from an external valuer who apply various methods like discounted cash flows, revenue multiple etc.to value the investments based on certain assumptions obtained from management. - Additionally, management considers financial information, liquidity and solvency position of investee companies. Management also considers other factors such as assessment of investee company's operations, business performance and modifications, if any, in the auditors' report of the investee companies. - Economic scenarios - impact of the COVID-19 pandemic on the Group's ability to obtain adequate returns in the form of dividend or through sale of its investments, along with its ability to find a buyer for the unquoted investments to generate the expected return. The effect of these matters is that, as part of our risk assessment, we determined that the fair valuation of unquoted investments and impairment assessment of associates, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the consolidated financial statements as a whole, and possibly many times that amount.	**Substantive tests** • Testing appropriate implementation of policy of valuation and impairment by management. • Reconciling the financial information mentioned in fair 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 companies 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 unquoted 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 financial statement disclosures made in the consolidated financial statements in respect of investments.

The key audit matter	How the matter was addressed in our audit
Information technology ("IT")	
IT systems and controls	**Our key audit procedures included**
The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that 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 user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	Our audit procedures to assess the IT system access management included the following. Involvement of specialists - we involved Information Technology specialists for testing the following for the Holding Company and certain subsidiaries. **General IT controls / user access management controls** • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested 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, we 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. • Other areas that were independently assessed included password policies, system configurations, system interface controls, 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. • We obtained an understanding of the cyber security controls and user access management control in the work from home environment implemented by the organization.

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 consolidated financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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.

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 terms 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 the 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 have no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are 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 the 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. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matters" in this audit report.

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

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 auditors' 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

The financial statements of 2 subsidiaries, whose financial statements/financial information reflect total assets of Rs. 14,912 Lakhs as at 31 March 2021, total revenues of Rs. 16 Lakhs and net cash flows amounting to Rs. 150 Lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors.

The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. 114 Lakhs for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of 19 associates, whose financial information have not been audited by us or by other auditors.

These unaudited financial statements/financial information have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries 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 subsidiaries and associates, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information 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 and the unaudited financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by section 143(3) of the Act, based on our audit and based on the consideration 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.

   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 representations received from the directors of the Holding Company as on 31 March 2021 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 2021 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 associates 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 and based on the consideration as noted in the "Other Matters" paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its associates. Refer Note 35 (iii) 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 55 to the consolidated financial statements in respect of such items as it relates to the Group and its associates;

iii. There are no amounts which are 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 2021; and

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 consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

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

Akeel Master
Partner
Membership No: 046768
ICAI UDIN: 21046768AAAABX2759

Mumbai
23 April 2021

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TATA CAPITAL LIMITED FOR THE YEAR ENDED 31 MARCH 2021

Report on the internal financial controls with reference to the aforesaid 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 2021, 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 2021, 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").

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 insofar as it relates to the 2 subsidiaries and 19 associate companies, whose financial statements / financial information are unaudited and is not material to the Group.

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

Akeel Master
Partner
Membership No. 046768
ICAI UDIN: 21046768AAAABX2759

Mumbai
23 April 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(₹ in lakh)

Particulars		Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	3	**2,02,042**	4,30,235
(b)	Bank balances other than (a) above	4	**3,022**	1,782
(c)	Derivative financial instruments	5	**1,154**	12,374
(d)	Receivables			
	(i) Trade receivables	6 (i)	**2,663**	4,527
	(ii) Other receivables	6 (ii)	**7**	131
(e)	Loans	7	**73,62,635**	74,68,053
(f)	Investments	8	**3,82,328**	64,893
(g)	Other financial assets	10	**57,426**	39,919
			80,11,277	**80,21,914**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	11 (i)	**14,150**	15,463
(b)	Deferred tax assets (net)	11 (ii)	**73,930**	67,919
(c)	Investments accounted using equity method	9	**82,969**	85,084
(d)	Investment property	12	**2,127**	2,247
(e)	Property, plant and equipment	12	**76,575**	94,938
(f)	Capital work-in-progress		**–**	76
(g)	Intangible assets under development		**755**	120
(h)	Other intangible assets	12	**2,710**	2,772
(i)	Right to use assets		**8,732**	9,883
(j)	Other non-financial assets	13	**19,360**	30,521
			2,81,308	**3,09,023**
Total Assets			**82,92,585**	**83,30,937**

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021 *(Contd.)*

(₹ in lakh)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments	5	**21,555**	5,828
(b) Payables	14		
(i) Trade payables			
– Total outstanding dues of micro enterprises and small enterprises		**111**	74
– Total outstanding dues of creditors other than micro enterprises and small enterprises		**80,426**	62,670
(ii) Other payables			
– Total outstanding dues of micro enterprises and small enterprises		–	–
– Total outstanding dues of creditors other than micro enterprises and small enterprises		–	–
(c) Debt securities	15	**31,93,375**	31,42,245
(d) Borrowings (Other than debt securities)	16	**31,68,568**	35,09,133
(e) Subordinated liabilities	17	**5,90,482**	5,51,624
(f) Lease liabilities		**10,243**	11,374
(g) Other financial liabilities	18	**1,01,641**	90,019
		71,66,401	**73,72,967**
(2) Non-Financial Liabilities			
(a) Current tax liabilities (net)	11 (iii)	**28,695**	12,186
(b) Provisions	19	**5,849**	6,088
(c) Other non-financial liabilities	20	**10,961**	8,144
		45,505	**26,418**
(3) EQUITY			
(a) Equity share capital	21	**3,46,360**	3,46,375
(b) Other equity	22	**6,50,940**	5,35,721
Equity attributable to owners of the Company		**9,97,300**	**8,82,096**
(4) Non-controlling interest		**83,379**	49,456
Total liabilities and equity		**82,92,585**	**83,30,937**
Significant accounting policies	2		
See accompanying notes forming part of the financial statements	3 to 55		

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

Malvika Sinha
(Director)
DIN: 08373142

Varsha Purandare
(Director) (Pune)
DIN : 05288076

Akeel Master
Partner
Membership No: 046768

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Mumbai
April 23, 2021

Sarita Kamath
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lakh)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
	Revenue from operations			
(i)	Interest income	23	**8,72,836**	8,99,905
(ii)	Dividend income		**63**	666
(iii)	Rental income		**37,678**	39,377
(iv)	Fees and commission income	24	**14,701**	18,936
(v)	Net gain on fair value changes	25	**49,887**	–
(vi)	Net gain on derecognition of associates		**8,102**	–
I	**Total revenue from operations**		**9,83,267**	**9,58,884**
II	Other income	26	**15,214**	20,174
III	**Total income (I + II)**		**9,98,481**	**9,79,058**
	Expenses			
(i)	Finance costs	27	**5,21,258**	5,77,087
(ii)	Net loss on fair value changes	25	**-**	12,261
(iii)	Impairment on investment in associates		**5,254**	4,647
(iv)	Impairment on financial instruments	28	**1,39,777**	1,41,163
(v)	Employee benefits expenses	29	**69,337**	67,399
(vi)	Depreciation, amortization and impairment	12	**33,437**	38,580
(vii)	Other expenses	30	**67,649**	74,295
IV	**Total expenses**		**8,36,712**	**9,15,432**
V	**Profit/(Loss) from continuing operations before exceptional items, share of net profits of investments accounted for using equity method and tax**		**1,61,769**	63,626
VI	Share in Profit/(loss) of associates		**(272)**	3,149
	Profit from continuing operations before exceptional items and tax (V + VI)		**1,61,497**	66,775
VII	Exceptional items		**–**	–
VIII	**Profit before tax from continuing operations (VI + VII)**		**1,61,497**	66,775
	Tax expense			
(i)	Current tax	11	**42,738**	38,248
(ii)	Deferred tax	11	**(5,705)**	12,955
IX	**Total tax expense**		**37,033**	**51,203**
X	**Profit for the year from continuing operations (VIII-IX)**		**1,24,464**	**15,572**
XI	**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		**1,584**	(1,209)
	(b) Current tax relating to remeasurement of defined employee benefit plans		**(397)**	303
	Non controlling interest			
	(a) Remeasurement of the defined benefit plans (net of tax)		**7**	(4)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021 *(Contd.)*

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
B Items that will be reclassified to profit or loss			
Owners of the Company			
(a) Debt instruments through Other Comprehensive Income		**117**	(89)
(b) Income tax on Debt instruments through Other Comprehensive Income		**(20)**	15
(c) Fair value (loss)/gain on financial assets carried at Fair Value Through Other Comprehensive Income (FVTOCI)		**1,029**	(251)
(d) Income tax relating to Fair value gain/(loss on financial asset measured through Other Comprehensive Income		**(302)**	63
(e) The effective portion of loss on hedging instruments in a cash flow hedge		**(2,463)**	(791)
(f) Income tax relating to the effective portion of loss on hedging instruments in a cash flow hedge		**629**	205
(g) Share of other comprehensive income in associates (net)		**158**	(734)
(h) Exchange differences in translating financial statements of foreign operations		**(838)**	1,397
Non controlling interest			
(a) Fair value gain / (loss) on financial asset measured through Other Comprehensive Income		**296**	(44)
(b) The effective portion of loss on hedging instruments in a cash flow hedge		**(36)**	(23)
Total Other Comprehensive Income		**(236)**	(1,162)
XII Total Comprehensive Income for the year (X+XI)(Comprising Profit and Other Comprehensive Income for the year)		**1,24,228**	14,410
XIII Profit for the year attributable to:			
Owners of the company		**1,12,583**	29,592
Non-controlling interest		**11,881**	(14,020)
XIV Other comprehensive income for the year attributable to:			
Owners of the company		**(503)**	(1,091)
Non-controlling interest		**267**	(71)
XV Total comprehensive income for the year attributable to: (XIII+XIV)			
Owners of the company		**1,12,080**	28,501
Non-controlling interest		**12,148**	(14,091)
XVI Earnings per equity share (In ₹)	38		
(1) Basic		**3.20**	0.88
(2) Diluted		**3.20**	0.88
Significant accounting policies	2		
See accompanying notes forming part of the financial statements	3 to 55		

In terms of our report attached

For the Board of Directors

For **B S R & Co. LLP** Chartered Accountants Firm Reg No: 101248W/W- 100022	**Saurabh Agrawal** (Chairman) DIN: 02144558	**Malvika Sinha** (Director) DIN: 08373142	**Varsha Purandare** (Director) (Pune) DIN : 05288076
Akeel Master Partner Membership No: 046768	**F. N. Subedar** (Director) DIN: 00028428	**Aarthi Subramanian** (Director) DIN: 07121802	**Rajiv Sabharwal** (Managing Director & CEO) DIN: 00057333
Mumbai April 23, 2021	**Sarita Kamath** (Company Secretary)	**Rakesh Bhatia** (Chief Financial Officer)	

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
1 CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**1,61,497**	66,775
Adjustments for :			
Depreciation, amortization and impairment		**33,437**	38,580
Net gain on derecognition of property, plant and equipment		**46**	(577)
Interest expenses		**5,21,258**	5,77,087
Interest income		**(8,72,836)**	(8,99,905)
Dividend income		**(63)**	(666)
Provision for leave encashment		**155**	293
Exchange gains (net)		**-**	(9)
Net loss /(gain) on fair value changes			
- Realised		**(15,317)**	(9,620)
- Unrealised		**(34,570)**	21,881
Net loss/(gain) on derecognition of investment in Associates		**(8,102)**	-
Share in profit of associates		**272**	(3,149)
Share based payments to employees		**1,068**	1,489
Interest on income tax refund		**(2,494)**	(4)
Impairment loss allowance on loans (Stage I & II)		**18,717**	35,680
Impairment loss allowance on loans (Stage III)		**1,21,048**	97,581
Impairment on investments		**5,251**	13,043
Provision against trade receivables		**15**	(494)
Provision against assets held for sale		**(466)**	(746)
Operating Loss before working capital changes and adjustments for interest received, interest paid and dividend received		**(71,084)**	**(62,761)**
Adjustments for :			
Increase/(decrease) in loans		**(38,395)**	(1,72,938)
Decrease in trade receivables		**1,972**	10,539
Decrease/(Increase) in other financial/non financial assets		**(11,974)**	(15,758)
Increase/(decrease) in other financial/ non financial liabilities		**15,209**	8,182
Increase/(decrease) in provisions		**880**	(1,326)
Increase/(decrease) in trade payable		**17,924**	(11,706)
Cash used in operations before adjustments for interest received, interest paid and dividend received		**(85,468)**	**(2,45,768)**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2021 *(contd...)*

(₹ in lakh)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
	Interest paid		**(4,80,901)**	(5,45,846)
	Interest received		**8,68,823**	8,67,710
	Interest received on income tax refund		**2,494**	4
	Dividend received		**63**	2,426
	Cash generated from operations		**3,05,011**	**78,526**
	Taxes paid		**(25,293)**	(49,910)
	NET CASH GENERATED FROM OPERATING ACTIVITIES		**2,79,718**	**28,616**
2	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment (including capital advances)		**(6,113)**	(23,012)
	Proceeds from sale of property, plant and equipment		**5,525**	2,225
	Purchase of investments		**(1,70,504)**	(15,751)
	Investment in associates		**(8,527)**	-
	Purchase of mutual fund units		**(9,17,58,675)**	(3,39,87,893)
	Proceeds from redemption of mutual fund units		**9,16,18,896**	3,39,96,253
	Proceeds from sale of investments		**55,258**	12,147
	Bank Balances not considered as cash and cash equivalents		**917**	54,135
	NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		**(2,63,223)**	**38,104**
3	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issue of equity shares		**-**	1,00,000
	Infusion of capital by minority shareholders		**26,014**	9,434
	Payout of income/gain to contributors		**(2,074)**	(1,049)
	Repayment of lease obligation		**(3,699)**	(3,500)
	Issue of preference shares		**-**	36,400
	Redemption of preference shares		**(30,740)**	(81,066)
	Debenture issue/loan processing expenses		**(2,766)**	(9,153)
	Interim dividend paid on equity and preference shares (including dividend distribution tax)		**(9,075)**	(15,119)
	Proceeds from debt Securities		**34,32,987**	41,05,835
	Proceeds from borrowings (other than debt securities)		**31,49,875**	51,87,071
	Proceeds from subordinated liabilities		**54,908**	99,378
	Repayment of debt Securities		**(34,00,387)**	(42,36,490)
	Repayment of borrowings (other than debt securities)		**(34,72,172)**	(49,26,343)
	Repayment of subordinated liabilities		**12,419**	(89,715)
	NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		**(2,44,710)**	**1,75,683**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2021 *(contd...)*

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(2,28,215)**	**2,42,403**
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**4,30,235**	**1,87,773**
Exchange difference on translation of foreign currency cash and cash equivalents		**22**	**59**
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**2,02,042**	**4,30,235**
Balances with banks in deposit accounts		**2,288**	**1,723**
Balances with Banks In earmarked accounts		**734**	**59**
CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES AS AT THE END OF THE YEAR [REFER NOTE 3 & 4]		**2,05,064**	**4,32,017**
Summary of significant accounting policies	2		
See accompanying notes forming part of the financial statements	3 to 55		

In terms of our report attached

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

Akeel Master
Partner
Membership No: 046768

Mumbai
April 23, 2021

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Malvika Sinha
(Director)
DIN: 08373142

Varsha Purandare
(Director) (Pune)
DIN : 05288076

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Sarita Kamath
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a) Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	**3,46,44,18,549**	**3,46,375**	3,26,98,44,264	3,26,983
Add/(less): Shares issued during the year:	–	–	19,60,78,430	19,608
- Against employee stock option	(7,76,335)	(78)	(15,04,145)	(150)
Less: Loans to Employees		63		(67)
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**3,46,36,42,214**	**3,46,360**	**3,46,44,18,549**	**3,46,375**

b. Other Equity

(₹ in lakh)

Particulars	Reserve 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, 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)	–	–
Loan given to employees for ESOP's held	236	–	–	–	–	–	–	–
Interim dividend on equity shares (including 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**
Profit for the year (a)	–	–	–	–	–	1,12,583	–	–
Other comprehensive income, net of tax (b)	–	–	–	–	–	–	–	–
Total comprehensive income for the year (c)=(a)+(b)	–	–	–	–	–	1,12,583	–	–
Elimination against shares held by the ESOP Trust	(243)	–	–	–	–	–	–	–
Employee share options (net)	–	–	–	–	–	–	488	580
Transfer to Special Reserve Account	–	–	–	–	30,490	(30,490)	–	–
Loan given to employees for ESOP's held	147	–	–	–	–	–	–	–
Increase/(decrease) in non-controlling interests due to dilution/ divestment/acquisition	–	–	–	–	–	2,167	–	–
Balance as at March 31, 2021	**2,93,323**	**43**	**575**	**30,000**	**1,39,222**	**1,77,672**	**1,785**	**2,111**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021

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, 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
Loan given to employees for ESOP's held		–	–	–	–	–	236	–	236
Interim dividend on equity shares (including 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/(decrease) in non-controlling interests due to dilution/ divestment/acquisition		–	–	–	–	–	(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**
Profit for the year	(a)	–	–	–	–		1,12,583	11,881	1,24,464
Other comprehensive income, net of tax	(b)	(838)	1,187	885	97	(1,834)	(503)	267	(236)
Total comprehensive income for the year	(c)=(a)+(b)	(838)	1,187	885	97	(1,834)	1,12,080	12,148	1,24,228
Elimination against shares held by the ESOP Trust		–	–	–	–	–	(243)	–	(243)
Employee share options (net)		–	–	–	–	–	1,068	–	1,068
Loan given to employees for ESOP's held		–	–	–	–	–	147	–	147
Increase in non-controlling interests due to investments		–	–	–	–	–	2,167	23,847	26,014
Payout of income to contributors		–	–	–	–	–	–	(2,072)	(2,072)
Balance as at March 31, 2021		**7,504**	**(170)**	**1,324**	**(29)**	**(2,420)**	**6,50,940**	**83,379**	**7,34,319**
Significant accounting policies	2								
See accompanying notes forming part of the financial statements	3 to 55								

In terms of our report attached

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

Akeel Master
Partner
Membership No: 046768

Mumbai
April 23, 2021

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

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(Managing Director & CEO)
DIN: 00057333

Sarita Kamath
(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 Company ("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 April 23, 2021.

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. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis.

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, 2021, 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.

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 effects 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, 2021 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 weights assigned to different scenarios for measurement of forward looking ECL, i.e. best case, worst case and base case also requires judgement.

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 Fee and Commission 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 and it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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. Trade Receivables are measured at transaction price.

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 on 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 financial 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, 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:

Probability of Default (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.

Exposure at Default (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.

Loss Given Default (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 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 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 recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

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) **Property, plant and equipments**

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 its 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 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 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 its 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 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 de-recognised 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 de-recognised 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 Contribution benefits include superannuation fund.

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

Defined contribution plans

The Group's contribution to superannuation fund is considered as defined contribution plan and is 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

The Group makes Provident Fund contributions, a defined benefit plan for qualifying employees. Under the Schemes, both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office, as specified under the law, are made to the provident fund set up as an irrevocable trust by Tata Capital Limited ("the ultimate parent Company"). The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall on account of , if any, shall be made good by the Group. Hence the Group is 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. The total liability in respect of the interest shortfall of the Fund is determined on the basis of an actuarial valuation. The interest liability arising only to the extent of the aforesaid differential shortfalls is a defined benefit plan. There is no such shortfall as at March 31, 2021.

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 Remeasurement gains/ losses are recognised in P&L 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.

Functional currency of the Group and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained."

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; 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.

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.

NOTE "3" (₹ in lakh)

CASH AND CASH EQUIVALENTS	As at March 31, 2021	As at March 31, 2020
At Amortised cost		
Cash on hand	**15**	11
Balances with banks in current accounts	**1,83,814**	4,21,502
Balances with banks in client accounts	**–**	2
Cheques, drafts on hand	**1,884**	288
Balances with banks in deposit accounts (Refer note below)	**16,329**	8,432
Total	**2,02,042**	**4,30,235**

(i) As at March 31, 2021, the Group had undrawn committed borrowing facilities of ₹ 6,18,158 Lakh (March 31, 2020 : ₹ 8,06,741 Lakh).

(ii) Balance with banks in deposit accounts comprises deposits that have an original maturity less than 3 months at balance sheet date.

NOTE "4" (₹ in lakh)

BANK BALANCE OTHER THAN (NOTE 3) ABOVE	As at March 31, 2021	As at March 31, 2020
At Amortised cost		
Balances with banks in deposit accounts	**2,288**	1,723
Balances with Banks in earmarked accounts	**734**	59
Total	**3,022**	**1,782**

(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 ₹ 63 lakhs (March 31, 2020: ₹ 378 lakh)

NOTE "5"

DERIVATIVE FINANCIAL INSTRUMENTS

As at March 31, 2021 (₹ in lakh)

Derivatives held for hedging and risk management purposes	Notional value - USD (in mn)	Notional value - JPY (in mn)	Notional value INR (in lakhs)	Fair value assets	Fair value liabilities
Foreign exchange forward	192	17,806	2,58,316	33	15,134
Interest rate swap	183	–	1,34,010	–	3,154
Cross currency interest rate swap	90	–	65,907	1,121	1,304
Interest rate cap	–	17,560	1,16,155	–	1,963
Total	**465**	**35,366**	**5,74,388**	**1,154**	**21,555**

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 INR (in lakhs)	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	–
Interest rate cap	–	14,388	99,462	–	92
Total	**431**	**29,044**	**5,22,864**	**12,374**	**5,828**

5.1 Disclosure of effects of hedge accounting on financial performance and exposure to foreign currency

As at March 31, 2021 (₹ 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	1,40,531	33	1,465	79.16	(1,432)
INR JPY - Forward exchange contracts	1,17,785	–	13,669	0.82	(13,669)
INR USD - Currency Swaps	65,907	1,121	1,304	72.69	(183)

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	1,55,405	10,169	–	78.14	10,169
INR JPY - Forward exchange contracts	1,01,319	260	801	0.82	(541)
INR USD - Currency Swaps	29,897	1,945	–	69.30	1,945

Hedged item

As at March 31, 2021 (₹ 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	(4,572)	(22,267)	–	–

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)	–	–

NOTE "5"

DERIVATIVE FINANCIAL INSTRUMENTS

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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Forward exchange contracts and Currency swaps	**(18,203)**	**(3,934)**	–	–

5.3 Movements in the cost of hedge reserve are as follows:

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	**(586)**	–
Effective portion of changes in fair value currency swap	**(1,967)**	1,565
Effective portion of changes in fair value interest rate risk	**1,781**	(4,935)
Effective portion of changes in fair value interest rate cap	**12**	(91)
Effective portion of changes in fair value foreign currency risk	**(26,093)**	9,470
Foreign currency translation differences on loan	**10,027**	(14,566)
Foreign currency translation differences on interest	**(174)**	–
Amortisation of forward premium	**13,951**	7,766
Tax on movements on reserves	**629**	205
Closing Balance	**(2,420)**	**(586)**

All hedges are 100% effective i.e. there is no ineffectiveness.

5.4 Average fixed interest rate:

- Interest rate swap: 0.95% to 3.47%
- Cross currency swap: 6.12% to 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.

NOTE "6"

(₹ in lakh)

RECEIVABLES	As at March 31, 2021	As at March 31, 2020
Trade receivable		
At Amortised cost		
(a) Receivables considered good - Secured	**15**	11
(b) Receivables considered good - Unsecured	**2,646**	4,516
(c) Receivables which have significant increase in credit risk	**45**	33
(d) Receivables - credit impaired	**259**	264
	2,965	**4,824**
Impairment loss allowance		
(a) Receivables considered good - Unsecured	–	–
(b) Receivables which have significant increase in credit risk	**(43)**	(33)
(c) Receivables - credit impaired	**(259)**	(264)
Total	**2,663**	**4,527**
Other receivables		
At Amortised cost		
(a) Receivables considered good - Secured	**–**	–
(b) Receivables considered good - Unsecured	**17**	131
	17	**131**
Impairment loss allowance		
Receivables considered good - Unsecured	**(10)**	–
	7	**131**
Total	**2,670**	**4,658**

Trade receivables are non-interest bearing and are generally on terms of 3 months to 1 year.

Note: Trade receivables include amounts due from the related parties ₹ 489 lakh (March 31, 2020: ₹ 631 lakh)

NOTE "7"

(₹ in lakh)

LOANS	As at March 31, 2021	As at March 31, 2020
(A)		
(i) At Amortised Cost		
- Bills purchased and bills discounted	**1,18,666**	42,008
- Term loans	**71,40,384**	73,26,530
- Credit substitutes (refer note 7(i) below)	**1,96,522**	1,87,047
- Finance lease and hire purchase	**92,515**	78,072
- Retained portion of assigned loans	**3,448**	4,624
- Inter-company deposits	**–**	–
Subtotal (i)	**75,51,535**	**76,38,281**
(ii) At Fair Value Through Other Comprehensive Income		
- Term loans	**85,514**	67,696
Subtotal (ii)	**85,514**	**67,696**

NOTE "7" (₹ in lakh)

LOANS		As at March 31, 2021	As at March 31, 2020
(iii)	**At Fair Value Through Profit and Loss**		
	- Credit substitutes	**1,000**	1,000
	Subtotal (iii)	**1,000**	1,000
	Subtotal (i)+(ii)+(iii)	**76,38,049**	**77,06,977**
(B)			
	Less : Impairment loss allowance		
	- Stage I & II	**1,30,232**	1,12,484
	- Stage III	**1,26,678**	1,07,424
	Subtotal (i)	**2,56,910**	2,19,908
	Loans net of impairment loss allowance	**73,81,139**	**74,87,069**
	- Revenue received in advance	**(31,826)**	(39,191)
	- Unamortised loan sourcing costs	**13,322**	20,175
	Subtotal (i)	**(18,504)**	**(19,016)**
	Total	**73,62,635**	**74,68,053**
(C)			
	- Secured by tangible assets	**57,54,648**	57,65,804
	- Secured by intangible assets	**–**	–
	- Unsecured	**18,83,401**	19,41,173
	- Revenue received in advance	**(31,826)**	(39,191)
	- Unamortised loan sourcing costs	**13,322**	20,175
	Total	**76,19,545**	**76,87,961**
(D)			
(i)	**Loans in India**		
	- Public Sector	**7,554**	7,516
	- Others	**76,30,495**	76,99,461
	Subtotal (i)	**76,38,049**	**77,06,977**
(ii)	**Loans outside India**		
	- Public Sector	**–**	–
	- Others	**–**	–
	Subtotal (ii)	**–**	–

(i) Investments in bonds, debentures and other financial instruments which, in substance, form a part of the Company'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) Impairment allowance towards loan designated as FVTOCI amounting to ₹ 18 lakh (as on March 31, 2020 : ₹ 20 lakh)

(iii) Impairment loss allowance includes impairment loss allowance on loans under fair value through profit and loss ₹ 4 lakh (As on March 31, 2020 : ₹ 5 lakh)

(iv) Impairment allowance on loan - stage I & II includes impairment allowance on loan commitments ₹ 1,197 lakh (As on March 31, 2020: 1,726 lakh)

(v) Loans given to related parties as on March 31, 2021 ₹ 55,326 lakh (as on March 31, 2020 : ₹ 54,320 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, 2021	As at March 31, 2020
Gross Investments:		
– Within one year	**37,680**	27,370
– Later than one year and not later than five years	**51,217**	52,656
– Later than five years	**717**	1,288
Total	**89,614**	**81,314**
Unearned Finance Income:		
– Within one year	**10,935**	6,282
– Later than one year and not later than five years	**4,261**	8,676
– Later than five years	**25**	97
Total	**15,221**	**15,055**
Present Value of Rentals *:		
– Within one year	**26,745**	21,088
– Later than one year and not later than five years	**46,956**	43,980
– Later than five years	**692**	1,191
Total	**74,393**	**66,259**

* Present value of rentals represent the current future outstanding principal.

(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, 2021	As at March 31, 2020
- Within one year	**28,842**	31,572
- Later than one year and not later than five years	**39,900**	50,586
- Later than five years	**1,659**	1,772
	70,401	83,930

Accumulated Depreciation on lease assets is ₹ 80,760 lakh (Year ended March, 31, 2020: ₹ 66,762 lakh).

Accumulated Impairment losses on the leased assets ₹ Nil (Year ended March, 31, 2020 ₹ Nil).

NOTE "8"

(₹ in lakh)

Investments	As at March 31, 2021	As at March 31, 2020
(A)		
(i) **At Amortised Cost**		
- Debt securities	**6,429**	11,121
Subtotal (i)	**6,429**	11,121
(ii) **At Fair Value**		
(a) **Through Other Comprehensive Income**		
- Debt securities	**1,22,419**	3,939
Subtotal (i)	**1,22,419**	3,939
(b) Through Profit or Loss		
- Mutual and other funds (quoted)	**-**	50
- Mutual and other funds (unquoted)	**1,52,557**	2,975
- Fully paid equity shares (quoted)	**11,552**	9,536
- Fully paid equity shares (unquoted)	**61,079**	13,643
- Preference shares	**2,111**	2,212
- Security receipts	**90**	419
- Venture capital fund	**17,888**	14,400
- Alternate investment fund	**2,412**	2,040
- Multi asset fund	**3,581**	2,990
- Structured product	**2,210**	1,568
Subtotal (ii)	**2,53,480**	49,833
Total (A) = (i)+(ii)	**3,82,328**	64,893
(B)		
(i) Investments in India	**3,43,535**	28,663
(ii) Investments outside India	**38,793**	36,230
Total (B) (i)+(ii)	**3,82,328**	**64,893**

NOTE "8a"

SCRIPT-WISE DETAILS OF INVESTMENTS

(₹ in lakh)

PARTICULARS		Face value Per Unit (in ₹)	As at March 31, 2021		As at March 31, 2020	
			No. of Units	₹ in lakh	No. of Units	₹ in lakh
(A)	Investment in Debentures					
(i)	Carried at amortised cost					
(a)	Quoted					
	4.63% BPCL - Indian Cash Bond	-	**20,000**	**1,526**	20,000	1,577
	7.00% ICICI Bank - Indian Cash Bond	-	**-**	**-**	30,000	2,353
	2.88% ONGC - Indian Cash Bond	-	**3,750**	**276**	3,750	281

NOTE "8a"

SCRIPT-WISE DETAILS OF INVESTMENTS

(₹ in lakh)

PARTICULARS		Face value Per Unit (in ₹)	As at March 31, 2021		As at March 31, 2020	
			No. of Units	₹ in lakh	No. of Units	₹ in lakh
	6.25% BOI- Indian Cash Bond	–	–	–	10,000	771
	5.95% Tata Steel Bond	–	10,000	762	10,000	784
	5.75% Tata Motors Limited Bond	–	50,000	3,865	60,000	4,002
	2.75% Jaguar Land Rover Limited GBP Bond	–	–	–	15,000	1,353
				6,429		11,121
(ii)	Carried at fair value through other comprehensive income					
	5.95% Tata Steel Bond	–	20,000	1,599	–	–
	5.45% Tata Steel Bond	–	20,000	1,526	–	–
	5.38% ICICI Bank	–	10,000	562	–	–
	4.5% Jaguar Land Rover Bond	–	30,000	2,138	–	–
	4.63% Tata Motors Limited Bond	–	–	–	44,000	3,210
	5.75% Tata Motors Limited Bond	–	10,000	750	10,000	729
				6,575		3,939
(B)	Investment in Government Securities					
(i)	Carried at amortised cost					
(a)	Quoted					
	6.84% GOI 2022	100	2,00,00,000	21,348	–	–
(C)	Investment in Treasury Bill					
(i)	Carried at amortised cost					
(a)	Quoted					
	364 DTB 22072021	100	1,50,00,000	14,849	–	–
	364 DTB 22072021	100	1,50,00,000	14,849	–	–
	364 DTB 22072021	100	1,50,00,000	14,714	–	–
	364 DTB 22072021	100	2,00,00,000	14,715	–	–
	91 DTB 06052021	100	1,00,00,000	9,967	–	–
	182 DTB 22042021	100	2,00,00,000	19,962	–	–
	364 DTB 22072021	100	55,00,000	5,440	–	–
				94,496		–
(D)	Investment in Mutual Funds					
(i)	At fair value through profit and loss					
(a)	Quoted					
	HDFC Cancer Cure Fund	10	–	–	5,00,000	50
				–		50

NOTE "8a"

SCRIPT-WISE DETAILS OF INVESTMENTS

(₹ in lakh)

	PARTICULARS	Face value Per Unit (in ₹)	As at March 31, 2021		As at March 31, 2020	
			No. of Units	₹ in lakh	No. of Units	₹ in lakh
(b)	**Unquoted**					
	Tata Money Market fund	1,000	–	–	14,526	452
	Aditya Birla Sun Life Liquid Fund - Reg - Growth	100	1,36,65,705	45,001	–	–
	Tata Liquid Fund Regular Plan-Dividend	1,000	9,921	99	60,681	608
	Kotak Liquid Regular Plan Growth	1,000	10,86,813	45,003	–	–
	Tata Overnight Fund Regular Plan - Growth	1,000	55,37,326	60,002	–	–
	Tata Liquid Fund Regular Plan-Growth	1,000	76,036	2,452	61,486	1,915
				1,52,557		2,975
(E)	**Investment in Equity Shares**					
(i)	**At fair value through profit and loss**					
(a)	**Quoted**					
	The Indian Hotels Company Limited	1	17,640	20	17,640	13
	Tata Steel Limited (fully paid)	10	16,740	136	15,660	42
	Tata Steel Limited (partly paid)	10	–	–	1,080	–
	Tata Steel BSL limited	2	12,315	6	-	–
	Hindustan Unilever Limited	1	2,000	49	2,000	46
	Praj Industries Limited	2	36,84,593	7,179	1,32,56,223	7,297
	Commercial Engineers & Body Builders Company Limited	10	75,24,328	718	75,24,328	595
	The New India Assurance company Limited	5	10,83,376	1,672	10,83,376	1,217
	Bombay Stock Exchange Limited	2	5,700	33	5,700	17
	IVRCL Limited	2	32,992	2	15,94,857	–
	Diamond Power Infra Limited	10	16,31,881	–	16,31,881	6
	3I Infotech Limited	10	2,32,80,000	1,734	2,32,80,000	303
	Consolidated Construction Consortium Limited	2	4,16,472	3	4,16,472	–
	RTS Power Corporation Limited	10	–	–	25,880	–
	GoI Offshore Limited	10	6,44,609	–	6,44,609	–
				11,552		9,536
(b)	**Unquoted**					
	International Asset Reconstruction Company Private Limited.	10	1,39,46,295	3,689	1,39,46,295	3,356
	Aricent Technologies Holdings Limited *	10	8	–	8	–
	SKS Ispat & Power Limited	10	–	–	3,39,31,831	–
	Coastal Projects Limited *	10	59,62,855	–	59,62,855	–
	Tata Tele Services Limited *	10	–	–	6,22,50,000	–

NOTE “8a”

SCRIPT-WISE DETAILS OF INVESTMENTS

(₹ in lakh)

	PARTICULARS	Face value Per Unit (in ₹)	As at March 31, 2021		As at March 31, 2020	
			No. of Units	₹ in lakh	No. of Units	₹ in lakh
	Vaultize Technologies Private Limited	1	84,568	–	84,568	–
	Biocon Biologics India Limited	10	88,30,456	22,590	–	–
	Star Health & Allied Insurance Company Limited	10	72,15,165	34,800	61,93,550	10,287
				61,079		13,643
(F)	**Investment in Preference Shares**					
(i)	**At fair value through profit and loss**					
(a)	**Unquoted**					
	Vaultize Technologies Private Limited	10	3,15,21,679	–	3,15,21,679	–
	Bharti Airtel Limited *	100	–	–	5	–
	Bharti Hexacom Limited *	100	–	–	5	–
				-		-
(G)	**Investment in Preferred Stock**					
(i)	**At fair value through profit and loss**					
(a)	**Quoted**					
	Uber Technologies, Inc.	-	52,880	2,111	1,06,000	2,212
				2,111		2,212
(b)	**Unquoted**					
	WaterHealth International, Inc	USD 0.0001	30,90,871	–	30,90,871	–
	Farcast Biosciences India Private Limited	–	–	–	2,52,00,000	–
	Farcast Biosciences, Inc (erstwhile Mitra RxDx, Inc)	–	–	–	60,00,000	–
	Vanu Inc*	–	38,074	–	38,074	–
				–		–
	Total Investment in Preference shares			2,111		2,212
(H)	**Investment in Venture Capital Fund**					
(i)	**At fair value through profit and loss**					
(a)	**Unquoted**					
	Pitango Venture Capital Fund VI & VII, L.P. ("Pitnago VI")	–	–	17,888	–	14,400
				17,888		14,400
(I)	**Investment in Alternate Investment Funds**					
(i)	**At fair value through profit and loss**					
(a)	**Unquoted**					
	Tata Absolute Return Fund	1,000	1,00,000	1,080	1,00,000	1,069
	Tata Equity Plus Absolute Return Fund	1,000	1,00,000	1,332	1,00,000	971
				2,412		2,040

NOTE "8a"

SCRIPT-WISE DETAILS OF INVESTMENTS

(₹ in lakh)

	PARTICULARS	Face value Per Unit (in ₹)	As at March 31, 2021		As at March 31, 2020	
			No. of Units	₹ in lakh	No. of Units	₹ in lakh
(J)	**Investment in Multi Asset Fund**					
(i)	**At fair value through profit and loss**					
(a)	**Unquoted**					
	Apollon Sustainable Value fund	–	–	3,581	–	2,990
				3,581		**2,990**
(K)	**Investment in structured product**					
(i)	**At fair value through profit and loss**					
(a)	**Unquoted**					
	Julius Baer Long Leverage certificate	–	–	2,210	–	1,568
				2,210		**1,568**
(L)	**Investment in Security Receipts**					
	International Asset Reconstruction Private Limited	1,000	1,04,135	90	1,04,135	419
				90		**419**
	Total Investments (A+B+C+D+E+F+G+H+I+J+K+L)			**3,82,328**		**64,893**

* Amount less than ₹ 50,000.

NOTE "9"

(₹ in lakh)

INVESTMENTS ACCOUNTED USING EQUITY METHOD	As at March 31, 2021	As at March 31, 2020
At Cost		
(A)		
Associate companies		
Fully paid equity shares (unquoted)	**80,889**	73,771
Preference shares (unquoted)	**14,996**	18,974
Less: Diminution in value of investments	**(12,916)**	(7,661)
	82,969	85,084
(B)		
(i) Investments in India	**82,969**	85,084
(ii) Investments outside India	**–**	–
Total (B) (i)+(ii)	**82,969**	**85,084**

NOTE "9a"

SCRIPT-WISE DETAILS OF INVESTMENTS ACCOUNTED USING EQUITY METHOD (₹ in lakh)

	PARTICULARS	Face value Per Unit (in ₹)	As at March 31, 2021		As at March 31, 2020	
			No. of Units	₹ in lakh	No. of Units	₹ in lakh
	Unquoted					
(a)	**Equity Shares**					
1	Tata Autocomp Systems Limited	10	**4,83,07,333**	**34,879**	4,83,07,333	35,691
2	Tata Sky Limited	10	**1,00,72,871**	**5,634**	1,00,72,871	6,127
3	Tata Technologies Limited	10	**18,73,253**	**8,769**	18,73,253	7,304
4	Tata Projects Limited	10	**44,810**	**3,997**	44,810	4,016
5	Roots Corporation Limited	10	**22,91,454**	**2,062**	22,91,454	2,062
6	Fincare Business Services Limited	1	**25,47,910**	**849**	25,47,910	859
7	Fincare Small Finance Bank	10	**9,660**	**30**	-	-
8	Shriram Properties Limited	10	**22,23,569**	**3,935**	22,23,569	3,935
9	TVS Supply Chain Solutions Limited	10	**1,45,488**	**756**	2,17,325	1,466
10	Novalead Pharma Private Limited	100	**11,477**	**2,281**	11,477	2,293
11	Shriji Polymers (India) Limited	–	**–**	**–**	5,98,788	1,660
12	Tema India Limited	10	**19,85,524**	**4,253**	500	1
13	Kapsons Industries Private Limited	10	**2,857**	**–**	2,857	1
14	Pluss Advanced Technologies Limited	10	**1,31,167**	**1,532**	1,31,167	1,366
15	Vortex Engineering Private Limited	10	**1,39,415**	**2,900**	1,39,415	2,900
16	Sea6 Energy Private Limited	10	**25,410**	**2,967**	25,410	3,010
17	Alef Mobitech Solutions Private Limited	10	**4,96,276**	**1,093**	4,96,276	1,080
18	Indusface Private Limited	10	**4,51,721**	**3,440**	–	–
19	Linux Laboratories Private Limited	10	**3,600**	**1,512**	-	–
				80,889		**73,771**
(b)	**Preference Shares**					
1	Lokmanaya Hospital Private Limited	100	**24,63,600**	**2,464**	24,63,600	2,464
2	Shriji Polymers (India) Limited	-	**–**	**–**	16,38,800	3,278
3	Tema India Limited	10	**30,00,000**	**300**	4,50,00,000	4,500
4	Kapsons Industries Private Limited	10	**1,71,42,857**	**6,000**	1,71,42,857	6,000
5	Pluss Advanced Technologies Limited	10	**1,02,00,000**	**1,020**	1,02,00,000	1,020
6	Linux Laboratories Private Limited	1,000	**8,400**	**3,500**	–	–
7	Alef Mobitech Soluations Private Limited	10	**5,34,840**	**1,712**	5,34,840	1,712
				14,996		**18,974**
	Total Cost of Investments			**95,885**		**92,745**
	Provision for diminution in value of investments			**(12,916)**		(7,661)
	Carrying Cost of Investments			**82,969**		**85,084**

NOTE "10" (₹ in lakh)

OTHER FINANCIAL ASSETS	As at March 31, 2021	As at March 31, 2020
At Amortised cost- considered good - Unsecured		
Security deposits	**1,923**	2,349
Pass Through Certificate application money (refundable)	**6,060**	-
Receivable on sale/redemption of investment	**162**	162
Provision for receivable on sale/redemption of investment	**(162)**	(162)
Income accrued but not due	**8,126**	6,889
Advances to employees	**28**	90
Receivable under letter of credit/buyers credit facility	**37,255**	29,369
Provision for letter of credit/buyer's credit facility	**(149)**	(135)
Other receivables	**4,183**	1,357
Total	**57,426**	**39,919**

NOTE "11"

INCOME TAXES

(i) Current tax assets (₹ in lakh)

PARTICULARS	Year ended March 31, 2021	Year ended March 31, 2020
Advance tax and tax deducted at source (net of provision for tax ₹ 81,398 lakh (Previous year: ₹ 195,978)	**14,150**	15,463
Total	**14,150**	**15,463**

A. The income tax expense consist of the following: (₹ in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax:		
Current tax expense for the year	42,736	38,975
Current tax expense / (benefit) pertaining to prior years	2	(727)
	42,738	**38,248**
Deferred tax benefit		
Origination and reversal of temporary differences	(5,705)	(9,175)
Change in tax rates	–	22,130
	(5,705)	**12,955**
MAT credit	–	–
Total income tax expense recognised in the year	**37,033**	**51,203**

The reconciliation of estimated income tax expense at statutory income tax rate income tax expense reported in statement of profit and loss is as follows:

(₹ in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (Loss) before tax from continuing operations	**1,61,497**	66,775
Indian statutory income tax rate	**25.168%**	25.168%
Expected income tax expense	**40,646**	16,806
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	**(348)**	(788)
Recognition of previously unrecognised tax losses and unabsorbed depreciation	**263**	(162)
Non deductible expenses	**4,398**	13,955
Provision for loss disallowed in earlier years, allowed on realization in the current year	**(3,604)**	–
Income not taxable	**(2,914)**	–
Tax on income at different rates	**(342)**	(225)
Change in tax rates	**–**	22,130
Tax incentives	**(363)**	(331)
Impact of unrecognised timing differences	**–**	11
Differences in tax rates in foreign jurisdictions	**(703)**	(193)
Total income tax expense	**37,033**	**51,203**

B. Amounts recognised in Other Comprehensive Income (₹ in lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	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	1,584	(397)	1,187	(1,209)	303	(906)
Items that are or may be reclassified subsequently to profit or loss						
Debt instruments through Other Comprehensive Income	117	(20)	97	(89)	15	(74)
Fair value gain / (loss) on financial asset measured at FVTOCI	1,029	(302)	727	(251)	63	(188)
Net changes in fair values of time value of cash flow hedges (FVTOCI)	(2,463)	629	(1,834)	(791)	205	(586)

B. Amounts recognised in Other Comprehensive Income

(₹ in lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Total Amounts recognised in OCI	**267**	**(90)**	**177**	(2,340)	586	(1,754)

(ii) Deferred tax assets

The major components of deferred tax assets and liabilities for the year ended March 31, 2021 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	25,118	4,494	–	–	–	29,612
(b) Impairment loss allowance - Stage I & II	29,128	4,711	–	–	–	33,839
(c) Employee benefits	565	(40)	–	–	–	525
(d) Deferred income	9,836	(2,090)	–	–	–	7,746
(e) Depreciation on property, plant & equipment	4,812	1,723	–	–	–	6,535
(f) Other deferred tax assets	1,711	(188)	–	(20)	–	1,503
(g) Fair valuation of PE Investments	1,778	(1,651)	–	–	–	127
(h) Right to use asset	511	31	–	–	–	542
(i) Cash flow hedges	205	–	–	629	–	834
Deferred Tax Liabilities :-						
(a) Debenture issue expenses	(1,650)	417	–	–	–	(1,233)
(b) Investments measured at fair value	(82)	(442)	–	–	–	(524)
(c) Loans measured at FVTOCI	(38)	–	–	(302)	–	(340)
(d) Deduction u/s 36(1)(viii)	(3,975)	(1,261)	–	–	–	(5,236)
Net Deferred Tax Assets	**67,919**	**5,704**	**–**	**307**	**–**	**73,930**

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	Recognised / 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

Particulars	Opening Balance	Recognised / reversed through profit and loss	Change in Tax Rate	Recognised/ reclassified from other compre-hensive income	Recognised / reversed through Reserves	Closing Balance
(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	0	–	–	(82)
(c) Loans measured at FVTOCI	(141)	–	40	63	–	(38)
(d) Deduction u/s 36(1)(viii)	(4,427)	(786)	1238	–	–	(3,975)
Net Deferred Tax Assets	**80,177**	**9,211**	**(22,166)**	**283**	**414**	**67,919**

One of our subsidiary 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	As at March 31, 2021			
	Closing balance	DTA @25.17%	Closing balance	DTA @27.82%
Deferred Tax Asset (A)				
On business losses as per Income Tax*	2,327	586	3,269	823
On unabsorbed depreciation as per Income Tax	326	82	326	82
Provision for doubtful debts	66	17	66	17
Employee benefits - Leave encashment	12	3	12	3
On account of depreciation on fixed assets	83	21	63	16
Deferred Tax Liability (B)	**–**	**–**	**–**	**–**
Net Deferred Tax Asset (A-B)	**2,814**	**709**	**3,736**	**941**

The Subsidiary has business Losses as per Income Tax Act 1961 of ₹ 941 lakh expiring in FY 2020-21, ₹ 1,210 lakh expiring in FY 2021-22 and ₹ 1,117 lakh expiring in FY 2023-24.

(iii) Current tax liabilities: (₹ in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provision for tax (net of advance tax ₹ 159,053 Lakh (Previous year : ₹ 24,478 Lakh)	28,695	12,186
Total	**28,695**	**12,186**

(iv) Unrecognised temporary differences: (₹ in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Temporary difference relating to investment in subsidiaries for which deferred tax liabilities have not been recognised		
Undistributed reserves	8,53,010	7,34,220

Note:

Subsidiaries of Tata Capital Limited's undistributed reserves 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.

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, 2020	Additions/ Adjustments	Deletions	Written off	Closing balance as at March 31, 2021	Opening balance as at April 1, 2020	Depreciation/ Amortisation for the period *	Deletions/ Adjustments	Written off	Closing balance as at March 31, 2021	As at March 31, 2021
TANGIBLE ASSETS											
Buildings	12,828	–	–	–	12,828	1,931	644	–	–	2,575	10,253
	12,828	–	–	–	*12,828*	*1,288*	*643*	–	–	*1,931*	*10,897*
Leasehold Improvements	3,291	112	176	77	3,150	1,587	423	173	–	1,837	1,313
	2,932	*573*	*214*	–	*3,291*	*1,223*	*515*	*151*	–	*1,587*	*1,704*
Furniture & Fixtures	1,694	18	57	167	1,488	822	196	126	–	892	596
	1,534	*242*	*82*	–	*1,694*	*527*	*336*	*41*	–	*822*	*872*
Computer Equipment	5,781	494	70	9	6,196	3,084	1,318	57	–	4,345	1,851
	4,641	*1,293*	*150*	*3*	*5,781*	*1,843*	*1,389*	*148*	–	*3,084*	*2,697*
Office Equipment	1,703	62	100	169	1,496	963	298	197	–	1,064	432
	1,404	*364*	*65*	–	*1,703*	*639*	*360*	*36*	–	*963*	*740*
Plant & Machinery	554	4	26	28	504	226	74	33	–	267	237
	511	*83*	*40*	–	*554*	*161*	*80*	*15*	–	*226*	*328*
Vehicles	1,027	376	316	–	1,087	444	260	243	–	461	626
	906	*331*	*208*	*2*	*1,027*	*353*	*253*	*162*	–	*444*	*583*
ASSETS GIVEN UNDER OPERATING LEASE/RENTAL											
Construction Equipment	15,683	–	5,587	–	10,096	10,314	1,594	2,753	–	9,155	941
	15,145	*2,356*	*1,818*	–	*15,683*	*5,290*	*6,318*	*1,294*	–	*10,314*	*5,369*
Vehicles	3,937	1,339	1,271	15	3,990	2,852	396	722	–	2,526	1,464
	4,256	*406*	*725*	–	*3,937*	*1,801*	*1,447*	*396*	–	*2,852*	*1,085*
Plant & Machinery	76,489	8,462	6,078	–	78,873	29,229	13,770	4,887	–	38,112	40,761
	65,173	*12,839*	*1,468*	*55*	*76,489*	*16,692*	*13,907*	*1,370*	–	*29,229*	*47,260*
Computer Equipment	26,507	5,715	3,926	–	28,296	13,191	6,224	3,372	–	16,043	12,253
	19,826	*10,507*	*3,826*	–	*26,507*	*11,041*	*5,501*	*3,351*	–	*13,191*	*13,316*
Furniture & Fixtures	1,310	–	379	–	931	767	254	308	–	713	218
	1,166	*299*	*149*	*6*	*1,310*	*572*	*340*	*145*	–	*767*	*543*
Office Equipments	2,856	–	102	–	2,754	1,322	697	66	–	1,953	801
	3,532	*233*	*899*	*10*	*2,856*	*1,438*	*759*	*875*	–	*1,322*	*1,534*
Railway Wagons	15,010	–	–	–	15,010	8,081	2,751	–	–	10,832	4,178
	15,010	–	–	–	*15,010*	*5,331*	*2,750*	–	–	*8,081*	*6,929*

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, 2020	Additions/ Adjustments	Deletions	Written off	Closing balance as at March 31, 2021	Opening balance as at April 1, 2020	Depreciation/ Amortisation for the period *	Deletions/ Adjustments	Written off	Closing balance as at March 31, 2021	As at March 31, 2021
Electrical Installation & Equipments	2,051	37	11	–	2,077	970	462	6	–	1,426	651
	1,847	*209*	*3*	*2*	*2,051*	*535*	*439*	*4*	–	*970*	*1,081*
TANGIBLE ASSETS - TOTAL	**1,70,721**	**16,619**	**18,099**	**465**	**1,68,776**	**75,783**	**29,361**	**12,943**	**–**	**92,201**	**76,575**
	1,50,711	*29,735*	*9,647*	*78*	*1,70,721*	*48,734*	*35,037*	*7,988*	–	*75,783*	*94,938*
INTANGIBLE ASSETS (other than internally generated)											
Software	4,504	869	–	–	5,373	1,733	927	–	–	2,663	2,710
	3,961	*549*	*5*	–	*4,504*	*1,014*	*724*	*5*	–	*1,733*	*2,772*
INTANGIBLE ASSETS - TOTAL	**4,504**	**869**	**–**	**–**	**5,373**	**1,733**	**927**	**–**	**–**	**2,663**	**2,710**
	3,961	*549*	*5*	–	*4,504*	*1,014*	*724*	*5*	–	*1,733*	*2,772*
Investment Property	2,604	–	–	–	2,605	358	120	–	–	477	2,127
	2,604	–	–	–	*2,604*	*237*	*120*	–	–	*358*	*2,247*
Total	**1,77,829**	**17,488**	**18,099**	**465**	**1,76,754**	**77,874**	**30,408**	**12,943**	**–**	**95,341**	**81,412**
	1,57,276	*30,284*	*9,652*	*78*	*1,77,829*	*49,985*	*35,881*	*7,993*	–	*77,874*	*99,957*

Note : 1. Figures in italics relate to March 31, 2020

2. Fair value of investment property as on March 31, 2021 : ₹ 7,993 lakh, The fair value of the investment properties has been determined by an external independent property valuer, having appropriate professional qualification and experience in the location and category of property being valued.

3. *Total depreciation charged for the year in the Statement of Profit and Loss includes depreciation on Right to use assets, Depreciation on right to use assets for the year is ₹ 3,030 lakh (Previous year : ₹ 2,698 lakh)

NOTE "13"

(₹ in lakh)

OTHER NON-FINANCIAL ASSETS	As at March 31, 2021	As at March 31, 2020
At Amortised cost		
Capital advances	**3,047**	15,686
Prepaid expenses	**1,876**	2,031
Gratuity asset (net)	**1,298**	141
Balances with government authorities	**11,937**	11,851
Assets held-for-sale	**3,056**	4,480
Less : Provision for receivable on sale/redemption of investment	**(3,056)**	(4,433)
Rental income accrued	**197**	169
Other advances	**1,005**	596
Total	**19,360**	**30,521**

NOTE "14"

TRADE PAYABLES

(i) Total outstanding dues of creditors other than micro enterprises and small enterprises

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised cost		
Trade payables		
Accrued expenses	**38,918**	33,899
Payable to dealers/vendors	**31,775**	19,847
Payable to related parties	**8,977**	7,962
Due to others	**756**	962
Total	**80,426**	**62,670**

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 :

(ii) Total outstanding dues of micro enterprises and small enterprises

(₹ in lakh)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year*	111	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	**111**	**74**

*Amount of interest due is nil as at March 31, 2021 and March 31, 2020.

NOTE "15"

(₹ in lakh)

DEBT SECURITIES	As at March 31, 2021	As at March 31, 2020
(A)		
At Amortised Cost		
Secured		
– Privately Placed Non-Convertible Debentures (Refer note 15.1 and 15.4 below)	**18,17,705**	15,38,179
– Public issue of Non-Convertible Debentures (Refer note 15.1 and 15.5 below)	**7,13,156**	7,10,838
Unsecured		
– Privately Placed Non-Convertible Debentures (Refer note 15.6 below)	**2,84,591**	1,69,240
– Commercial paper [Net of unamortised discount of ₹ 6,572 lakh (March 31, 2020 : Rs. 16,337 lakh)]	**3,77,923**	7,23,988
Total	**31,93,375**	31,42,245
(B)		
(i) Debt securities in India	**31,93,375**	31,42,245
(ii) Debt securities outside India	**–**	–
Total	**31,93,375**	**31,42,245**

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. Trade advances & bill discounting facility extended to borrower and sundry debtors and other 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 3.55% to 5.90% (March 31, 2020 : 5.64 % to 8.90%) and are repayable at maturity ranging between 2 and 12 months from the date of respective commercial paper.

15.4. Debt securities held by related parties as on March 31, 2021 is ₹ 8,196 lakh.

15.5. No default has been made in repayment of debt securities for the year ended March 31, 2021 and March 31, 2020.

15.6 Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2021

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			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**	10,000	1,00,000
TCFSL NCD 'H' FY 2019-20	6-Nov-19	6-Nov-29	**1,000**	**10,000**	1,000	10,000
TCFSL NCD "F" FY 2019-20 Option - I	20-Jun-19	20-Jun-29	**2,730**	**27,300**	2,730	27,300
TCFSL NCD 'F' FY 2019-20 Op-I Reissuance 1	19-Jul-19	20-Jun-29	**1,000**	**10,000**	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

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL NCD “H” FY 2018-19 - Option II - 1 Reissuance on Premium	3-Jan-19	19-Dec-28	230	2,300	230	2,300
TCFSL NCD “B” FY 2020-21 - Option II	29-Apr-20	29-Apr-25	400	4,000	–	–
TCFSL NCD “E” FY 2019-20 Option - I	4-Jun-19	15-Jan-25	300	3,000	300	3,000
TCFSL NCD “E” FY 2019-20 Option - I Reissuance 1	26-Feb-20	15-Jan-25	350	3,500	350	3,500
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
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	885	8,850
TCFSL NCD ‘F’ FY 2019-20 Op-II Reissuance 1	10-Jul-19	20-Jun-24	1,000	10,000	1,000	10,000
TCFSL NCD “D” FY 2019-20	27-May-19	27-May-24	2,180	21,800	2,180	21,800
TCFSL NCD ‘K’ FY 2020-21	30-Mar-21	29-Mar-24	4,250	42,500	–	–
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 - 2 Reissuance on Premium	15-Feb-19	19-Dec-23	550	5,500	550	5,500
TCFSL NCD ‘I’ FY 2020-21	31-Dec-20	30-Nov-23	10,000	1,00,000	–	–
TCFSL NCD ‘G’ FY 2020-21	28-Jul-20	28-Jul-23	1,250	12,500	–	–
TCFSL NCD ‘F’ FY 2020-21	14-Jul-20	14-Jul-23	500	5,000	–	–
TCFSL NCD ‘F’ FY 2020-21 Discount Reissuance 1	20-Jul-20	14-Jul-23	3,500	35,000	–	–
TCFSL NCD ‘A’ FY 2020-21	21-Apr-20	19-May-23	9,250	92,500	–	–
TCFSL NCD “B” FY 2020-21 - Option I	29-Apr-20	28-Apr-23	750	7,500	–	–
TCFSL NCD ‘J’ FY 2020-21	17-Mar-21	17-Mar-23	3,000	30,000	–	–
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 no 1	12-Feb-20	20-Jan-23	1,250	12,500	1,250	12,500
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	50	500
TCFSL NCD ‘H’ FY 2020-21	1-Dec-20	1-Dec-22	4,000	40,000	–	–
TCFSL NCD ‘D’ FY 2020-21	17-Jun-20	23-Sep-22	1,500	15,000	–	–
TCFSL NCD ‘D’ FY 2020-21 Premium Reissuance 1	27-Aug-20	23-Sep-22	4,000	40,000	–	–
TCFSL NCD “AH” FY 2012-13	5-Sep-12	5-Sep-22	500	5,000	500	5,000
TCFSL NCD “B” FY 2019-20	14-May-19	6-Jul-22	210	2,100	210	2,100
TCFSL NCD “B” FY 2019-20 Reissuance 1 on Par Premium	23-Feb-21	6-Jul-22	2,000	24,174	–	–
TCFSL NCD “I” FY 2018-19	3-Jan-19	10-Jun-22	400	4,000	400	4,000

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL NCD 'I' FY 2018-19 Reissuance no 1	27-Sep-19	10-Jun-22	**100**	**1,000**	100	1,000
TCFSL NCD 'I' FY 2019-20	10-Dec-19	10-Jun-22	**250**	**2,500**	250	2,500
TCFSL NCD 'J' FY 2019-20	30-Jan-20	29-Apr-22	**2,000**	**20,000**	2,000	20,000
TCFSL NCD "A" FY 2019-20	25-Apr-19	25-Apr-22	**500**	**5,000**	500	5,000
TCFSL Market Linked 'A' 2018-19 Tranche-III	27-Feb-19	14-Apr-22	**137**	**1,370**	137	1,370
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 1	12-Mar-19	14-Apr-22	**159**	**1,590**	159	1,590
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 2	26-Apr-19	14-Apr-22	**100**	**1,000**	100	1,000
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 3	7-Jun-19	14-Apr-22	**175**	**1,750**	175	1,750
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 4	5-Feb-20	14-Apr-22	**200**	**2,000**	200	2,000
TCFSL Market Linked NCD "A" Series 2018-19 Tranche III Reissuance 5	19-Aug-20	14-Apr-22	**330**	**3,300**	–	–
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
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
TCFSL NCD 'E' FY 2020-21	25-Jun-20	28-Dec-21	**1,850**	**18,500**	–	–
TCFSL NCD "E" FY 2018-19	26-Oct-18	26-Oct-21	**3,262**	**32,620**	3,262	32,620
TCFSL NCD 'G' FY 2019-20	27-Sep-19	13-Sep-21	**500**	**5,000**	500	5,000
TCFSL NCD "C" FY 2020-21	28-May-20	27-Aug-21	**3,750**	**37,500**	–	–
TCFSL NCD "C" FY 2020-21 Reissuance 1 on Par Premium	17-Jun-20	27-Aug-21	**2,250**	**22,655**	–	–
TCFSL Market Link NCD "A" FY 2019-20	2-Aug-19	2-Aug-21	**344**	**3,440**	344	3,440
TCFSL NCD "E" FY 2019-20 Option - II	4-Jun-19	4-Jun-21	**1,080**	**10,800**	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 'A' 2018-19 Tranche-II	27-Feb-19	14-Apr-21	**1,175**	**11,750**	1,175	11,750
TCFSL Market Linked 'A' 2018-19 Tranche-II Reissuance 1	12-Mar-19	14-Apr-21	**385**	**3,850**	385	3,850
TCFSL Market Linked 'A' 2018-19 Tranche-II Reissuance 2	29-Mar-19	14-Apr-21	**260**	**2,600**	260	2,600

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL Market Linked 'A' 2018-19 Tranche-II Reissuance 3	26-Apr-19	14-Apr-21	**60**	**600**	60	600
TCFSL Market Linked 'A' 2018-19 Tranche-II Reissuance 4	7-Jun-19	14-Apr-21	**425**	**4,250**	425	4,250
TCFSL Market Linked 'A' 2018-19 Tranche-II Reissuance 5	28-Jun-19	14-Apr-21	**100**	**1,000**	100	1,000
TCFSL Market Linked 'A' 2018-19 Tranche-II Reissuance 6	13-Sep-19	14-Apr-21	**465**	**4,650**	465	4,650
TCFSL NCD "N" FY 2018-19 - Option I	27-Mar-19	26-Mar-21	**–**	**–**	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
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
TCFSL NCD "O" FY 2017-18	12-Jan-18	22-Jan-21	**–**	**–**	750	7,500
TCFSL NCD "J" FY 2018-19	10-Jan-19	11-Jan-21	**–**	**–**	250	2,500
TCHFL NCD "F" 2019-2020	18-Nov-19	16-Nov-29	**10,000**	**1,00,000**	10,000	1,00,000
TCCL NCD 'B' FY 2019-20	16-Oct-19	16-Oct-29	**600**	**6,000**	600	6,000
TCCL NCD 'A' FY 2019-20	15-Jul-19	13-Jul-29	**1,400**	**14,000**	1,400	14,000
TCCL NCD 'A' FY 2020-21	10-Jun-20	10-Sep-27	**1,750**	**17,500**	–	–
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 "G" FY 2020-21	19-Jan-21	19-Jan-26	**850**	**8,500**	–	–
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
TCHFL NCD R FY 2014-15	9-Dec-14	9-Dec-24	**2,000**	**20,000**	2,000	20,000
TCCL NCD 'C' FY 2019-20	5-Dec-19	5-Dec-24	**250**	**2,500**	250	2,500
TCCL NCD 'C' FY 2017-18	2-Jun-17	3-Jun-24	**100**	**1,000**	100	1,000
TCHFL NCD "H" FY 2020-21	25-Mar-21	25-Mar-24	**2,500**	**25,000**	–	–
TCHFL NCD "D" FY 2020-21	27-Oct-20	24-Jan-24	**2,000**	**20,000**	–	–
TCHFL NCD "AP" FY 2015-16 - Option II	12-Jan-16	12-Jan-24	**150**	**1,500**	150	1,500
TCHFL NCD "E" FY 2020-21 - Option II	3-Dec-20	1-Dec-23	**3,000**	**30,000**	–	–
TCHFL NCD "F" FY 2020-21	31-Dec-20	23-Nov-23	**3,000**	**30,000**	–	–
TCHFL NCD "A" FY 2020-21	12-May-20	11-Aug-23	**5,000**	**50,000**	–	–
TCHFL NCD "C" FY 2020-21	27-Jul-20	27-Jul-23	**2,500**	**25,000**	–	–

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCHFL NCD "B" FY 2020-21	26-May-20	26-May-23	**4,500**	**45,000**	–	–
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
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
TCHFL NCD "E" FY 2020-21 - Option I	3-Dec-20	2-Dec-22	**1,000**	**10,000**	–	–
TCHFL NCD "G" FY 2019-20 Reissuance	4-Sep-20	25-Oct-22	**3,000**	**30,000**	–	–
TCHFL NCD "G" FY 2019-20	11-Dec-19	25-Oct-22	**150**	**1,500**	150	1,500
TCHFL Market Link NCD "A" 2019-20	22-Aug-19	22-Aug-22	**99**	**990**	99	990
TCHFL NCD "X" FY 2015-16	29-Jul-15	29-Jul-22	**750**	**7,500**	750	7,500
TCHFL NCD "C" FY 2019-20	4-Jul-19	4-Jul-22	**250**	**2,500**	250	2,500
TCHFL NCD G FY 2012-13	18-May-12	18-May-22	**100**	**1,000**	100	1,000
TCHFL NCD "C" FY 2018-19	7-Dec-18	13-Apr-22	**993**	**9,930**	993	9,930
TCHFL C Series FY 18-19 Reissue	9-Jan-19	13-Apr-22	**700**	**7,000**	700	7,000
TCHFL NCD "C" FY 2018-19 Reissuance II	25-Apr-19	13-Apr-22	**1,250**	**12,500**	1,250	12,500
TCHFL NCD "D" FY 2019-20	19-Aug-19	11-Mar-22	**1,000**	**10,000**	1,000	10,000
TCHFL NCD "W" FY 2016-17	28-Dec-16	28-Dec-21	**4,080**	**40,800**	4,080	40,800
TCHFL Market Link NCD B 2019-20	30-Sep-19	30-Sep-21	**61**	**614**	61	614
TCHFL NCD "T" FY 2016-17	15-Sep-16	15-Sep-21	**100**	**1,000**	100	1,000
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**	500	5,000
TCHFL NCD "A" FY 2016-17	12-Apr-16	12-Apr-21	**1,200**	**12,000**	1,200	12,000
TCHFL NCD "E" FY 2019-20	4-Sep-19	11-Mar-21	**–**	**–**	3,000	30,000
TCHFL NCD "AS" FY 2015-16	22-Jan-16	22-Jan-21	**–**	**–**	200	2,000
TCFSL NCD "X" FY 2015-16	16-Dec-15	16-Dec-20	**–**	**–**	100	1,000
TCHFL NCD "AM" FY 2015-16 - Option II	6-Nov-15	6-Nov-20	**–**	**–**	50	500
TCHFL NCD "AI" FY 2015-16	16-Oct-15	16-Oct-20	**–**	**–**	500	5,000
TCHFL NCD "AH" FY 2015-16	14-Oct-15	14-Oct-20	**–**	**–**	200	2,000
TCHFL NCD "I" FY 2017-18	31-Aug-17	31-Aug-20	**–**	**–**	3,500	35,000
TCFSL NCD "C" FY 2019-20	21-May-19	25-Aug-20	**–**	**–**	500	5,000
TCHFL NCD "AB" FY 2015-16	20-Aug-15	20-Aug-20	**–**	**–**	100	1,000
TCHFL NCD "AA" FY 2015-16	17-Aug-15	17-Aug-20	**–**	**–**	1,000	10,000
TCFSL Market Linked Tranche 'A' 2018-19 Tranch-I	27-Feb-19	14-Aug-20	**–**	**–**	1,448	14,480
TCFSL Market Linked Tranche 'A' 2018-19 Tranch-I Reissuance 1	12-Mar-19	14-Aug-20	**–**	**–**	102	1,020
TCFSL Market Linked Tranche 'A' 2018-19 Tranch-I Reissuance 2	28-Mar-19	14-Aug-20	**–**	**–**	340	3,400

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
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
TCFSL NCD "E" FY 2017-18	6-Jul-17	6-Aug-20	–	–	500	5,000
TCFSL NCD "K" FY 2018-19 - Option I	16-Jan-19	15-Jul-20	–	–	3,760	37,600
TCFSL NCD "G" FY 2017-18	12-Jul-17	10-Jul-20	–	–	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
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
TCHFL NCD "E" FY 2017-18	7-Jun-17	30-Jun-20	–	–	50	500
TCFSL NCD "L" FY 2018-19	29-Jan-19	29-Jun-20	–	–	3,500	35,000
TCFSL NCD "G" FY 2018-19	30-Nov-18	26-Jun-20	–	–	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
TCFSL NCD "G" FY 2018-19 Further issue - II on Par Premium	23-Jan-19	26-Jun-20	–	–	1,490	15,185
TCHFL NCD "D" FY 2018-19	19-Mar-19	26-Jun-20	–	–	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
TCFSL NCD "D" FY 2017-18	9-Jun-17	9-Jun-20	–	–	10,150	1,01,500
TCFSL NCD "E" FY 2015-16	5-May-15	5-May-20	–	–	3,300	33,000
TCHFL NCD "C" FY 2017-18	20-Apr-17	29-Apr-20	–	–	50	500
TCCL NCD 'B' FY 2018-19	18-Dec-18	18-Dec-23	**1,800**	**18,000**	1,800	18,000
TCCL NCD 'C" FY 2020-21	31-Dec-20	30-Nov-23	**2,000**	**20,000**	–	–
TCCL MLD "A" 2020-21	20-Jul-20	20-Jul-23	**7,500**	**7,500**	–	–
TCCL NCD 'D' FY 2019-20	17-Feb-20	17-Feb-23	**2,000**	**20,000**	2,000	20,000
TCCL MLD "A" FY 2019-20	31-May-19	30-Jan-23	**729**	**729**	729	729
TCCL MLD "A" 2019-20 Reissuance 1	10-Jun-19	30-Jan-23	**278**	**278**	278	278
TCCL MLD "A" 2019-20 Reissuance 2	19-Jun-19	30-Jan-23	**321**	**321**	321	321
TCCL MLD "A" 2019-20 Reissuance 3	20-Sep-19	30-Jan-23	**1,502**	**1,502**	1,502	1,502
TCCL MLD "A" 2019-20 Reissuance 4	3-Oct-19	30-Jan-23	**1,054**	**1,054**	1,054	1,054
TCCL MLD "A" 2019-20 Reissuance 5	10-Dec-19	30-Jan-23	**1,000**	**1,000**	1,000	1,000
TCCL MLD "A" 2019-20 Reissuance 6	23-Dec-19	30-Jan-23	**1,300**	**1,300**	1,300	1,300

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCCL NCD 'B' FY 2020-21	23-Jun-20	23-Jun-22	**650**	**6,500**	–	–
TCCL NCD 'B' FY 2016-17	17-Oct-16	15-Oct-21	**150**	**1,500**	150	1,500
TCCL NCD 'F' FY 2015-16	19-Oct-15	19-Oct-20	**–**	**–**	200	2,000
TCCL NCD 'E' FY 2015-16	4-Sep-15	4-Sep-20	**–**	**–**	200	2,000
TCCL NCD 'A' FY 2018-19	24-Aug-18	24-Aug-20	**–**	**–**	750	7,500
TCCL NCD 'F' FY 2017-18	28-Jul-17	3-Aug-20	**–**	**–**	2,000	20,000
TCCL NCD 'C' FY 2015-16	20-Jul-15	20-Jul-20	**–**	**–**	200	2,000
TCCL NCD 'D' FY 2017-18	7-Jun-17	5-Jun-20	**–**	**–**	250	2,500
TCCL NCD 'A' FY 2017-18	15-May-17	15-May-20	**–**	**–**	200	2,000
TCCL NCD 'B' FY 2017-18	17-May-17	15-May-20	**–**	**–**	500	5,000
Total				**17,26,667**		**14,66,130**
Add : Interest accrued on borrowing				**87,472**		71,185
Add : Unamortised premium				**4,623**		1,874
Less : Unamortised discount				**(5)**		(486)
Less : Unamortised borrowing cost				**(1,052)**		(523)
Privately Placed Non-Convertible Debentures				**18,17,705**		**15,38,180**

*Coupon rate of "NCDs" outstanding as on March 31, 2021 varies from 5.00% to 9.85% (March 31, 2020 : 6.60% to 10.10%)

15.7 Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2021:

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			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**	12,025	120
TCHFL NCD "Series IV" FY 2019-20	14-Jan-20	14-Jan-28	**3,82,776**	**3,828**	3,82,776	3,828
TCHFL NCD "Series V" FY 2019-20	14-Jan-20	14-Jan-28	**1,17,900**	**1,179**	1,17,900	1,179
TCHFL NCD "Series V" FY 2019-20	14-Jan-20	14-Jan-28	**9,05,697**	**9,057**	9,05,697	9,057
SERIES III TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-27	**92,48,14,000**	**9,248**	92,48,14,000	9,248
SERIES III TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-27	**6,00,39,35,000**	**60,039**	6,00,39,35,000	60,039
TCHFL NCD "Series II" FY 2019-20	14-Jan-20	14-Jan-25	**51,892**	**519**	51,892	519
TCHFL NCD "Series II" FY 2019-20	14-Jan-20	14-Jan-25	**5,41,471**	**5,415**	5,41,471	5,415
TCHFL NCD "Series III" FY 2019-20	14-Jan-20	14-Jan-25	**3,35,925**	**3,359**	3,35,925	3,359
TCHFL NCD "Series III" FY 2019-20	14-Jan-20	14-Jan-25	**23,48,032**	**23,480**	23,48,032	23,480
SERIES II TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-24	**97,71,40,000**	**9,771**	97,71,40,000	9,771
SERIES II TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-24	**3,40,91,75,000**	**34,092**	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**	2,99,345	2,993

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCHFL NCD "Series I" FY 2019-20	14-Jan-20	14-Jan-23	**1,42,24,535**	**1,42,245**	1,42,24,535	1,42,245
SERIES I TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-22	**96,61,34,000**	**9,661**	96,61,34,000	9,661
SERIES I TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-22	**7,52,25,82,000**	**75,226**	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 (A)				**6,90,433**		**6,90,433**
Add: Interest accrued on borrowing				**26,779**		26,863
Less: Unamortised borrowing cost				**(4,056)**		(6,458)
Total				**7,13,156**		**7,10,838**

Note : Coupon rate of above outstanding as on March 31, 2021 varies from 7.92% to 8.90% (March 31, 2020 : 7.92% to 8.90%)

15.8 Particulars of Privately Placed unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2021:

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL Unsecured NCD Partly paid "A" FY 2019-20	23-Mar-20	23-Mar-35	**1,000**	**20,000**	1,000	10,000
TCFSL Unsecured NCD Partly paid "A" FY 2018-19	19-Mar-19	17-Mar-34	**2,360**	**35,400**	2,360	23,600
TCL Unsecured NCD A FY 2020-21 Option I	4-Aug-20	4-Aug-25	**2,050**	**20,500**	–	–
TCL Unsecured NCD B FY 2020-21 Option II	25-Feb-21	30-Apr-24	**1,000**	**10,000**	–	–
TCL Unsecured NCD B FY 2020-21 Option I	25-Feb-21	28-Dec-23	**3,000**	**30,000**	–	–
TCL Unsecured NCD A FY 2020-21 Option II	4-Aug-20	4-Aug-23	**3,000**	**30,000**	–	–
TCL Unsecured NCD C FY 2019-20 Option I	7-Feb-20	28-Jun-23	**1,250**	**12,500**	1,250	12,500
TCL Unsecured NCD C FY 2019-20 Option II	7-Feb-20	13-Mar-23	**1,250**	**12,500**	1,250	12,500
TCL Unsecured NCD D FY 2019-20	20-Feb-20	21-Dec-22	**3,000**	**30,000**	3,000	30,000
TCL Unsecured NCD B FY 2019-20 Option II	3-Dec-19	3-Jun-22	**3,750**	**37,500**	3,750	37,500
TCL Unsecured NCD B FY 2019-20 Option II Reissuance	20-Feb-20	3-Jun-22	**250**	**2,500**	250	2,500
TCL Unsecured NCD B FY 2019-20 Option I	3-Dec-19	3-Dec-21	**3,000**	**30,000**	3,000	30,000
TCL Unsecured NCD A FY 2019-20	29-Aug-19	27-Aug-21	**750**	**7,500**	750	7,500
Total				**2,78,400**		**1,66,100**
Add: Interest accrued on borrowing				**6,362**		3,131
Add : Unamortised Premium				**33**		61
Less: Unamortised borrowing cost				**(204)**		(52)
Total				**2,84,591**		**1,69,240**

Note : Coupon rate of above outstanding as on March 31, 2021 varies from 6.7% to 9.22% (March 31, 2020 : 7.85% to 9.22%)

NOTE "16"

(₹ in lakh)

BORROWINGS (OTHER THAN DEBT SECURITIES)	As at March 31, 2021	As at March 31, 2020
(A)		
At Amortised Cost		
(a) Term Loans		
Secured		
(i) From Banks (Refer note 16.1 and 16.2 below)	**17,85,777**	19,67,165
(ii) From National Housing Bank (Refer note 16.5 Below)	**4,42,664**	5,04,955
(iii) From others (Refer note 16.1 Below)	**64,588**	84,443
(iv) From external commercial borrowing	**3,41,099**	2,64,558
Unsecured		
(i) From banks (Refer note 16.1 below)	**–**	76,667
(b) Loan repayable on demand		
Secured		
(i) From Banks		
(a) Working capital demand loan (Refer note 16.1 and 16.3 below)	**4,38,252**	5,78,491
(b) Bank Overdraft (Refer note 16.1 and 16.6 below)	**44,938**	27,709
(c) Cash Credit (Refer note 16.1 and 16.6 below)	**1,250**	214
Unsecured		
(i) From Banks		
(a) Working capital demand loan	**50,000**	2,200
(c) Other loans		
Unsecured		
(i) Inter corporate deposits from others (Refer note 16.4 below)	**–**	**2,731**
Total	**31,68,568**	**35,09,133**
(B)		
(i) Borrowings (other than debt securities) in India	28,27,469	32,44,575
(ii) Borrowings (other than debt securities) outside India	3,41,099	2,64,558
Total	**31,68,568**	**35,09,133**

16.1 Loans and advances from banks are secured by pari passu charge through Security Trustee by way of mortgage over Group's specific immovable property, specified receivables of the Group arising out of its business, other book debts and trade advances of the Group, Receivables from senior and junior pass through certificates in which the company has invested, such other current assets as may be identified by the Group from time to time accepted by the security trustee and other long term and current investments.

16.2 Rate of interest payable on term loans varies between 4.65% to 7.80% (March 31, 2020 : 5.67% to 9.25%)

16.3 Rate of interest payable on Working Capital Demand Loan varies between 4.20% to 7.85% (March 31, 2020 : 7.25% to 9.10%)

16.4 Rate of interest payable on Inter-corporate is 8.42% (March 31, 2020 : 7.95% to 8.85%)

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 (as at March 31, 2020: 28-60) quarterly installments. Rate of Interest payable on Term loan varies between 4.61% to 8.50% (as at March 31, 2020 4.61% to 9.80%).

16.6 Rate of Interest payable on external commercial borrowing varies between 6.97% to 8.26% (as at March 31, 2020 7.77% to 8.26%).

16.7 Rate of Interest payable on Cash Credit / Over Draft & Working Capital Demand Loan varies between 4.20% to 8.55% (as at March 31, 2020 7.45% to 9.10%).

16.8 No default has been made in repayment of any borrowings and/or interest for the year ended March 31, 2021 and March 31, 2020

NOTE "17"

(₹ in lakh)

SUBORDINATED LIABILITIES	As at March 31, 2021	As at March 31, 2020
(A)		
At Amortised cost		
Unsecured		
Non-Convertible Subordinated Debentures (Refer note 17.4 below)	**3,75,047**	3,23,488
Non-Convertible Perpetual Debentures (Refer note 17.5 below)	**99,540**	81,584
Cumulative Redeemable Preference Shares (Refer note 17.6 below) [Face Value ₹ 1,15,980 lakh (As at March 31, 2020 ₹ 1,46,720 lakh]	**1,15,895**	1,46,552
Total	**5,90,482**	**5,51,624**
(B)		
(i) Subordinated liabilities in India	**5,90,482**	5,51,624
(ii) Subordinated liabilities outside India	**–**	–
Total	**5,90,482**	**5,51,624**

17.1 Of the above Subordinated Liabilities, Preference shares amounting to face value of ₹ 5,233 lakh (March 31, 2020 : ₹ 5,263 lakh) are held by related parties.

17.2 Of the above Non-convertible perpetual debentures and Non-convertible subordinated amounting to face value of ₹ 11,730 lakh are subscribed by related parties.

17.3 No default has been made in repayment of subordinated liabilities for the year ended March 31, 2021 and March 31, 2020.

17.4 Particulars of Subordinated unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2021

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCHFL Tier II Bond A FY 2020-21	11-Jan-21	10-Jan-31	**500**	**5,000**	–	–
TCFSL Tier-II Bond "A" FY 2020-21	17-Sep-20	17-Sep-30	**750**	**7,500**	–	–
TCFSL Tier-II Bond "A" FY 2020-21 Premium Reissuance 1	13-Oct-20	17-Sep-30	**1,250**	**12,500**	–	–
TCFSL Tier-II Bond "A" FY 2020-21 Discount Reissuance 2	23-Mar-21	17-Sep-30	**1,000**	**10,000**	–	–
TCCL Tier II Bond "A" FY 2020-21	28-Jul-20	26-Jul-30	**500**	**5,000**	–	–
TCCL Tier II Bond "A" FY 2020-21 Reissunace no 1	14-Oct-20	26-Jul-30	**500**	**5,000**	–	–
TCCL Tier II Bond "A" FY 2020-21 Reissunace no 2	17-Dec-20	26-Jul-30	**500**	**5,000**	–	–
TCHFL Tier II Bond Series VI FY-2019-20	14-Jan-20	14-Jan-30	**7,80,402**	**7,804**	7,80,402	7,804
TCFSL Tier-II Bond "B" FY 2019-20	13-Nov-19	13-Nov-29	**1,000**	**10,000**	1,000	10,000
TCFSL Tier-II Bond "B" FY 2019-20 Premium Reissuance 1	3-Jan-20	13-Nov-29	**700**	**7,000**	700	7,000
TCCL Tier II Bond "B" FY 2019-20	13-Nov-19	13-Nov-29	**500**	**5,000**	500	5,000
TCCL Tier II Bond "B" FY 2019-20 Reissuance no 2	24-Feb-20	13-Nov-29	**500**	**5,000**	500	5,000
TCCL Tier II Bond "B" FY 2019-20 Reissuance no 1	3-Feb-20	13-Nov-29	**1,000**	**10,000**	1,000	10,000
SERIES IV TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-29	**46,500**	**465**	46,500	465
SERIES IV TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-29	**17,26,973**	**17,270**	17,26,973	17,270
TCCL Tier II Bond "A" FY 2019-20	10-May-19	10-May-29	**500**	**5,000**	500	5,000

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCCL Tier II Bond “A” FY 2019-20 Reissuance no 1	29-May-19	10-May-29	**500**	**5,000**	500	5,000
TCCL Tier II Bond “A” FY 2019-20 Reissuance no2	27-Jun-19	10-May-29	**500**	**5,000**	500	5,000
TCFSL Tier-II Bond “A” FY 2019-20	16-Apr-19	16-Apr-29	**200**	**2,000**	200	2,000
TCFSL Tier II NCD “A” FY 2019-20 Discount Reissuance 1	13-Jun-19	16-Apr-29	**650**	**6,500**	650	6,500
TCFSL Tier II NCD “A” FY 2019-20 Premium Reissuance 2	26-Jun-19	16-Apr-29	**1,000**	**10,000**	1,000	10,000
TCFSL Tier II NCD “A” FY 2019-20 Premium Reissuance 3	29-Jul-19	16-Apr-29	**295**	**2,950**	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 NCD Series III (2018)	27-Sep-18	27-Sep-28	**2,95,490**	**2,955**	2,95,490	2,955
TCFSL NCD Series III (2018)	27-Sep-18	27-Sep-28	**34,18,488**	**34,185**	34,18,488	34,185
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
TCHFL Tier II Bond A FY 2014-15	26-Sep-14	26-Sep-24	**480**	**4,800**	480	4,800
TCFSL Tier II Bond ‘A’ FY 2014-15	26-Sep-14	25-Sep-24	**1,000**	**10,000**	1,000	10,000
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

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
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
Total				**3,59,999**		**3,09,999**
Add: Interest accrued but not due				**15,467**		13,797
Add : Unamortised premium				**481**		383
Less : Unamortised borrowing cost				**(763)**		(681)
Less : Unamortised discount				**(137)**		(10)
Total				**3,75,047**		**3,23,488**

*Note : Coupon rate of above outstanding as on March 31, 2021 varies from 7.60% to 10.25% (March 31, 2020: 8.45% to 10.25%)

17.5 Particulars of Perpetual unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2021

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2021*		As at March 31, 2020*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL Perpetual 'B' FY 2020-21	19-Oct-20	19-Oct-30	**750**	**7,500**	–	–
TCFSL Perpetual 'A' FY 2020-21	30-Sep-20	30-Sep-30	**1,000**	**10,000**	–	–
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
TCL Perpetual A FY 2010-11	15-Nov-10	15-Nov-20	**–**	**–**	15	75
Total (A)				**96,635**		**79,300**
Add: Interest accrued on borrowing				**3,304**		2,641
Less: Unamortised borrowing cost				**(399)**		(357)
Total				**99,540**		81,584

*Note : Coupon rate of above outstanding as on March 31, 2021 varies from 8.10% to 11.25% (March 31, 2020: 8.61% to 11.25%)

(₹ in lakh)

Description of NCDs	Year ended March 31, 2021	Year ended March 31, 2020
Funds Raised through Perpetual Debt Instruments	**17,500**	–
Amount outstanding at the end of year	**96,635**	79,300

17.6 Particulars of Cumulative Redeemable Preference Shares outstanding as on March 31, 2021

(₹ in lakh)

Particulars	Tranche	No. of shares	Allotment Date	Redemption Date/ Actual Redemption Date	Early Redemption Date/ Actual Redemption Date	March 31, 2021	March 31, 2020
7.50% Cumulative Redeemable Preference Shares of Rs. 1,000 each	P	7,50,000	September 2, 2016	September 22, 2020	September 22, 2020	-	7,500
	Q	10,00,000	September 16, 2016	September 22, 2020	September 22, 2020	-	10,000
	R	5,00,000	October 7, 2016	September 22, 2020	September 22, 2020	-	5,000
	S	7,50,000	October 27, 2016	September 22, 2020	September 22, 2020	-	7,500
	T	12,76,000	March 10, 2017	March 9, 2024	May 31, 2021	**12,763**	13,494
	U	6,50,000	July 7, 2017	July 6, 2024	October 30, 2021	**6,501**	6,495
	V	7,50,000	July 12, 2017	July 11, 2024	October 30, 2021	**7,501**	7,495
	W	7,50,000	July 26, 2017	July 25, 2024	October 30, 2021	**7,501**	7,494
7.33% Cumulative Redeemable Preference Shares of Rs. 1,000 each	X	7,50,000	July 28, 2017	July 27, 2024	October 30, 2021	**7,501**	7,495
	Y	7,47,500	August 4, 2017	August 3, 2024	October 30, 2021	**7,476**	7,469
7.15% Cumulative Redeemable Preference Shares of Rs. 1,000 each	Z	7,50,000	September 15, 2017	September 14, 2024	January 31, 2022	**7,497**	7,491
7.10% Cumulative Redeemable Preference Shares of Rs. 1,000 each	AA	7,50,000	September 29, 2017	September 28, 2024	January 31, 2022	**7,497**	7,488
	AB	4,00,000	April 20, 2018	April 19, 2025	September 30, 2022	**3,998**	3,995
	AC	4,00,000	May 10, 2018	May 9, 2025	September 30, 2022	**3,997**	3,995
	AD	3,34,500	June 15, 2018	June 14, 2025	September 30, 2022	**3,342**	3,340
7.75% Cumulative Redeemable Preference Shares of Rs. 1,000 each	AE	4,00,000	March 13, 2019	March 12, 2026	June 30, 2023	**3,994**	3,993
7.50% Cumulative Redeemable Preference Shares of Rs. 1,000 each	AF	4,00,000	June 12, 2019	June 11, 2026	September 30, 2023	**3,993**	3,993
	AG	4,00,000	June 28, 2019	June 27, 2026	October 31, 2023	**3,992**	3,993
	AH	3,90,000	August 7, 2019	August 6, 2026	November 30, 2023	**3,893**	3,890
	AI	4,00,000	August 28, 2019	August 27, 2026	November 30, 2023	**3,996**	3,994
	AJ	4,00,000	August 30, 2019	August 29, 2026	December 31, 2023	**3,996**	3,994
	AK	4,00,000	September 4, 2019	September 3, 2026	January 31, 2024	**3,988**	3,984
	AL	4,00,000	September 9, 2019	September 8, 2026	February 29, 2024	**3,988**	3,984
	AM	4,50,000	September 18, 2019	September 17, 2026	March 31, 2024	**4,494**	4,493
	AN	4,00,000	September 24, 2019	September 23, 2026	March 31, 2024	**3,987**	3,983
Total						**1,15,895**	**1,46,552**

Note:

1. Date of Redemption and / or Early Date of Redemption refers to Actual date of redemption for Tranche P, Tranche Q, Tranche R, Tranche S and Tranche T.
2. Early Date of Redemption refers to the date on or before which the CRPS shall be redeemed, as per the terms of offer, in the event of exercise of Call / Put Option by Option Exercise Date by the Company or CRPS holder(s), as the case may be, to seek early redemption.

NOTE “18” (₹ in lakh)

OTHER FINANCIAL LIABILITIES	As at March 31, 2021	As at March 31, 2020
At Amortised cost		
Security deposits	**44,084**	43,733
Payable for capital expenditure	**2,188**	2,945
Advances from customers	**3,188**	1,385
Equity dividend payable (Including DDT)	**16**	5
Accrued employee benefit expense	**13,264**	9,999
Unclaimed matured debentures and accrued interest thereon	**69**	34
Payable under letter of credit/buyers credit facility	**37,255**	29,369
Amounts payable - assigned loans	**1,418**	2,031
Other financial liabilities	**159**	518
Total	**1,01,641**	**90,019**

NOTE “19” (₹ in lakh)

PROVISIONS	As at March 31, 2021	As at March 31, 2020
At Amortised cost		
(a) **Provision for employee benefits**		
Gratuity	**–**	440
Compensated absences	**2,329**	2,466
Long-term service award	**148**	130
Share based payments to employees	**86**	86
(b) **Others**		
Provision for off Balance Sheet exposure	**3,286**	2,966
Total	**5,849**	**6,088**

NOTE “20” (₹ in lakh)

OTHER NON-FINANCIAL LIABILITIES	As at March 31, 2021	As at March 31, 2020
At Amortised cost		
Statutory dues	**8,574**	5,671
Revenue received in advance	**1,060**	897
Other payables	**1,327**	1,576
Total	**10,961**	**8,144**

NOTE “21”

EQUITY SHARE CAPITAL

(I) Share capital authorised, issued, subscribed and paid up

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	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
	4,78,25,00,000	**8,00,000**	**4,78,25,00,000**	**8,00,000**
Issued, Subscribed & Paid up:				
Equity shares of Rs 10 each fully paid	**3,51,61,67,744**	**3,51,617**	3,51,61,67,744	3,51,617
Less: Net shares issued to employees by TCL Employee Welfare Trust	**(5,25,25,530)**	**(5,253)**	(5,17,49,195)	(5,175)
	3,46,36,42,214	**3,46,364**	3,46,44,18,549	3,46,442
Add/(Less): Loans to Employees (net)		**(4)**		(67)
Total	**3,46,36,42,214**	**3,46,360**	**3,46,44,18,549**	**3,46,375**

(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.

(III) Reconciliation of the shares outstanding at the beginning and at the end of the year

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
At the beginning of the year	**3,46,44,18,549**	**3,46,375**	3,26,98,44,264	3,26,984
Issued during the year	**-**	**-**	19,60,78,430	19,608
Add/(less): Net shares issued to employees by TCL Employee Welfare Trust	**(7,76,335)**	**(78)**	(15,04,145)	(150)
Add/(Less): Loans to Employees (net)		63		(67)
Total	**3,46,36,42,214**	**3,46,360**	**3,46,44,18,549**	**3,46,375**

(IV) Equity shares in the Company held by the holding company

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
Tata Sons Private Limited	3,32,45,83,520	3,32,458	3,32,45,83,520	3,32,458
	3,32,45,83,520	**3,32,458**	**3,32,45,83,520**	**3,32,458**

(V) Details of shareholders holding more than 5% shares in the company

(₹ in lakh)

Equity Shares	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Tata Sons Private Limited	3,32,45,83,520	94.55%	3,32,45,83,520	94.55%

Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs.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.

(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

The Company is required to present disclosures as required by Para 44, 45, 46, 47, 50, 51 and 52 of Ind AS 102. It is required to present scheme wise terms and conditions of the ESOP schemes, present for the employees of the Company.

A. Description of share based payments:

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019	ESOP 2020
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	20% at the end of each 12 and 20 months and 30% at the end of each 32 and 44 months from the date of grant
ii. Maximum term of option	6 years	2 years	7 years	7 years	7 years
iii. Method of settlement	Cash settled	Cash settled	Equity settled	Equity settled	Equity settled
iv. Modifications to share based payment plans	N.A.	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.	N.A.

B. Summary of share based payments

March 31, 2021

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	Total
Outstanding balance at the beginning of the period	**71,50,000**	**72,00,000**	**–**	**1,43,50,000**
Options granted	–	–	71,50,000	71,50,000
Options forfeited	12,85,000	11,00,000	–	23,85,000
Options exercised	15,000	–	–	15,000
Options expired	–	–	–	–
Options lapsed	–	–	–	–
Options outstanding at the end of the period	**58,50,000**	**61,00,000**	**71,50,000**	**1,91,00,000**
Options exercisable at the end of the period	23,40,000	12,00,000	-	35,40,000
For share options exercised:				
Weighted average exercise price at date of exercise	–	–	–	50.60
Money realized by exercise of options (In actual rupees)	–	–	–	759,000
For share options outstanding				
Range of exercise prices	50.60	51.00	40.30	–
Average remaining contractual life of options	4.50	5.34	6.34	5.46
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, 2020

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019	Total
Outstanding balance at the beginning of the period	**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 period	**–**	**–**	**71,50,000**	**72,00,000**	**1,43,50,000**
Options exercisable at the end of the period	–	–	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 (In actual rupees)	–	–	–	–	3,24,03,445
For share options outstanding					
Range of exercise prices	25.00	33.40	50.60	51.00	–

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019	Total
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.	

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	ESOP 2020
Share price:	25.0	33.4	50.60	51.00	40.30
Exercise Price:	25.0	33.4	50.60	51.00	40.30
Fair value of option:	8.6	8.4	23.34	23.02	17.07
Valuation model used:	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation
Expected Volatility:	0.37	0.35	0.38	0.41	0.42
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	Historical volatility of equity shares of comparable companies over the period ended December 15,2020 based on the life of options
Contractual Option Life (years):	3	2	7	7	7
Expected dividends:	–	–	–	–	–
Risk free interest rate:	8.00%	7.00%	8.00%	6.00%	5.00%
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	20% vesting on December 14, 2021
	66.67% vesting on July 29, 2015	–	40% vesting on September 30, 2020	40% vesting on August 01, 2021	40% vesting on July 31, 2022
	100% vesting on July 29, 2016	–	70% vesting on September 30, 2021	70% vesting on August 01, 2022	70% vesting on July 31, 2023
	–	–	100% vesting on September 30, 2022	100% vesting on August 01, 2023	100% vesting on July 31, 2024
Valuation of incremental fair value on modification	N.A.	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, 2021

Name of Scheme	Mr. Rajiv Sabharwal		Mr. Rakesh Bhatia	
	Granted	Exercised	Granted	Exercised
ESPS 2009	–	–	50,151	50,151
ESPS 2011	–	–	–	–
ESOP 2011	–	–	–	–
PS 2013	–	–	–	–
ESPS 2013	–	–	–	–
ESOP 2013	–	–	–	–
ESOP 2016	–	–	–	–
ESOP 2017	–	–	–	–
ESOP 2018	16,00,000	–	–	–
ESOP 2019	16,00,000	–	–	–
ESOP 2020	17,60,000	–	2,00,000	–
Total	**49,60,000**	**-**	**2,50,151**	**50,151**

As at March 31, 2021

Name of Scheme	Ms. Avan Doomasia*		Ms. Sarita Kamath*	
	Granted	Exercised	Granted	Exercised
ESPS 2009	80,615	80,615	–	–
ESPS 2011	–	–	3,000	3,000
ESOP 2011	60,000	60,000	–	–
PS 2013	8,690	8,690	323	323
ESPS 2013	–	–	–	–
ESOP 2013	–	–	30,000	30,000
ESOP 2016	10,000	10,000	10,000	10,000
ESOP 2017	10,000	10,000	10,000	10,000
ESOP 2018	1,25,000	–	1,00,000	–
ESOP 2019	1,00,000	–	1,00,000	–
ESOP 2020	–	–	1,10,000	–
Total	**3,94,305**	**1,69,305**	**3,63,323**	**53,323**

* Ms. Avan Doomasia ceased to be a KMP w.e.f. November 30, 2020 and Ms. Sarita Kamath was appointed as KMP w.e.f. December 01, 2020.

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**

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.

NOTE "22" (₹ in lakh)

OTHER EQUITY	As at March 31, 2021	As at March 31, 2020
Securities premium	**2,93,323**	2,93,419
Capital reserve	**43**	43
Capital redemption reserve	**575**	575
Debenture redemption reserve	**30,000**	30,000
Special reserve account	**1,39,222**	1,08,732
Retained earnings	**1,77,672**	93,412
General reserve	**1,785**	1,297
Employee stock option outstanding account	**2,111**	1,531
Foreign currency translation reserve	**7,504**	8,342
Other comprehensive income		
Remeasurement of defined benefit liability/asset	**(170)**	(1,357)
Fair value changes of financial instrument measured at fair value through other comprehensive income	**1,324**	439
The effective portion of gains and loss on hedging instruments in a cost of hedge	**(2,420)**	(586)
Debt instruments through other comprehensive income	**(29)**	(126)
Total	**6,50,940**	**5,35,721**

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:** Created upon employees stock options that expired unexercised or upon forfeiture of options granted.

7. **Employee stock option outstanding account:** Created upon grant of options to employees.

8. **Foreign Currency Translation Reserve:** The reserve is created on account of translation of assets and liabilities of foreign subsidiaries.

NOTE "23" (₹ in lakh)

INTEREST INCOME	Year ended March 31, 2021	Year ended March 31, 2020
On financial assets measured at:		
(i) **Amortised cost**		
Interest on loans and credit substitutes	**8,61,206**	8,89,761
Interest income from investments	**1,548**	421
Interest on deposits with bank	**2,436**	2,176
Other interest income	**102**	60
(ii) **Fair value through other comprehensive income**		
Interest on loans and credit substitutes	**7,214**	7,106
Interest on debentures	**136**	381
(iii) **Fair value through profit and loss**		
Interest on debentures	**194**	–
Total	**8,72,836**	**8,99,905**

NOTE "24" (₹ in lakh)

FEES AND COMMISSION INCOME	Year ended March 31, 2021	Year ended March 31, 2020
Foreclosure charges	**6,831**	7,362
Fees on value added services and products	**640**	1,003
Advisory Fees	**894**	4,871
Distribution fee	**419**	335
Others (valuation charges, PDD charges etc)	**5,917**	5,365
Total	**14,701**	**18,936**

NOTE "25" (₹ in lakh)

NET GAIN/(LOSS) ON FAIR VALUE CHANGES	Year ended March 31, 2021	Year ended March 31, 2020
(A) Net gain/(loss) on financial instruments classified at fair value through profit or loss		
(i) On trading portfolio		
– Investments	**19,608**	1,466
– Derivatives	**–**	–
– Others	**–**	–
(ii) On financial instruments designated at fair value through profit or loss		
(B) Others	**30,279**	(13,727)
Total	**49,887**	**(12,261)**
(C) Fair value changes:		
– Realised	**15,317**	9,620
– Unrealised	**34,570**	(21,881)
Total	**49,887**	**(12,261)**

NOTE "26" (₹ in lakh)

OTHER INCOME	Year ended March 31, 2021	Year ended March 31, 2020
Branch advertisement income	**2,220**	3,980
Income from distribution of financial products	**4,700**	5,456
Exchange gains (net)	**-**	9
Net gain on derecognition of property, plant and equipment	**(46)**	577
Interest on income tax refund	**2,494**	4
Income from advisory services	**5,480**	9,153
Other miscellaneous Income	**366**	995
Total	**15,214**	**20,174**

NOTE "27" (₹ in lakh)

FINANCE COSTS	Year ended March 31, 2021	Year ended March 31, 2020
At Amortised Cost		
Interest on borrowings other than debt securities	**2,12,285**	2,63,105
Interest on debt securities	**2,05,215**	1,85,924
Interest on subordinated liabilities	**47,839**	49,602
Dividend on Compulsorily Convertible Cumulative Preference Shares (including dividend distribution tax thereon)	**–**	799
Interest on external commercial borrowings (ECB)	**20,905**	9,126
Interest cost of lease liabilities	**969**	1,036
Other interest expenses	**484**	802
Discounting Charges		
(i) On Commercial paper	**33,561**	66,095
(ii) On Debentures	**–**	598
Total	**5,21,258**	**5,77,087**

During the year ended March 31, 2021, the Group has declared and paid, an interim dividend for the year ending March 31, 2021 on Cumulative Redeemable Preference Shares aggregating to ₹ 1,134 lakh (For the year ending March 31, 2020 ₹ 2,935 lakh) and final dividend for the year ending March 31, 2021 aggregating to ₹ 8,581 lakh (For the year ending March 31, 2020 ₹ 9,847 lakh).

NOTE "28"

IMPAIRMENT ON FINANCIAL INSTRUMENTS (₹ in lakh)

PARTICULARS	Year ended March 31, 2021	Year ended March 31, 2020
Loans and credit substitutes		
Impairment loss allowance on loans (Stage I & II)		
– At amortised cost	**18,086**	35,676
– At FVTOCI	**631**	4
	18,717	**35,680**
Impairment loss allowance on loans (Stage III) - at amortised cost	**1,21,349**	97,631
Less : Delinquency Support	**(301)**	(50)
	1,21,048	**97,581**
Write off - Loans and credit substitutes - at amortised cost	**1,02,081**	96,380
Less : Provision reversal on write off	**(1,02,081)**	(96,380)
Impairment on Investments	**(3)**	8,396
Trade receivables	**15**	(494)
Total	**1,39,777**	**1,41,163**

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.

NOTE "29" (₹ in lakh)

EMPLOYEE BENEFITS EXPENSES	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	**64,295**	60,703
Contribution to provident and other fund	**2,547**	2,836
Share based payments to employees	**1,068**	1,489
Staff welfare expenses	**450**	1,624
Expenses related to post-employment defined benefit plans	**977**	747
Total	**69,337**	**67,399**

NOTE "30" (₹ in lakh)

OTHER EXPENSES	Year ended March 31, 2021	Year ended March 31, 2020
Advertisements and publicity	**4,278**	3,534
Brand Equity and Business Promotion	**2,731**	2,685
Corporate social responsibility expenses	**2,153**	1,885
Equipment hire charges	**84**	171
Information Technology expenses	**15,748**	15,541
Insurance charges	**1,888**	1,622
Incentive / commission/ brokerage	**356**	437
Legal and professional fees	**7,656**	8,961
Loan processing fees	**2,264**	3,620
Printing and stationery	**384**	1,016

NOTE "30"

(₹ in lakh)

OTHER EXPENSES	Year ended March 31, 2021	Year ended March 31, 2020
Reversal of provision against assets held for sale	**(466)**	(746)
Power and fuel	**763**	1,046
Repairs and maintenance	**342**	420
Rent, rates and taxes	**490**	1,069
Stamp charges	**830**	630
Service providers' charges	**24,583**	25,989
Training and recruitment	**391**	828
Telephone, telex and leased line	**475**	602
Travelling and conveyance	**1,795**	4,286
Directors remuneration	**541**	362
Other miscellaneous expenses [Refer note 30(a) below]	**363**	337
Total	**67,649**	**74,295**

(a) Auditors' remuneration (excl. Taxes)

(₹ in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Audit fees	**246**	236
(ii) Tax audit fees	**11**	13
(iii) Other Services (includes out of pocket expenses)*	**78**	50
Total	**335**	**299**

(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 ₹ 2,153 lakh (PY: ₹ 1,885 lakh)

(ii) Amount spent during the year on:

(₹ in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On purposes other than construction/acquisition of any asset	**2,153**	1,885

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, 2021:-

Sr No.	Name of the Subsidiary	Country of Incorporation	% Holding as at March 31, 2021	% Holding as at March 31, 2020
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
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
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**	28.20
16	Tata Capital Innovation Fund	India	**27.69**	27.69
17	Tata Capital Growth Fund II	India	**-***	-*
18	Tata Capital Healthcare Fund I	India	**32.17**	32.17
19	Tata Capital Healthcare Fund II	India	**-***	-*
20	TCL Employee Welfare Trust	India	**-**	-

*Note:- Consolidated based on capital contributed (TCGF II: 29.89% and TCHF II 24.66%) towards portfolio investment and expenses allocation as per investor agreement.

All the entities that are required to be consolidated as per IndAS 110 and IndAS 28 have been consolidated for the purpose of preparation of these financial statements.

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, 2021:-

(₹ In lakh)

Sr No	Name of Associates	As on	Country of Incorpo-rataion	Ownership Interest (%)	Original Cost of Investment	Share of post acquisition Reserves & Surplus	Impairment	Carrying Amount of Investments
	Equity Shares							
1	Tata AutoComp Systems Limited	March 31, 2021	India	24.00%	18,528	16,350	-	34,878
		March 31, 2020	India	24.00%	18,528	17,163	-	35,691
2	Tata Technologies Limited	March 31, 2021	India	4.48%	4,707	4,062	-	8,769
		March 31, 2020	India	4.48%	4,707	2,597	-	7,304
3	Novalead Pharma Private Limited	March 31, 2021	India	19.75%	2,335	(54)	-	2,281
		March 31, 2020	India	20.34%	2,335	(42)	-	2,293
4	Shiriji Polymers (India) Limited	March 31, 2021	India	-	-	-	-	-
		March 31, 2020	India	2.60%	1,268	392	-	1,660
5	Vortex Engineering Private Limited	March 31, 2021	India	18.49%	2,900	-	(1,950)	950
		March 31, 2020	India	18.49%	2,900	-	(1,600)	1,300
6	Pluss Advanced Technologies Limited	March 31, 2021	India	36.61%	1,500	32	-	1,532
		March 31, 2020	India	36.61%	1,500	(134)	-	1,366
7	Sea6 Energy Private Limited	March 31, 2021	India	28.84%	3,500	(533)	-	2,967
		March 31, 2020	India	29.58%	3,500	(490)	-	3,010
8	Alef Mobitech Soluations Private Limited	March 31, 2021	India	25.70%	1,588	(495)	(1,093)	-
		March 31, 2020	India	25.70%	1,588	(508)	-	1,080
9	Tema India Limited	March 31, 2021	India	35.01%	4,201	52	-	4,253
		March 31, 2020	India	0.01%	1	-	-	1
10	Kapsons Industries Private Limited	March 31, 2021	India	0.01%	1	-	(1)	-
		March 31, 2020	India	0.01%	1	-	-	1
11	Tata Projects Limited	March 31, 2021	India	2.21%	2,823	1,174	-	3,997
		March 31, 2020	India	2.21%	2,823	1,193	-	4,016
12	Tata Sky Limited	March 31, 2021	India	0.72%	5,242	392	-	5,634
		March 31, 2020	India	0.72%	5,242	885	-	6,127
13	TVS Supply Chain Solutions Limited	March 31, 2021	India	0.42%	982	(226)	-	756
		March 31, 2020	India	0.63%	1,465	1	-	1,466
14	Shriram Properties Limited	March 31, 2021	India	1.50%	3,935	-	(1,535)	2,400
		March 31, 2020	India	1.50%	3,935	-	(1,535)	2,400
15	Fincare Business Services Limited	March 31, 2021	India	0.78%	734	115	-	849
		March 31, 2020	India	0.78%	734	125	-	859
16	Roots Corporation Limited	March 31, 2021	India	2.43%	2,062	-	(625)	1,437
		March 31, 2020	India	2.43%	2,062	-	(625)	1,437
17	Fincare Small Finance Bank Limited	March 31, 2021	India	0.02%	27	3	-	30
		March 31, 2020	India	-	-	-	-	-
18	Indusface Private Limited	March 31, 2021	India	35.35%	3,500	(60)		3,440
		March 31, 2020	India	-	-	-	-	-
19	Linux Laboratories Private Limited	March 31, 2021	India	3.90%	1,500	12		1,512
		March 31, 2020	India	-	-	-	-	-
	Total	**March 31, 2021**			**60,065**	**20,824**	**(5,204)**	**75,685**
		March 31, 2020			**52,589**	**21,182**	**(3,760)**	**70,011**

(₹ In lakh)

Sr No	Name of Associates	As on	Country of Incorpo-rataion	Ownership Interest (%)	Original Cost of Investment	Share of post acquisition Reserves & Surplus	Impairment	Carrying Amount of Investments
	Preference Shares							
1	Lokmanaya Hospital Private Limited	March 31, 2021	India	-	2,464	-	-	2,464
		March 31, 2020	India	-	2,464	-	-	2,464
2	Shriji Polymers (India) Limited	March 31, 2021	India	-	-	-	-	-
		March 31, 2020	India	-	3,278	-	-	3,278
3	Tema India Limited	March 31, 2021	India	-	300	-	-	300
		March 31, 2020	India	-	4,500	-	-	4,500
4	Kapsons Industries Private Limited	March 31, 2021	India	-	6,000	-	(6,000)	-
		March 31, 2020	India	-	6,000	-	(3,900)	2,099
5	Pluss Advanced Technologies Limited	March 31, 2021	India	-	1,020	-	-	1,020
		March 31, 2020	India	-	1,020	-	-	1,020
6	Alef Mobitech Soluations Private Limited	March 31, 2021	India	-	1,712	-	(1,712)	-
		March 31, 2020	India	-	1,712	-	-	1,712
7	Linux Laboratories Private Limited	March 31, 2021	India	-	3,500	-	-	3,500
		March 31, 2020	India	-	-	-	-	-
	Total	**March 31, 2021**			**14,996**	**-**	**(7,712)**	**7,284**
		March 31, 2020			**18,974**	**-**	**(3,900)**	**15,073**
	Grand Total	**March 31, 2021**			**75,061**	**20,824**	**(12,916)**	**82,969**
		March 31, 2020			**71,563**	**21,182**	**(7,660)**	**85,084**

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 2021		As at 31 March 2020		For the year ended 31 March 2021		For the year ended 31 March 2020		For the year ended 31 March 2021		For the year ended 31 March 2020		For the year ended 31 March 2021		For the year ended 31 March 2020	
	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 profit or loss	Amount	As % of consol-idated net assets	Amount	As % of consol-idated profit or loss	Amount	As % of consol-idated net assets	Amount	As % of consol-idated profit or loss	Amount
Parent:																
Tata Capital Limited	69.48	6,92,878	77.89	6,87,023	4.15	4,668	9.89	2,928	(136.51)	688	(43.18)	472	4.78	5,356	11.93	3,400
Subsidiaries																
Indian																
Tata Capital Financial Services Limited	67.54	6,73,530	70.44	6,21,326	60.14	67,705	38.39	11,361	160.32	(808)	124.43	(1,360)	59.69	66,897	35.09	10,001
Tata Capital Housing Finance Limited	30.87	3,07,902	31.42	2,77,176	31.55	35,524	51.48	15,235	(12.10)	61	4.57	(50)	31.75	35,585	53.28	15,185
Tata Cleantech Capital Limited	11.66	1,16,247	11.20	98,755	14.90	16,775	41.42	12,256	(124.60)	628	12.26	(134)	15.53	17,403	42.53	12,122
Tata Securities Limited	0.24	2,398	0.29	2,583	(0.17)	(189)	0.33	99	(0.79)	4	0.37	(4)	(0.17)	(185)	0.33	95
Tata Capital Growth Fund	0.92	9,177	0.88	7,767	0.87	976	2.99	885	(108.93)	549	15.92	(174)	1.36	1,525	2.49	711
Tata Capital Healthcare Fund I	0.48	4,749	1.10	9,718	6.69	7,535	(0.57)	(170)	-	-	-	-	6.72	7,535	(0.60)	(170)
Tata Capital Healthcare Fund II (w.e.f. 12.09.2019)	0.52	5,182	0.01	85	(1.08)	(1,215)	(1.97)	(584)	-	-	-	-	(1.08)	(1,215)	(2.05)	(584)
Tata Capital Special Situation Fund	0.47	4,670	0.76	6,698	(1.80)	(2,028)	(10.07)	(2,979)	-	-	-	-	(1.81)	(2,028)	(10.45)	(2,979)
Tata Capital Innovation Fund	0.64	6,340	1.07	9,400	(2.72)	(3,058)	(63.34)	(18,744)	-	-	-	-	(2.73)	(3,058)	(65.77)	(18,744)
Tata Capital Growth Fund II (w.e.f. 28.09.2018)	6.10	60,848	1.17	10,342	15.37	17,303	(0.53)	(156)	-	-	-	-	15.44	17,303	(0.55)	(156)
Tata Capital Employee Welfare Trust	0.17	1,714	0.19	1,705	0.01	9	0.61	181	-	-	-	-	0.01	9	0.64	181
Foreign																
Tata Capital Pte. Limited	4.33	43,210	4.38	38,626	4.73	5,327	9.76	2,887	147.22	(742)	(121.04)	1,323	4.09	4,585	14.77	4,210
Tata Capital Markets Pte. Limited	0.00	-	0.32	2,808	0.00	-	0.07	22	-	-	-	-	0.00	0	0.08	22
Tata Capital Advisors Pte. Limited	1.01	10,095	0.93	8,160	1.89	2,123	7.24	2,142	-	-	-	-	1.89	2,123	7.52	2,142
Tata Capital General Partners LLP	0.51	5,092	0.59	5,169	0.02	28	4.30	1,272	-	-	-	-	0.02	28	4.46	1,272
Tata Capital Growth II General Partners LLP	0.00	18	0.00	16	-	2	-	1	-	-	-	-	0.00	2	-	1
Tata Capital Healthcare General Partners LLP	0.00	27	0.00	27	0.00	-	0.01	3	-	-	-	-	0.00	0	0.01	3
Tata Capital Healthcare II General Partners LLP	0.00	11	-	7	-	4	-	-	-	-	-	-	0.00	4	-	0

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 2021		As at 31 March 2020		For the year ended 31 March 2021		For the year ended 31 March 2020		For the year ended 31 March 2021		For the year ended 31 March 2020		For the year ended 31 March 2021		For the year ended 31 March 2020	
	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 profit or loss	Amount	As % of consol-idated net assets	Amount	As % of consol-idated profit or loss	Amount	As % of consol-idated net assets	Amount	As % of consol-idated profit or loss	Amount
Tata Opportunities General Partners LLP	0.00	14	0.00	14	0.00	(1)	0.01	3	-	-	-	-	0.00	(1)	0.01	3
Tata Capital PLC	0.11	1,134	0.12	1,102	(0.06)	(64)	0.11	33	-	-	-	-	(0.06)	(64)	0.12	33
Minority Interests in all subsidiaries																
Indian																
Tata Cleantech Capital Limited	2.27	22,668	2.18	19,260	(2.91)	(3,272)	(8.08)	(2,390)	24.21	(122)	(2.38)	26	(3.03)	(3,394)	(8.30)	(2,364)
Tata Capital Growth Fund	0.27	2,650	0.25	2,249	(0.23)	(256)	(0.79)	(233)	28.57	(144)	(4.21)	46	(0.36)	(400)	(0.66)	(187)
Tata Capital Healthcare Fund I	0.32	3,221	0.75	6,606	(1.52)	(1,709)	0.39	116	-	-	-	-	(1.52)	(1,709)	0.41	116
Tata Capital Healthcare Fund II (w.e.f. 12.09.2019)	0.39	3,887	0.01	59	1.07	1,201	1.94	575	-	-	-	-	1.07	1,201	2.02	575
Tata Capital Special Situation Fund	0.34	3,353	0.55	4,809	1.29	1,456	7.23	2,139	-	-	-	-	1.30	1,456	7.51	2,139
Tata Capital Innovation Fund	0.46	4,585	0.77	6,796	1.96	2,211	45.80	13,554	-	-	-	-	1.97	2,211	47.56	13,554
Tata Capital Growth Fund II (w.e.f. 28.09.2018)	4.04	40,277	0.79	6,961	(10.21)	(11,497)	2.35	695	-	-	-	-	(10.26)	(11,497)	2.44	695
TCL Employee Welfare Trust	0.17	1,716	0.19	1,700	(0.01)	(9)	(0.61)	(181)	-	-	-	-	(0.01)	(9)	(0.64)	(181)
Foreign																
Tata Capital Pte. Limited	0.10	1,022	0.12	1,016	(0.01)	(6)	(0.86)	(255)	–	–	–	–	(0.01)	(6)	(0.89)	(255)
Associates (Investment as per the equity method)																
Indian																
Equity shares																
Tata Autocomp Systems Limited	3.50	34,879	4.05	35,691	(0.53)	(598)	6.47	1,915	42.46	(214)	(49.95)	(546)	(0.72)	(812)	4.80	1,369
Tata Sky Limited	0.56	5,634	0.69	6,127	(0.44)	(492)	1.29	383	0.20	(1)	0.09	(1)	(0.44)	(493)	1.34	382
Roots Corporation Limited	0.14	1,437	0.16	1,437	-	-	-	-	-	-	-	-	-	-	-	-
Tata Projects Limited	0.40	3,997	0.46	4,016	0.01	14	1.33	395	6.55	(33)	5.86	(64)	(0.02)	(19)	1.16	331
Fincare Business Services Limited	0.09	849	0.10	859	(0.02)	(17)	0.27	79	(1.39)	7	(0.64)	7	(0.01)	(10)	0.30	86
Fincare Small Finance Bank Limited	-	30	-	-	-	3	-	-	-	-	-	-	-	3	-	-

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 2021		As at 31 March 2020		For the year ended 31 March 2021		For the year ended 31 March 2020		For the year ended 31 March 2021		For the year ended 31 March 2020		For the year ended 31 March 2021		For the year ended 31 March 2020	
	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 profit or loss	Amount	As % of consol-idated net assets	Amount	As % of consol-idated profit or loss	Amount	As % of consol-idated net assets	Amount	As % of consol-idated profit or loss	Amount
Shriram Properties Limited	0.24	2,400	0.27	2,400	-	-	-	-	-	-	-	-	-	-	-	-
TVS Supply Chain Solutions Limited	0.08	756	0.17	1,466	(0.20)	(224)	(0.28)	(83)	0.99	(5)	0.18	(2)	(0.20)	(229)	(0.30)	(85)
Tata Technologies Limited	0.88	8,769	0.83	7,304	0.81	914	3.34	988	(80.36)	405	11.71	(128)	1.18	1,319	3.02	860
Novalead Pharma Private Limited	0.23	2,281	0.26	2,293	(0.01)	(11)	(0.03)	(9)	-	-	-	-	(0.01)	(11)	(0.03)	(9)
Shriji Polymers (India) Limited	-	-	0.19	1,660	-	-	0.31	92	-	-	-	-	-	-	0.32	92
Tema India Limited	0.43	4,253	-	1	0.05	52	-	-	-	-	-	-	0.05	52	-	-
Kapsons Industries Private Limited	-	(1)	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Pluss Advanced Technologies Limited	0.15	1,532	0.15	1,366	0.15	166	(0.01)	(3)	-	-	-	-	0.15	166	(0.01)	(3)
Vortex Engineering Private Limited	0.10	950	0.15	1,300	-	-	-	-	-	-	-	-	-	-	-	-
Sea6 Energy Private Limited	0.30	2,967	0.34	3,010	(0.04)	(43)	(1.24)	(368)	-	-	-	-	(0.04)	(43)	(1.29)	(368)
Alef Mobitech Solutions Private Limited	-	-	0.12	1,080	0.01	12	(0.81)	(240)	-	-	-	-	0.01	12	(0.84)	(240)
Indusface Private Limited (Equity)	0.34	3,440	-	-	(0.05)	(60)	-	-	-	-	-	-	(0.05)	(60)	-	-
Linux Laboratories Pvt Ltd	0.15	1,512	-	-	0.01	13	-	-	-	-	-	-	0.01	13	-	-
Preference Shares																
Lokmanaya Hospital Private Limited	0.25	2,464	0.28	2,464	-	-	-	-	-	-	-	-	-	-	-	-
Shriji Polymers (India) Limited	0.00	-	0.37	3,278	-	-	-	-	-	-	-	-	-	-	-	-
Tema India Limited	0.03	300	0.51	4,500	-	-	-	-	-	-	-	-	-	-	-	-
Kapsons Industries Private Limited	0.00	-	0.24	2,099	-	-	-	-	-	-	-	-	-	-	-	-
Pluss Advanced Technologies Limited	0.10	1,020	0.12	1,020	-	-	-	-	-	-	-	-	-	-	-	-
Alef Mobitech Soluations Private Limited	0.00	-	0.19	1,712	-	-	-	-	-	-	-	-	-	-	-	-
Linux Laboratories Pvt Ltd	0.35	3,500	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminations	(111.72)	(11,14,284)	(118.02)	(10,40,950)	(23.69)	(26,689)	(48.15)	(14,252)	154.17	(776)	46.12	(502)	(24.50)	(27,465)	(51.77)	(14,754)
Total	**100.00**	**9,97,300**	**100.00**	**8,82,096**	**100.00**	**1,12,583**	**100.00**	**29,592**	**100.00**	**(503)**	**100.00**	**(1,091)**	**100.00**	**1,12,080**	**100.00**	**28,501**

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 2020-21 (Unaudited)	FY 2019-20 (Unaudited)
Revenue	4,22,400	3,74,477
Profit/(loss) for the year	(4,500)	1,430
Other comprehensive income for the year	(1,626)	(1,899)
Total comprehensive income	(6,126)	(469)
Dividend received from associate	-	966

ii. Summarised Balance Sheet (₹ in lakh)

Particulars	Tata AutoComp Systems Limited	
	FY 2020-21 (Unaudited)	FY 2019-20 (Unaudited)
Non-current asset	2,73,356	2,75,263
Current asset	1,70,436	1,52,687
Non-current liabilities	1,40,960	1,25,046
Current liabilities	1,79,773	1,74,441
Non-controlling interest	28,335	30,354
Equity attributable to equity shareholders	94,724	98,109
Group’s share in %	24%	24%
Group’s share	22,734	23,546
Add: Goodwill	12,145	12,145
Other adjustments	-	-
Carrying amount	34,879	35,691

iii. Financial Information in respect of individually non-material associate (₹ in lakh)

Particulars	FY 2020-21	FY 2019-20
Aggregate carrying amount of investment in individually non-material associate	40,808	38,080
Aggregate amounts of the Group’s share of:		
Profit/(loss) for the year	326	1,236
Other comprehensive income for the year	372	(189)
Total comprehensive income for the year	698	1,047

iv. Share in profit /(loss) of associates (net) (₹ in lakh)

Particulars	FY 2020-21	FY 2019-20
Non-material associate	326	1,236
Material associate	(598)	1,913
Total	(272)	3,149

v. Share in other comprehensive income of associates (net) (₹ in lakh)

Particulars	FY 2020-21	FY 2019-20
Non-material associate	372	(188)
Material associate	(214)	(546)
Total	158	(734)

NOTE "35"

Provisions and Contingent Liabilities :

(i) Movement in impairment provision during the year is as under:

(₹ in lakh)

Particulars	For the Year ended	
	March 31, 2021	March 31, 2020
Opening Balance	**2,22,875**	1,85,938
Net additions during the year	**37,321**	36,937
Closing Balance	**2,60,196**	**2,22,875**

(Includes Provision for off Balance Sheet exposure Rs 3,286 lakh (As at March 31, 2020: 2,966 lakh)

(ii) Movement in other provisions during the year is as under: (₹ in lakh)

Particulars	For the Year ended	
	March 31, 2021	March 31, 2020
Opening Balance	**3,122**	2,813
Net additions during the year	**-**	309
Net utilised during the year	**(559)**	-
Closing Balance	**2,563**	**3,122**

(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)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax (Pending before Appellate Authorities)	**15,078**	15,782
VAT (Pending before Sales Tax Appellate Authorities)	**951**	607
Suits filed against the Group	**1,036**	429
Total	**17,065**	**16,818**

As at March 31, 2021, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹ 15,078 lakhs (Previous year: ₹ 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.

(iv). Commitments :

(i). Commitment to co-invest with Omega TC Holdings Pte. Ltd USD 15.06 Million (₹ 11,026 lakh) (as at March 31, 2020 : USD 15.09 Million (₹ 11,281 lakh)

(ii). Guarantees issued to National Housing Bank on behalf of Tata Capital Housing Finance Limited ₹ 120,000 lakh (As at March 31, 2020 : ₹ 120,000 lakh) against which the amount liable by Tata Capital Housing Finance Limited is ₹ 26,237 lakh as at March 31, 2021 (As at March 31, 2020 ₹ 39,867 lakh). Pursuant to the terms of the Guarantee, the Company's liability on invocation is capped at the outstanding amount.

(iii). Uncalled liability on 1,080 partly paid equity shares of Tata Steel Limited amounting to Nil (as at March 31, 2020 : ₹ 5 lakhs)

(xiii) Commitment in respect of uncalled capital investment in Partners' Capital in Pitango Venture Capital Fund amounting to ₹ 1,310 lakhs (as at March 31, 2020 : ₹ 2,084 lakhs).

(xiv). Undrawn Commitment given to Borrowers:

-As on March 31, 2021 ₹ 766,463 lakh (March 31, 2020: ₹ 752,168 lakhs)

-Less than 1 Year: ₹ 428,893 lakh (March 31, 2020: ₹ 396,238 lakhs)

-More than 1 Year: ₹ 337,570 lakh (March 31, 2020: ₹ 355,930 lakhs)

(xv). Letter of Credit, Buyers Credit and Other Guarantees ₹ 830 lakh (Year ended March, 31, 2020 : ₹ 7,957 lakh)

(xvi). Leases entered but not executed ₹ 84,421 lakh (March 31, 2020: ₹ 60,842 lakhs)

(xvii) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1,551 lakh (March 31, 2020: ₹ 1,092 lakhs).

- Tangible: ₹ 136 lakh (March 31, 2020 : ₹ 433 lakhs)
- Intangible: ₹ 1,415 lakh (March 31, 2020 : ₹ 659 lakhs)

(xviii). Letter of Comfort ₹ 10,083 lakh (March 31, 2020: ₹ 1,935 lakhs)

NOTE "36"

Employee benefit expenses

A. Defined contribution plans

1) Superannuation Fund

The Group makes contribution towards superannuation fund, a defined contribution retirement plan for qualifying employees. The Superannuation fund is administered by superannuation fund set up as Trust by the Group. The Group is liable to pay to the superannuation fund to the extent of the amount contributed. The Group recognizes such contribution as an expense in the year of contribution. The Group has recognised ₹ 142.4 Lakhs (Year ended 31 March 2020 ₹ 168.2 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss.

B. Defined benefit plans

1) Provident Fund

The Group makes Provident Fund contributions, a defined Benefit plan for qualifying employees. Under the Schemes, both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions are made to the provident fund set up as an irrevocable trust by the Group, except for two of its subsidiaries where contributions as specified under the law are paid to provident fund administered by the Regional Provident Fund Commisisoner.

The employer's contribution towards pension fund is paid by the Group to Regional Provident Fund office, as specified under the law.

The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group. Hence the Group is 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. The total liability in respect of the interest shortfall of the Fund is determined on the basis of an actuarial valuation. The interest liability arising only to the extent of the aforesaid differential shortfalls is a defined benefit plan. There is no such shortfall as at March 31, 2021.

The Provident Fund contributions along with the interest shortfall if any are recognized as an expense in the year in which it is determined. The Group has recognised ₹ 2,343.5 Lakhs (Year ended 31 March 2020 ₹ 2,548.2 Lakhs) for Provident Fund contributions and ₹ Nil (Year ended 31 March 2020 ₹ Nil) for interest shortfalls in the Statement of Profit and Loss.

2) Gratuity

The Group 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 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 Group 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 Income Tax Rules, 1962. 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.

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

1. 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.

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. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

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, 2021**		**As at March 31, 2020**	
	Total Funded	**Total Unfunded**	**Total Funded**	**Total Unfunded**
"Defined Obligations at the beginning of the year"	**7,112**	**-**	**6,129**	**-**
Current service cost	**958**	**-**	855	-
Interest cost	**432**	**-**	407	-
a. Due to change in financial assumptions	**(54)**	**-**	431	-
b. Due to change in experience adjustments	**(454)**	**-**	237	-
Benefits paid directly by the Group	**(512)**	**-**	(947)	-
Defined Obligations at the end of the year	**7,482**	**-**	**7,112**	**-**

b) Reconciliation of balances of Fair Value of Plan Assets (₹ in lakh)

Particulars	**As at March 31, 2021**		**As at March 31, 2020**	
	Total Funded	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Fair Value at the beginning of the year	**6,814**	**-**	6,452	-
Expected return on plan assets	**1,084**	**-**	(546)	-
Employer contributions	**440**	**-**	428	-
Interest Income on Plan Assets	**443**	**-**	480	-
Fair Value of Plan Assets at the end of the year	**8,781**	**-**	**6,814**	**-**

c) **Funded status** (₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Deficit of plan assets over obligations				
Surplus of plan assets over obligations	1,299	-	(298)	-
Total	**1,299**	**-**	**(298)**	**-**

d) **Categories of plan assets** (₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Corporate bonds	1,735	-	1,462	-
Equity shares	542	-	392	-
Government securities	2,093	-	1,571	-
Insurer managed funds - ULIP Product	4,202	-	3,382	-
Cash	207	-	7	-
Total	**8,779**	**-**	**6,814**	**-**

e) **Amount recognised in Balance sheet** (₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Present value of the defined benefit obligation	7,482	-	7,112	-
Fair value of plan assets	8,781	-	6,814	-
Total	**1,299**	**-**	**(298)**	**-**

f) **Amount recognised in Statement of Profit and Loss** (₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Current Service Cost	958	-	855	-
Interest Cost (net)	(11)	-	(73)	-
Total	**947**	**-**	**782**	**-**

g) **Amount recognised in OCI** (₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
a. Due to change in financial assumptions	(54)	-	431	-
b. Due to change in experience adjustments	(454)	-	237	-
c. (Return) on plan assets (excl. interest income)	(1,084)	-	546	-
Total	**(1,592)**	**-**	**1,214**	**-**
Total defined benefit cost recognized in P&L and OCI	**(645)**	**-**	**1,996**	**-**

h) **Expected cash flows for the following year** (₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Expected total benefit payments	**11,201**	10,736
Year 1	**726**	722
Year 2	**738**	805
Year 3	**929**	762
Year 4	**1,015**	951
Year 5	**1,085**	1,036
Next 5 years	**6,707**	6,459

i) **Major Actuarial Assumptions**

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate (%)	6.40%	6.30%
Salary Escalation/ Inflation (%)	Non CRE: 8.25%, CRE & J Grade:6%	Non CRE: 8.25%, CRE & J Grade:6%
Expected Return on Plan assets (%)	6.40%	6.30%
Mortality Table	Indian assured lives Mortality (2006-08) (modified) Ult.	Indian assured lives Mortality (2006-08) (modified) Ult.
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	726	722

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

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	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(501)**	**567**	(477)	540
Future salary growth (1% movement)	**552**	**(498)**	526	(473)
Others (Withdrawal rate 5% movement)	**(452)**	**670**	(435)	654

k) Provision for leave encashment

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non current	Current	Non current	Current
Liability for compensated absences	**1,636**	**402**	1,696	508

l) Experience adjustments

(₹ in lakh)

Particulars	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
Funded					
2020-21	7,482	8,780	1,298	454	1,084
2019-20	7,112	6,813	(299)	(237)	(546)

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.

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.

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

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**9,884**	10,424
Additions during the year	**2,572**	2,196
Deletion during the year	**(702)**	(40)
Foreign currency translation	**8**	-
Depreciation charge for the year	**(3,029)**	(2,698)
Closing balance	**8,733**	**9,882**

(II). **Movement of lease liabilities**

Right-of-use assets relate to building that are presented seperatly within property and equipment

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**11,374**	11,704
Additions during the year	**2,328**	2,192
Deletion during the year	**(731)**	(53)
Finance cost	**969**	1,036
Foreign currency translation	**3**	(5)
Payment of lease liabilities	**(3,700)**	(3,500)
Closing balance	**10,243**	**11,374**

(III) **Future minimum lease payments under non-cancellable operating leases were payable as follows:**

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one month	**289**	91
Between one and three months	**653**	660
Between three months and one year	**2,407**	2,107
Between one and five years	**7,696**	8,472
More than five years	**1,228**	1,365
Total undiscounted lease liabilities	**12,273**	**12,695**

(IV). **Amounts recognized in the Statement of Profit and Loss**

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest on lease liabilities	**(969)**	(1,036)
Depreciation of ROU lease asset	**(3,029)**	(2,698)
Gain/(loss) on termination of leases	**109**	(13)
Rent concession related to COVID-19	**222**	-

(V). **Amounts recognised In statement of cash flows**

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	**3,700**	3,500

Note:

1. Group has considered entire lease term for the purpose of determination of Right of Use assets and Lease liabilities.

2. On 24 July 2020, the Ministry of Corporate Affairs ('MCA') issued a notification for the Companies (Indian Accounting Standards) Amendment Rules, 2020 ('Rules'), amendments related to IndAS 116 provide relief for lessees in accounting for rent concessions granted as a direct consequence of Covid-19.
   The amendments introduce an optional practical expedient that exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications.
   Pursuant to amendment, the Company has elected to apply for practical expedient and not to account for COVID-19 related rent concession as lease modification."

NOTE "38"

Earnings per Share (EPS):

Particulars		**2020-21**	**2019-20**
Profit for the year attributable to Owners of the company	₹ in lakh	**1,12,583**	29,592
Weighted average number of equity shares used in computing EPS	Nos	**3,51,61,67,744**	3,37,44,66,256
Face value of equity shares	Rupees	**10**	10
Basic EPS/Diluted EPS	**Rupees**	**3.20**	**0.88**

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.

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, 2021	For the year ended March 31, 2020
Segment Revenue		
a) Financing Activity	**8,88,274**	9,18,425
b) Investment Activity	**90,633**	31,938
c) Others	**63,057**	72,775
Total	**10,41,964**	**10,23,138**
Less : Inter Segment Revenue	**45,977**	44,084
Add : Interest on Income Tax Refund	**2,494**	4
Total Income	**9,98,481**	**9,79,058**
Segment Results		
a) Financing Activity	**1,49,968**	1,23,562
b) Investment Activity	**30,665**	(49,204)
c) Others	**499**	997
Total	**1,81,132**	**75,355**
Less : Unallocated Corporate Expenses	**19,363**	11,729
Add: Share of profit of associates	**(272)**	3,149
Profit before taxation	**1,61,497**	**66,775**
Less : Provision for taxation	**37,033**	51,203
Profit after taxation	**1,24,464**	**15,572**

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Segment Assets		
a) Financing Activity	**76,11,401**	79,55,169
b) Investment Activity	**4,66,192**	1,51,125
c) Others	**95,693**	1,19,529
d) Unallocated	**1,19,299**	1,05,114
Total	**82,92,585**	**83,30,937**
Segment Liabilities		
a) Financing Activity	**67,31,492**	69,42,838
b) Investment Activity	**3,21,966**	3,00,869
c) Others	**1,05,563**	1,26,012
d) Unallocated	**52,885**	29,666
Total	**72,11,906**	**73,99,385**

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Capital Expenditure (Including Capital Work-In-Progress)		
a) Financing Activity	**6,113**	22,673
b) Investment Activity	**-**	-
c) Others	**-**	299
d) Unallocated	**-**	40
Total	**6,113**	**23,012**
Depreciation and Amortisation		
a) Financing Activity	**4,090**	3,941
b) Investment Activity	**-**	-
c) Others	**26,756**	31,974
d) Unallocated	**2,591**	2,665
Total	**33,437**	**38,580**

Geographical information:

(₹ in lakh)

Particulars	Revenue by location of customers	
	For the year ended March 31, 2021	For the year ended March 31, 2020
a) India	**9,85,678**	9,68,927
b) Singapore	**12,639**	9,866
c) United Kingdom	**164**	265
Total	**9,98,481**	**9,79,058**

(₹ in lakh)

Particulars	Non current assets by location of customers	
	As at March 31, 2021	As at March 31, 2020
a) India	**1,08,962**	1,40,031
b) Singapore	**44**	109
Total	**1,09,006**	**1,40,140**

NOTE “40”

DISCLOSURE PERSUANT TO IND AS 7 “STATEMENT OF CASH FLOWS”

Changes in Liabilities arising from financing activities

March 31, 2021 (₹ in lakh)

Particulars	April 1, 2020	Cash Flows	Exchange Difference	Others*	March 31, 2021
Debt Securities	31,42,245	32,600	-	18,530	31,93,375
Borrowings (Other than debt securities)	35,09,133	(3,22,297)	(10,027)	(8,241)	31,68,568
Subordinated liabilities	5,51,624	36,587	-	2,271	5,90,482
Total	72,03,002	(2,53,110)	(10,027)	12,560	69,52,425

Note: *Includes the effect of amortisation of borrowing cost, amortisation of premium/discount on CPs/NCDs and interest accrued (Including subordinated debts)

March 31, 2020 (₹ in lakh)

Particulars	April 1, 2019	Cash Flows	Exchange Difference	Others*	March 31, 2020
Debt Securities	32,68,400	(1,30,655)	-	4,500	31,42,245
Borrowings (Other than debt securities)	32,35,598	2,60,728	15,017	(2,210)	35,09,133
Subordinated liabilities	5,87,673	(35,003)	-	(1,046)	5,51,624
Total	**70,91,671**	**95,070**	**15,017**	**1,244**	**72,03,002**

Note: *Includes the effect of amortisation of borrowing cost, amortisation of premium/discount on CPs/NCDs and interest accrued (Including subordinated debts)

NOTE “41”

REVENUE FROM CONTRACTS WITH CUSTOMERS

a. Below table provides disaggregation of the Group’s revenue from contracts with customers

(₹ in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
i **Type of revenue**		
- Fee and commission income	14,701	15,872
- Branch advertisement income	2,220	3,980
- Income from advisory services	-	3,421
- Income from managerial services	10,179	14,328
Total	**27,100**	**37,601**
ii. **Primary geographical market:**		
– Outside India	5,696	12,574
– India	21,404	25,027
Total revenue from contracts with customer	**27,100**	**37,601**

(₹ in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
iii. Timing of revenue recognition		
– at a point in time upon rendering services	**20,974**	28,158
– over period of time upon rendering services	**6,126**	9,443
Total	**27,100**	**37,601**
iv. Trade receivables towards contracts with customers		
– Opening Balance	**2,197**	12,845
– Closing Balance	**2,046**	2,197
v. Impairment on trade receivables towards contracts with customers	**1**	**(245)**

The unbilled revenue of Rs. 669 lakh as at March 31, 2021 (as at March 31, 2020 : Rs. 732 lakh) has been considered as Contract assets, which are billable on completion of milestones specified in the contracts.

As on March 2021/2020, the Group doesn't have any unsatisified/partially satisified performance obligation.

b. Reconciliation between revenue as per IndAS 108 Segment Reporting and revenue as per IndAS 115 Revenue from contract with customers

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue reported as per IndAS 108 Segment Reporting	**9,98,481**	9,79,058
Less:		
(a) Revenue reported as per IndAS 109-Financial Instruments	**9,23,154**	9,01,406
(b) Revenue reported as per IndAS 116-Leases	**37,678**	39,376
(c) Revenue reported as per IndAS 28-Investments in Associates and Joint Ventures	**8,101**	-
(d) Revenue reported as per IndAS 16-Property, Plant and Equipment	**(46)**	671
(e) Revenue reported as per IndAS 12-Income Taxes	**2,494**	4
Revenue reported as per IndAS 115 Revenue from contract with customers	**27,100**	**37,601**

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 Limited

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:

	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 (ceased to be associate w.e.f 27.08.2020) Lokmanaya Hospital Private Limited Tata Technologies Limited TEMA India Private Limited Indusface Private Limited (w.e.f. 21.04.2020) Linux Laboratories Private Limited (w.e.f. 25.01.2021) Fincare Small Finance Bank Limited (w.e.f. 21.01.2021)
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 and Non-Executive Director Mr. F. N. Subedar - Non-Executive Director Ms. Aarthi Subramanian - Non-Executive Director Mr. Nalin M. Shah - Independent Director (retired w.e.f 31.03.2021) Mr. Mehernosh B. Kapadia - Independent Director (retired w.e.f 23.10.2020) Ms. Varsha Purandare- Independent Director Mr. Rajiv Sabharwal - Managing Director & CEO Ms. Sarita Kamath - Company Secretary (appointed w.e.f 01.12.2020) Mr. Rakesh Bhatia- Chief Financial Officer (appointed w.e.f 02.03.2020) Ms. Avan Doomasia - Company Secretary (resigned w.e.f 30.11.2020)
Key Management Personnel - relatives (with which the Company had transactions)	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 Systems Limited Tata AIG General Insurance Company Limited Tata Asset Management Limited

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:

	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 Consumer Products Limited (formerly 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
	Voltas Limited
	Coastal Gujarat Power Limited
	TML Business Services Limited (formerly Concorde Motors (India) Limited)
	Fiora Hypermarket Limited
	Indian Steel & Wire Products Ltd.
	Maithon Power Limited
	Nelco Limited
	Piem Hotels Limited
	Tata Metaliks Ltd.
	TMF Holdings Limited (formerly 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

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:

	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 Tata Steel Limited Tata Trustee Company Limited Tata Investment Corporation Limited Af-Taab Investment Company Limited Jaguar Land Rover Automotive plc Tata Communications Payment Solutions Limited TP Luminaire Private Limited Panatone Finvest Limited Tata Ficosa Automotive Systems Private Limited (Tata Ficosa Automotive Systems Limited)

Transactions with related parties

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Tata Sons Private Limited**	**Income**		
		Finance Lease Interest	**42**	62
		Operating Lease Rental	**811**	816
		* Income from managerial services	**-**	-
		Expenses		
		Brand Equity and Business Promotion Expenses	**2,735**	2,685

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Legal & Professional Fees	**52**	5
		* Staff Welfare Expenses	**-**	2
		Training Expenses	**4**	3
		* Other Expenses	**-**	-
		Rates & Taxes	**-**	1
		Other transactions		
		* Facility provided during year	**-**	-
		Facility repayment received during year	**190**	170
		Issue of Equity Shares (including Premium)	**-**	1,00,000
		Assets		
		Finance Lease Facility Principal receivable	**276**	465
		Finance lease accrued income & other receivables	**(36)**	8
		Liabilities		
		Balance Payable	**2,735**	2,687
		Equity shares Held	**3,32,458**	3,32,458
		Commitments		
		* Off balance sheet exposure	**–**	–
2	**Tata Autocomp Systems Limited**	**Income**		
		Operating Lease Rental	**643**	574
		Management Fees	**-**	19
		* Advisory Fees	**-**	-
		Dividend income	**-**	966
		* Recovery of Hotel expenses	**-**	-
		Other transactions		
		Security deposit received during year	**8**	248
		Security deposit adjusted during year	**132**	-
		Assets		
		Balance Receivable / (Payable)	**-**	(2)
		Investment in Equity Shares	**34,879**	35,691
		Liabilities		
		Security deposit payable	**450**	574
		Commitments		
		Off balance sheet exposure	**6,752**	10,808

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
3	**Roots Corporation Limited**	**Expenses**		
		* Training expenses	**-**	-
		Provision for Diminution in value of Investment	**-**	497
		Other Transactions		
		* Investment in Equity Shares	**-**	-
		Assets		
		* Investment in Equity Shares	**2,062**	2,062
		Provision for Diminution in value of Investment	**(625)**	(625)
4	**Tata Projects Limited**	**Income**		
		Finance Lease Interest	**412**	155
		Operating Lease Rental	**7,209**	2,902
		Management Fees	**5**	12
		Dividend income	**-**	45
		Other transactions		
		Facility provided during year	**1,831**	2,245
		Facility repayment received during year	**769**	227
		Security deposit received during year	**154**	202
		Security deposit repaid during year	**69**	87
		Sale of Asset	**61**	-
		Assets		
		Finance Lease Facility Principal receivable	**3,761**	2,698
		Finance lease accrued income & other receivables	**621**	455
		Balance Receivable / (Payable)	**-**	(2)
		Investment in Equity Shares	**3,997**	4,016
		Liabilities		
		Security deposit payable	**694**	608
		Commitments		
		Off balance sheet exposure	**4,552**	6,834
5	**Tata Sky Limited**	**Assets**		
		Investment in Equity Shares	**5,634**	6,127

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
6	**TVS Supply Chain Solutions Limited**	**Income**		
		* Dividend income	**-**	-
		Term Loan Interest Income	**204**	1,664
		Invoice Discounting	**37**	7
		Management Fees	**-**	27
		Other transactions		
		Loan given during year	**-**	20,000
		Loan repayment received during year	**12,725**	12,953
		Invoice discounted during year	**4,862**	1,180
		Invoice discounted repayment received during year	**4,500**	1,053
		Receipts from Divestment	**484**	-
		Assets		
		Term Loan Principal receivable	**-**	5,705
		Term Loan accrued income	**-**	43
		# Term Loan Principal receivable	**-**	7,020
		# Term Loan accrued income	**-**	60
		# Invoice Discounted receivable	**592**	229
		# Invoice Discounting other receivables*	**3**	4
		Investment in Equity Shares	**756**	1,466
		Commitments		
		Off balance sheet exposure	**398**	-
7	**Shriram Properties Private Limited**	**Assets**		
		Investment in Equity Shares	**3,935**	3,935
		Provision for Diminution in value of Investment	**(1,535)**	(1,535)
8	**Fincare Business Services Limited**	**Income**		
		Term Loan Interest Income	**89**	-
		Other transactions		
		Loan given during year	**3,732**	-
		Assets		
		Investment in Equity Shares	**849**	859
		Term Loan Principal receivable	**3,732**	-
		Term Loan accrued income	**1**	-

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
9	**Kapsons Industries Limited**	**Assets**		
		Investment in Equity Shares	**1**	1
		Investment in Preference Shares	**6,000**	6,000
		Provision for Diminution in value of Investment	**(6,001)**	-
10	**Vortex Engineering Private Limited**	**Assets**		
		Investment in Equity Shares	**2,900**	2,900
		Provision for Diminution in value of Investment	**(1,950)**	(1,600)
11	**Pluss Advanced Technologies Limited**	**Assets**		
		Investment in Equity Shares	**1,532**	1,366
		Investment in Preference Shares	**1,020**	1,020
12	**Sea6 Energy Private Limited**	**Assets**		
		Investment in Equity Shares	**2,967**	3,010
13	**Alef Mobitech Solutions Private Limited**	**Assets**		
		Investment in Equity Shares	**1,093**	1,080
		Investment in Preference Shares	**1,712**	1,712
		Provision for Diminution in value of Investment	**(2,804)**	-
14	**Novalead Pharma Private Limited**	**Assets**		
		Investment in Equity Shares	**2,281**	2,293
15	**Shriji Polymers (India) Limited**	**Income**		
		Dividend Income	**1**	1
		Assets		
		Investment in Equity Shares	**-**	1,660
		Investment in Preference Shares	**-**	3,278
16	**Lokmanaya Hospital Private Limited**	**Assets**		
		Investment in Preference Shares	**2,464**	2,464
17	**Tata Technologies Limited**	**Income**		
		Finance Lease Interest	**8**	13
		* Management Fees	**-**	-
		Dividend Income	**-**	749
		Information Technology Expenses	**9**	

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Expenses		
		Information Technology Expenses	**254**	43
		Dividend on Cumulative Redeemable Preference Shares	**-**	23
		Other transactions		
		Facility provided during year	**-**	16
		Facility repayment received during year	**42**	28
		Redemption of Cumulative Redeemable Preference shares	**-**	333
		Premium paid on redemption of Cumulative Redeemable Preference shares	**-**	167
		Assets		
		Finance Lease Facility Principal receivable	**28**	70
		Finance lease accrued income & other receivables	**1**	2
		* Balance Receivable	**-**	-
		Investment in Equity Shares	**8,769**	7,304
		Liabilities		
		# Cumulative Redeemable Preference shares held	**-**	-
		Balance Payable	**85**	
		Commitments		
		Off balance sheet exposure	**-**	100
18	**Tema India Private Limited**	**Income**		
		Term Loan Interest Income	**10**	5
		Management Fees	**-**	11
		Dividend Income	**45**	45
		Other transactions		
		Loan given during year	**-**	86
		Loan repayment received during year	**14**	-
		* Conversion	**-**	-
		Assets		
		Term Loan Principal receivable	**72**	86
		Term Loan accrued income	**1**	1

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Investment in Equity Shares	**4,253**	1
		Investment in Preference Shares	**300**	4,500
19	**Tata Capital Limited Gratuity Scheme**	**Expenses**		
		Contribution to Gratuity fund	**356**	428
		Provision for Trust's exposure to investment in IL & FS	**-**	(12)
		Liabilities		
		Provision for Trust's exposure to investment in IL & FS	**140**	140
20	**Tata Capital Limited Employees Provident Fund Trust**	**Expenses**		
		Contribution to Provident Fund	**1,637**	1,746
		Provision for Trust's exposure to investment in IL&FS	**-**	63
		Trust's charges	**-**	1
		Other transactions		
		Employees Contribution to Provident Fund	**2,642**	2,937
		Liabilties		
		Statutory Liabilities	**164**	155
		Provision for Trust's exposure to investment in IL & FS	**285**	285
21	**Tata Capital Limited Superannuation Scheme**	**Expenses**		
		Contribution to Superannuation	**131**	168
		Other transactions		
		* Loan given	**-**	-
		* Loan repaid back	**-**	-
		Assets		
		Balance Receivable	**12**	61
22	**Automotive Stampings and Assemblies Limited**	**Income**		
		Term Loan Interest Income	**141**	25
		Working capital demand loan Interest Income	**379**	433
		Operating Lease Rental	**-**	31
		Management Fees	**30**	13

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Other transactions		
		Term Loan / Working capital demand loan given during year	**17,368**	15,025
		Term Loan / Working capital demand loan repayment received during year	**17,675**	14,775
		Assets		
		Term Loan / Working capital demand loan Principal receivable	**2,075**	-
		# Term Loan / Working capital demand loan Principal receivable	**2,092**	4,474
		# Term Loan / Working capital demand loan accrued income	**35**	38
		* Balance Receivable / (Payable)	**-**	-
		Commitments		
		Off balance sheet exposure	**2,408**	1,526
23	**Infiniti Retail Limited**	**Income**		
		Operating Lease Rental	**134**	211
		Management Fees	**10**	6
		Trade Advance Interest Income	**69**	-
		Expenses		
		Commission on Cards	**30**	75
		DMA Commission	**34**	69
		Fixed Assets Purchased	**1**	5
		* Staff Welfare Expenses	**36**	-
		* Repairs and Maintenance	**-**	-
		Other transactions		
		Facility provided during year	**-**	18
		NSR Payment	**1,597**	2,192
		* Security deposit repaid during year	**-**	-
		Facility repayment received during year	**4**	-
		Security deposit repaid / adjusted during year	**51**	-
		Loan given during year	**2,076**	-
		Loan repayment received during year	**2,076**	-
		Security deposit received during year	**7**	-

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Assets		
		Finance Lease Facility Principal receivable	**14**	18
		Finance lease accrued income & other receivables	**1**	4
		Balance Receivable	**-**	38
		Liabilities		
		Security deposit payable	**31**	75
		Commitments		
		Off balance sheet exposure	**5,339**	119
24	**Niskalp Infrastructure Services Limited**	**Income**		
		* Recovery Rent and other expenses	**1**	-
25	**Tata Advanced Systems Limited**	**Income**		
		Finance Lease Interest	**33**	20
		Syndication Fees	**100**	-
		Other transactions		
		Facility provided during year	**47**	103
		Facility repayment received during year	**60**	35
		Assets		
		Finance Lease Facility Principal receivable	**181**	194
		Finance lease accrued income & other receivables	**119**	67
		Commitments		
		Off balance sheet exposure	**304**	466
26	**Tata AIG General Insurance Company Limited**	**Income**		
		Insurance Commission	**488**	1,049
		Expenses		
		Insurance Expenses	**71**	25
		Interest Expenses	**641**	-
		Assets		
		Balance Receivable	**60**	48
		# Balance Receivable	**97**	162

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
27	**Tata Asset Management Limited**	**Income**		
		Portfolio management services Income	**42**	403
		Fee Income	**216**	326
		Assets		
		# Balance Receivable	**181**	189
28	**Tata Communications Collaboration Services Private Limited**	**Expenses**		
		Telephone Expenses	**2**	1
29	**Tata Communications Limited**	**Income**		
		Finance Lease Interest	**-**	3
		* Foreclosure Charges	**-**	-
		Expenses		
		Information Technology Expenses	**270**	273
		Other transactions		
		Facility repayment received during year	**13**	19
		Assets		
		Finance Lease Facility Principal receivable	**5**	18
		* Finance lease accrued income & other receivables / (Payables)	**(1)**	-
		Liabilities		
		Trade Payable	49	-
		Commitments		
		* Off balance sheet exposure	**-**	-
30	**Tata Communications Transformation Services Limited**	**Income**		
		Finance Lease Interest	**1**	3
		Other transactions		
		Facility repayment received during year	**10**	11
		Assets		
		Finance Lease Facility Principal receivable	**2**	12
		Finance lease accrued income & other receivables / (Payables)	**-**	1

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
31	Tata Consultancy Services Limited	**Income**		
		Finance Lease Interest	**35**	38
		Operating Lease Rental	**383**	186
		Expenses		
		Information Technology Expenses	**10,100**	7,116
		* Advertisements and publicity	**-**	-
		Fixed Assets purchase	**35**	-
		Other transactions		
		Facility provided during year	**-**	63
		Facility repayment received during year	**47**	38
		Security deposit received during year	**29**	129
		Security deposit repaid during year	**(48)**	49
		Assets		
		Finance Lease Facility Principal receivable	**198**	245
		Finance lease accrued income & other receivables	**6**	1
		Balance Receivable / (Payable)	**-**	(4)
		Liabilities		
		Balance Payable	**2,420**	3,962
		Security deposit payable	**157**	80
		Commitments		
		Off balance sheet exposure	**1,192**	1,751
32	Tata Consulting Engineers Limited	**Income**		
		Term Loan Interest Income	**-**	77
		Management Fees	**-**	15
		Financial Advisory	**2**	5
		* Recovery of Travelling Exp	**–**	–
		Expenses		
		Professional Fees	**5**	-
		Other transactions		
		Loan given during year	-	1,500
		Loan repayment received during year	-	1,500
		Assets		
		Balance Receivable	**-**	6

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
33	Tata Industries Limited	**Income**		
		Finance Lease Interest	**286**	121
		* Recovery of Expenses	**-**	-
		Other transactions		
		Facility provided during year	**932**	1,148
		Facility repayment received during year	**535**	168
		Sale of Assets	**-**	61
		Assets		
		Finance Lease Facility Principal receivable	**1,558**	1,160
		Finance lease accrued income & other receivables	**253**	989
		* Balance Receivable	**-**	-
		Liabilities		
		Equity shares held	**227**	227
		Commitments		
		Off balance sheet exposure	**448**	836
34	Tata International Limited	**Income**		
		Finance Lease Interest	**14**	5
		Expenses		
		Staff Welfare Expenses	**-**	10
		Other transactions		
		Facility provided during year	**14**	84
		Facility repayment received during year	**17**	4
		Security deposit received during year	**-**	21
		Assets		
		Finance Lease Facility Principal receivable	**77**	80
		Finance lease accrued income & other receivables	**25**	28
		Liabilities		
		Security deposit payable	**21**	21
		Equity shares held	**-**	79
		Commitments		
		Off balance sheet exposure	**39**	63

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
35	**Tata Teleservices (Maharashtra) Limited**	**Expenses**		
		Telephone Expenses	**141**	140
		Income		
		* Operating Lease Rental	**-**	-
		Liabilities		
		* Balance Payable	**–**	–
36	**Tata Teleservices Limited**	**Income**		
		Finance Lease Interest	**24**	20
		Operating Lease Rental	**-**	3
		Management Fees	**-**	2
		* Foreclosure Charges	**-**	-
		Expenses		
		Electricity Expenses	**9**	14
		Rent Expenses	**25**	39
		Telephone Expenses	**38**	37
		Other transactions		
		Facility provided during year	**86**	137
		Facility repayment received during year	**82**	150
		Assets		
		Finance Lease Facility Principal receivable	**142**	139
		Finance lease accrued income & other receivables / (payables)	**(4)**	(29)
		* Balance Receiavble	**-**	-
		Security Deposit receivable	**-**	8
		Commitments		
		Off balance sheet exposure	**-**	491
37	**Conneqt Business Solutions Limited (formerly Tata Business Support Services Limited)**	**Income**		
		Finance Lease Interest	**111**	124
		Operating Lease Rental	**33**	279
		Management Fees	**-**	2
		Recovery Electricity expenses	**51**	202
		Recovery Rent and Guest house expenses	**165**	129
		Rental Income	**462**	544

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Expenses		
		Outsourcing Expenses	**10,044**	8,989
		Provision for bad & doubtful debts	**10**	-
		Other transactions		
		Facility provided during year	**9**	418
		Facility repayment received during year	**294**	397
		* Loan repayment received during year	**-**	-
		Security Deposit Adjusted	**16**	
		Sale of Assets	**44**	-
		Assets		
		Finance Lease Facility Principal receivable	**778**	1,063
		Finance lease accrued income & other receivables	**56**	46
		Balance Receivable	**167**	219
		Other Receivables	**14**	15
		Provision for bad & doubtful debts	**10**	-
		Liabilities		
		Trade Payable	**3,646**	1,074
		Security deposit payable	**21**	37
		Commitments		
		Off balance sheet exposure	**692**	716
38	**Tata Chemicals Limited**	**Liabilities**		
		Equity shares held	**323**	323
39	**Tata Consumer Products Limited (formerly Tata Global Beverages Limited)**	**Income**		
		Operating Lease Rental	**61**	60
		Finance Lease Interest	**12**	9
		Other transactions		
		Facility provided during year	**-**	112
		Facility repayment received during year	**16**	11
		Assets		
		Finance Lease Facility Principal receivable	**86**	101
		Finance lease accrued income & other receivables	**2**	22
		Balance Receivable	-	5

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Liabilities		
		Equity shares held	**61**	61
		Off balance sheet exposure	**310**	-
40	**Tata Motors Limited**	**Income**		
		Finance Lease Interest	**32**	27
		Management Fees	**29**	540
		Foreclosure Charges	**-**	20
		Interest Income	**227**	289
		Other transactions		
		Facility repayment received during year	**68**	124
		Loan Given during period	**-**	15,002
		Loan repayment received during period	**15,002**	-
		Facility provided during year	**424**	-
		Proceeds from divestments		
		Assets		
		Finance Lease Facility Principal receivable	**591**	235
		Finance lease accrued income & other receivables	**3,829**	(181)
		# PTC loan receivable	**-**	15,002
		Investment in Debentures	**4,615**	7,941
		Liabilities		
		Equity shares held	**433**	433
		Commitments		
		Off balance sheet exposure	**6,445**	-
41	**The Associated Building Company Limited**	**Income**		
		Term Loan Interest Income	**1**	68
		Expenses		
		Legal & Professional Fees	**-**	1
		Other transactions		
		Loan given during year	**300**	100
		Loan repayment received during year	**44**	4,244
		Assets		
		# Term Loan Principal receivable	**256**	-
		# Term Loan accrued income	**1**	-

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Commitments		
		Off balance sheet exposure	**44**	97
42	**The Indian Hotels Company Limited**	**Income**		
		Finance Lease Interest	**10**	19
		Operating Lease Rental	**-**	7
		* Dividend income	**-**	-
		Expenses		
		Hotel Expenses	**9**	62
		Training Expenses	**-**	6
		* Business promotion Expenses	**-**	-
		Staff Welfare Expenses	**4**	-
		Membership expenses	**2**	2
		Other transactions		
		Facility provided during year	**-**	22
		Facility repayment received during year	**67**	55
		Assets		
		Finance Lease Facility Principal receivable	**43**	110
		Finance lease accrued income & other receivables	**(1)**	10
		* Balance Receivable	**-**	-
		Investment in Equity Shares	**20**	13
		Liabilty		
		* Balance payable	-	-
		Commitments		
		Off balance sheet exposure	**300**	-
43	**The Tata Power Company Limited**	**Income**		
		Finance Lease Interest	**153**	142
		Management Fees	**14**	10
		Other transactions		
		Facility provided during year	**190**	340
		Facility repayment received during year	**253**	174
		Assets		
		Finance Lease Facility Principal receivable	**1,011**	1,074

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Finance lease accrued income & other receivables	**472**	71
		Commitments		
		Off balance sheet exposure	**1,494**	260
44	**Titan Company Limited**	**Expenses**		
		Staff Welfare Expenses	**3**	24
		Interest Expenses	**-**	60
		Other transactions		
		Inter Corporate Deposit Repaid	**-**	5,000
		* Inter Corporate Deposit Taken	**-**	-
		* NSR payment	**-**	-
		Assets		
		Balance Receivable	**-**	2
		Liabilities		
		# Inter Corporate Deposit Balance	**-**	-
45	**Trent Limited**	**Expenses**		
		Dividend on Cumulative Redeemable Preference Shares	**-**	30
		Staff Welfare	**2**	
		Other transactions		
		NSR Payment	**178**	295
		Redemption of Cumulative Redeemable Preference shares	**-**	1,000
		Assets		
		* Balance Receivable	**-**	-
		Liabilities		
		# Cumulative Redeemable Preference shares held	**-**	-
46	**Voltas Limited**	**Expenses**		
		Fixed Assets Purchased	**2**	22
		Incentive payment dealers	**57**	17
		Repairs and Maintenance	**52**	35
		Dividend on Cumulative Redeemable Preference Shares	**366**	366
		* Interest paid on application money	**-**	-

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Income		
		* Subvention Income	**-**	-
		* Bill Discounting	**-**	-
		Other Transactions		
		* Issue of Cumulative Redeemable Preference shares	**-**	-
		Assets		
		* Balance Receivable	**-**	-
		* Invoice Discounted receivable	**-**	-
		Liabilities		
		# Cumulative Redeemable Preference shares held	**5,000**	5,000
47	**Coastal Gujarat Power Limited**	**Income**		
		Finance Lease Interest	**18**	13
		Term Loan Interest Income	**-**	854
		Management Fees	**2**	15
		Other transactions		
		Facility provided during year	**12**	50
		Facility repayment received during year	**20**	13
		* Loan given during year	**-**	-
		Loan repayment received during year	**-**	32,500
		Assets		
		Finance Lease Facility Principal receivable	**95**	103
		Finance lease accrued income & other receivables	**59**	(16)
		# Term Loan Principal receivable	**-**	-
		# Term Loan accrued income	**-**	-
48	**TML Business Services Limited (formerly Concorde Motors (India) Limited)**	**Income**		
		Trade Advance Interest Income	**-**	1,046
		Operating Lease Rental	**28**	460
		Management Fees	**-**	20
		Expenses		
		Fixed Assets Purchased	**-**	9
		* Insurance Expenses	**-**	-

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Other transactions		
		Loan given during year	**-**	33,890
		Loan repayment received during year	**-**	52,677
		Assets		
		# Term Loan Principal receivable	**-**	-
		# Term Loan accrued income	**-**	-
		Balance Receivable	**-**	9
		# Balance Receivable	**-**	16
		Commitments		
		Off balance sheet exposure	**-**	18,106
49	**Fiora Hypermarket Limited**	**Expenses**		
		Commission on Cards	**2**	7
		Other transactions		
		NSR Payment	**269**	233
50	**Indian Steel & Wire Products Ltd.**	**Income**		
		Finance Lease Interest	**10**	7
		Management Fees	**-**	1
		Other transactions		
		Facility provided during year	**-**	99
		Facility repayment received during year	**22**	18
		Assets		
		Finance Lease Facility Principal receivable	**59**	81
		Finance lease accrued income & other receivables	**2**	1
		Commitments		
		Off balance sheet exposure	**-**	32
51	**Maithon Power Limited**	**Income**		
		Finance Lease Interest	**5**	3
		Syndication fees	**-**	135
		Other transactions		
		Facility provided during year	**-**	11
		Facility repayment received during year	**9**	3
		Assets		
		Finance Lease Facility Principal receivable	**21**	29

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		* Finance lease accrued income & other receivables / (payables)	44	-
		Commitments		
		Off balance sheet exposure	149	-
52	Nelco Limited	**Income**		
		Finance Lease Interest	6	6
		Expenses		
		* Information technology expenses	–	–
		Other transactions		
		Facility provided during year	-	39
		Facility repayment received during year	12	6
		Assets		
		Finance Lease Facility Principal receivable	36	48
		* Finance lease accrued income & other receivables	1	1
		Commitments		
		Off balance sheet exposure	-	94
53	Piem Hotels Limited	**Expenses**		
		Hotel Expenses	1	12
54	Tata Metaliks Ltd.	**Income**		
		Finance Lease Interest	3	
		Operating Lease Rental	48	25
		Other transactions		
		Security deposit received during year	1	6
		Security deposit repaid / adjusted during year	2	
		Facility provided during year	18	
		Facility repayment received during year	8	
		Assets		
		Balance Receivable	-	2
		Finance Lease Facility Principal receivable	10	-
		Finance lease accrued income & other receivables / (payables)	(5)	-

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Liabilities		
		Security deposit payable	**13**	14
		Commitments		
		Off balance sheet exposure	**354**	361
55	**TMF Holdings Limited (formerly Tata Motors Finance Limited)**	**Income**		
		Interest on Bonds	**-**	176
		Expenses		
		Rent and Guest house expenses	**7**	8
		* Property, plant and equipments Purchased	**-**	-
		Dividend on Cumulative Redeemable Preference Shares	**-**	3
		Other transactions		
		Proceeds from Divestments	**-**	2,000
		Redemption of Cumulative Redeemable Preference shares	**-**	67
		Premium paid on redemption of Cumulative Redeemable Preference shares	**-**	33
		Sale of Asset	**5**	-
		Assets		
		* Investment in Bonds	**-**	-
		* Investment in Bonds Accrued Interest	**-**	-
		* Balance Receivable	**-**	-
		Liabilities		
		Balance Payable	**-**	32
		# Cumulative Redeemable Preference shares held	**-**	-
56	**Tata Power Delhi Distribution Limited**	**Expenses**		
		* Legal & Professional Fees	**–**	–
57	**Tata Power Solar Systems Limited**	**Income**		
		Finance Lease Interest	**26**	19
		Management Fees	**-**	1
		Other transactions		
		Facility provided during year	**64**	148

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Facility repayment received during year	**55**	31
		Assets		
		Finance Lease Facility Principal receivable	**138**	129
		Finance lease accrued income & other receivables /(Payables)	**8**	(9)
		Commitments		
		Off balance sheet exposure	**-**	500
58	**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	**4**	5
		* Finance lease accrued income & other receivables/(payable)	**-**	(5)
59	**Tata Steel Utilities and Infrastructure Services Limited**	**Income**		
		Finance Lease Interest	**5**	7
		Operating Lease Rental	**14**	32
		Other transactions		
		Facility provided during year	**-**	72
		Facility repayment received during year	**22**	20
		* Security deposit received during year	**-**	-
		Sale of Asset	**25**	-
		Assets		
		Finance Lease Facility Principal receivable	**30**	52
		Finance lease accrued income & other receivables	**1**	1
		Balance Receivable / (Payables)	**-**	(2)
		Liabilities		
		Security deposit payable	**9**	9
		Commitments		
		Off balance sheet exposure	**-**	15
60	**Tayo Rolls Limited**	**Income**		
		* ODC Income	**-**	-

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Other transactions		
		Loan repayment received during year	**-**	3
		Assets		
		# Loan outstanding	**-**	-
61	**TP Ajmer Distribution Limited**	**Income**		
		Finance Lease Interest	**4**	3
		Management Fees	**-**	1
		Other transactions		
		Facility provided during year	**6**	11
		Facility repayment received during year	**4**	6
		Assets		
		Finance Lease Facility Principal receivable	**24**	22
		* Finance lease accrued income & other receivables	**2**	1
		Commitments		
		Off balance sheet exposure	-	
62	**United Hotels Limited**	**Income**		
		Finance Lease Interest	**5**	2
		Expenses		
		* Hotel Expenses	**–**	–
		Other transactions		
		Facility provided during year	**-**	29
		Facility repayment received during year	**3**	1
		Assets		
		Finance Lease Facility Principal receivable	**25**	28
		Finance lease accrued income & other receivables	**2**	3
		Commitments		
		Off balance sheet exposure	**53**	53
63	**Air International TTR Thermal Systems Private Limited**	**Income**		
		Operating Lease Rental	**29**	26
		* Management Fees	**-**	-
		Other transactions		
		Security deposit received during year	**-**	5

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Liabilities		
		Security deposit payable	**18**	18
		Commitments		
		Off balance sheet exposure	**823**	1,823
64	**AirAsia (India) Limited**	**Income**		
		Term Loan Interest Income	**-**	767
		Trade Advance Interest Income	**1,109**	287
		Management Fees	**50**	59
		Other transactions		
		Loan given during year	**31,551**	10,000
		Loan repayment received during year	**21,557**	10,000
		Assets		
		Term Loan Principal receivable	**19,994**	-
		Term Loan accrued income	**95**	-
		# Term Loan Principal receivable	**-**	10,000
		# Term Loan accrued income	**-**	96
		Commitments		
		Off balance sheet exposure	**6**	10,000
65	**Mikado Realtors Private Limited**	**Income**		
		Term Loan Interest Income	**283**	29
		Management Fees	**2**	2
		Other transactions		
		Loan given during year	**1,250**	1,500
		Loan repayment received during year	**2,750**	
		Assets		
		# Term Loan Principal receivable	**-**	1,500
		# Term Loan accrued income	**-**	29
		Commitments		
		Off balance sheet exposure	**550**	2,500
66	**Tata AIA Life Insurance Company Limited**	**Income**		
		* Finance Lease Interest	**7**	-
		Insurance Commission	**245**	193

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Expenses		
		Insurance Expenses	**128**	119
		Other transactions		
		Facility provided during year	**35**	10
		Facility repayment received during year	**6**	-
		Assets		
		Finance Lease Facility Principal receivable	**38**	10
		Finance lease accrued income & other receivables	**120**	36
		Balance Receivable	**198**	93
		# Balance Receivable	**8**	6
		Commitments		
		Off balance sheet exposure	**479**	150
67	**Tata AutoComp GY Batteries Private Limited**	**Income**		
		Trade Advance Interest Income	**36**	12
		Management Fees	**4**	3
		Other transactions		
		Loan given during year	**2,540**	1,000
		Loan repayment received during year	**2,540**	1,500
		Assets		
		# Term Loan Principal receivable	**-**	-
		# Term Loan accrued income	**-**	-
		Commitments		
		Off balance sheet exposure	**-**	1,000
68	**Tata Boeing Aerospace Limited**	**Income**		
		* Finance Lease Interest	**1**	1
		Other transactions		
		Facility provided during year	**3**	-
		* Facility repayment received during year	**2**	1
		Assets		
		Finance Lease Facility Principal receivable	**6**	5
		* Finance lease accrued income & other receivables	**-**	4

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Commitments		
		Off balance sheet exposure	**138**	138
69	**Tata International DLT Private Limited**	**Income**		
		Term Loan Interest Income	**15**	36
		Other transactions		
		Loan repayment received during year	**225**	200
		Assets		
		Term Loan Principal receivable	**-**	225
		Term Loan accrued income	**-**	1
70	**Tata Lockheed Martin Aerostructures Limited**	**Income**		
		Finance Lease Interest	**5**	7
		Other transactions		
		* Facility given during year	**-**	-
		Facility repayment received during year	**17**	14
		Assets		
		Finance Lease Facility Principal receivable	**30**	47
		Finance lease accrued income & other receivables / (payables)	**(1)**	(1)
71	**Tata Precision Industries (India) Limited**	**Income**		
		Term Loan Interest Income	**5**	8
		Other transactions		
		Loan repayment received during year	**23**	23
		Assets		
		Term Loan Principal receivable	**23**	45
		* Term Loan accrued income	**-**	-
72	**Tata Sikorsky Aerospace Limited**	**Income**		
		Finance Lease Interest	**2**	2
		Other transactions		
		Facility provided during year	**12**	8
		Facility repayment received during year	**5**	3
		Assets		
		Finance Lease Facility Principal receivable	**19**	11
		* Finance lease accrued income & other receivables	**28**	-

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Commitments		
		Off balance sheet exposure	**80**	139
73	**Tata Toyo Radiator Limited**	**Income**		
		Operating Lease Rental	**1,922**	1,093
		Management Fees	**11**	12
		Term Loan Interest Income	**158**	-
		Other transactions		
		Security deposit received during year	**210**	458
		Security deposit adjusted	**4**	-
		Loan given during year	**2,500**	-
		Assets		
		Balance receivable	**-**	(8)
		Term Loan Principal receivable	**2,500**	-
		Term Loan accrued income	**18**	-
		Liabilities		
		Security deposit payable	**1,154**	948
		Commitments		
		Off balance sheet exposure	**286**	10,215
74	**Tata Sky Broadband Private Limited**	**Income**		
		Syndication fees	**-**	35
75	**Sir Dorabji Tata Trust**	**Expenses**		
		Corporate Social Responsibility Expenditure	**50**	100
76	**Sir Ratan Tata Trust**	**Income**		
		* Finance Lease Interest	**-**	-
		Other transactions		
		Facility repayment received during year	**-**	3
		Assets		
		* Finance Lease Facility Principal receivable	**-**	-
		Commitments		
		* Off balance sheet exposure	**-**	-
77	**Calsea Footwear Private Limited**	**Income**		
		* Interest income on Inter-Corporate Deposit	**-**	-

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Other transactions		
		* Inter Corporate Deposit repayment received during period	**-**	-
78	**Smart Value Homes (Peenya Project) Private Limited**	**Income**		
		* Referral Fees	**-**	-
79	**Tata Steel Limited**	**Expenses**		
		* Rent and Other Expenses	**-**	-
		Income		
		Dividend income	**2**	2
		Interest Income	**61**	203
		Other Transactions		
		Proceeds from Divestments	**-**	4,858
		Investment in Equity Shares (Fully paid)	**5**	
		Assets		
		Investment in Equity Shares (Fully paid)	**142**	42
		* Investment in Equity Shares (Partly paid)	**-**	-
		Investment in Debentures	**3,887**	784
		Commitments		
		Uncalled Liability on partly paid shares	**-**	5
80	**Tata Elxsi Limited**	**Expenses**		
		* Staff Welfare Expenses	**-**	-
81	**Tata Trustee Company Limited**	**Expenses**		
		Miscellaneous Expenses	**26**	29
		Liabilities		
		Balances payable	**6**	4
82	**Tata Investment Corporation Limited**	**Liabilities**		
		Equity shares held	**7,720**	7,720
83	**Ewart Investments Limited**	**Expense**		
		* Rent expenses	**-**	-
		Other Transactions		
		* Security Deposit refund received	**-**	-
84	**Af-Taab Investment Company Limited**	**Liabilities**		
		Equity shares held	**233**	233

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
85	**Jaguar Land Rover Automotive plc**	**Income**		
		Interest Income	**109**	83
		Other Transactions		
		Proceeds from divestments		
		Assets		
		Investment in Debentures	**2,138**	1,353
86	**Tata Communications Payment Solutions Limited**	**Expense**		
		Exps - Staff Welfare	**10**	-
87	**Indusface Private Limited**	**Expenses**		
		Reimbursement of expenses	**51**	-
		Assets		
		Investment in Equity Shares	**3,440**	-
88	**Linux Laboratories Private Limited**	**Expenses**		
		Reimbursement of expenses	**11**	-
		Assets		
		Investment in Equity Shares	**1,512**	-
		Investment in preference Shares	**3,500**	-
89	**Fincare Small Finance Bank Limited**	**Assets**		
		Investment in Equity Shares	**30**	-
		Investment in Debentures	**3,616**	-
		Accrued Interest	**13**	-
		Income		
		Inrerest on Debenture	**408**	-
		Other transactions		
		Loan given during year	**3,616**	-
90	**TP Luminaire Private Limited**	**Income**		
		Interest Income	**521**	-
		Processing Fees	**28**	-
		Management Fees	**28**	-
		Other Transactions		
		Term Loan given during the period	**10,052**	-
		Term Loan repayment received during the period	**1,604**	-

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Assets		
		Term Loan	**8,448**	-
		Accrued Interest and other balances	**8**	-
		Commitment		
		Off balance sheet exposure	**2,105**	-
91	**Panatone Finvest Limited**	**Other Transactions**		
		* Sale of Investment	-	-
92	**Tata Ficosa Automotive Systems Private Limited (Tata Ficosa Automotive Systems Limited)**	**Income**		
		Invoice Discounting	**65**	-
		Management Fees	**3**	-
		Trade Advance Interest Income	**4**	-
		Other Transactions		
		Loan given during year	**1,003**	-
		Loan repayment received during year	**3**	-
		Assets		
		# Trade Advance Principal receivable	**1,000**	-
		# Trade Advance accrued income	**4**	-
93	**Mrs Sangeeta Sabharwal**	**Expense**		
		Dividend on Cumulative Redeemable Preference Shares	**4**	4
		Other Transactions		
		* Issue of Cumulative Redeemable Preference Shares	-	-
		* Interest paid on application money	-	-
		Liabilities		
		Cumulative Redeemable Preference shares held	**50**	50
94	**Key Management Personnel (KMP)**	**Expenses**		
		Remuneration to KMP **		
		Short Term Employee Benefits	**1,025**	1,207
		Post Employment Benefits	**55**	47
		Other Long Term benefits	**-**	
		Termination benefits	**40**	71
		Director Sitting Fees & Commission		
		Director Sitting Fees & Commission (on payment basis)	**126**	116
		Dividend paid on Cumulative Redeemable Preference shares	**15**	18

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:

(₹ in lakh)

Sr No	Party Name	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
		Other Transactions		
		* Issue of Cumulative Redeemable Preference Shares	**-**	-
		* Interest paid on application money	**-**	-
		Redemption of Cumulative Redeemable Preference shares	**30**	45
		Premium paid on redemption of Cumulative Redeemable Preference shares	**-**	23
		Liabilities		
		Equity Shares held	**35**	79
		Cumulative Redeemable Preference shares held	**183**	213
		Share based payments (No. of Shares)		
		Options granted	**20,70,000**	21,00,000
		Options exercised	-	78,950
		Total Options granted till date	**64,55,211**	49,34,223
		Total Options exercised till dtae	**7,60,211**	7,88,172

All transactions with these related parties are priced on an arm's length and are in the ordinary course of business.

* Amount less than Rs. 50,000

** 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

all the loans / borrowings balance above are not secured

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.

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.

C. Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2021 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	-	-	2,02,042	2,02,042
Bank balances other than (a) above	-	-	3,022	3,022
Derivative assets	1,154	1,154	-	1,154
Trade receivables	-	-	2,663	2,663

(₹ in lakh)

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortised cost	Total Carrying Value
Other receivables	-	-	7	7
Loans including credit substitutes	1,000	85,514	72,76,121	73,62,635
Investments (Other than associates)	2,53,481	6,576	1,22,271	3,82,328
Other financial assets	-	-	80,11,277	80,11,277
Total	**2,54,481**	**93,244**	**1,56,17,403**	**1,59,65,128**
Financial Liabilities:				
Derivative liabilities	-	21,555	-	21,555
Payables	-	-	80,537	80,537
Debt securities	-	-	31,93,375	31,93,375
Borrowings	-	-	31,68,568	31,68,568
Subordinated liabilitites	-	-	5,90,482	5,90,482
Lease liabilities	-	-	10,243	10,243
Other financial liabilities	-	-	1,01,641	1,01,641
Total	**-**	**21,555**	**71,44,846**	**71,66,401**

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	-	-	4,30,235	4,30,235
Bank balances other than (a) above	-	-	1,782	1,782
Derivative assets	-	12,374	-	12,374
Trade receivables	-	-	4,527	4,527
Other receivables	-	-	131	131
Loans including credit substitutes	1,000	67,696	73,99,357	74,68,053
Investments (Other than associates)	49,833	3,939	11,121	64,893
Other financial assets	-	-	80,21,914	80,21,914
Total	**50,833**	**84,009**	**1,58,69,067**	**1,60,03,909**
Financial Liabilities:				
Derivative liabilities	-	5,828	-	5,828
Payables	-	-	62,744	62,744
Debt securities	-	-	31,42,245	31,42,245
Borrowings	-	-	35,09,133	35,09,133
Subordinated liabilitites	-	-	5,51,624	5,51,624

(₹ in lakh)

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortised cost	Total Carrying Value
Lease liabilities	-	-	11,374	11,374
Other financial liabilities	-	-	90,019	90,019
Total	**-**	**5,828**	**73,67,139**	**73,72,967**

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, 2021 (₹ in lakh)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments				
Mutual fund units	-	1,52,558	-	1,52,558
Equity Shares	11,552	-	61,079	72,631
Structured product	-	2,210	-	2,210
Multi Asset Fund	-	-	3,581	3,581
Alternate Investment Funds	-	-	2,412	2,412
Venture Capital Fund	-	-	17,888	17,888
Preference shares	2,111	-	-	2,111
Security Receipts	-	90	-	90
Debt securities	6,575	-	-	6,575
Loans including credit substitutes *	-	-	86,514	86,514
Derivative asset	-	1,154	-	1,154
Total	**20,238**	**1,56,012**	**1,71,474**	**3,47,724**

Particulars	Level 1	Level 2	Level 3	Total
Financial Liabilities:				
Derivative liabilities	-	21,555	-	21,555
Total	**-**	**21,555**	**-**	**21,555**

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

As at March 31, 2020 (₹ in lakh)

Particulars	Level 1	Level 2	Level 3	Total
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

The following table summarises disclosure of fair value of financial assets and liabilities measured at amortised cost:

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets at amortised cost:				
Loans including credit substitutes	**72,76,121**	**75,19,504**	73,99,357	74,32,847
Investments (Other than in Associates)	**1,22,271**	**1,22,666**	11,121	11,122
Total	**73,98,392**	**76,42,170**	**74,10,478**	**74,43,969**
Financial Liabilities at amortised cost:				
Borrowings (includes debt securities and subordinated liabilities)	**69,52,425**	**69,24,725**	72,03,002	71,57,296
Total	**69,52,425**	**69,24,725**	**72,03,002**	**71,57,296**

* Borrowings includes Debt Securities, Subordinated liabilities and Borrowings (Other than debt securities).

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2021 and March 31, 2020 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.

T bills and Governemnt securities are valued based on market quotes.

In the absence of any significant movement in interest rates on account of COVID-19, there are no significant impact estimated on account of the change in the fair values of the financial instruments.

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, 2021	As at March 31, 2020				
Financial Assets at fair value						
Equity Shares - unquoted	**61,079**	13,643	Level 3	1. Valuation is based on Net asset value method which is based on the asset and liabilities values as per the Latest financial statements of the investee company and estimated earnings up to the reporting date 2. Valuation is based on market approach	1. Forecast of annual revenue is based on the earnings for the latest reported financial year 2. LTM EV to Gross Premium Multiple: 3.25x, LTM Price to BV Multiple : 5.50x, LTM EV to Revenue Multiple : 12.0x	1. The estimated fair value would increase (decrease) if the annual revenue growth were higher (lower) 2. If the LTM EV/Gross Premium multiples/P/BV Multiples/Revenue multiple is higher/lower while all of the other variables were held constant, the carrying amount of the investment would increase/decrease.
Compulsorily Convertible Debenture	**1,000**	-	Level 3	Valuation is based on the transaction price due to illiquid nature of Investment and the immaterial option value.	Transaction price as on March 31, 2020 (Rs. 10 Lakh per Debenture)	Higher the discounting rate lower the fair value of loans

(₹ 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, 2021	As at March 31, 2020				
Loans	**85,514**	67,696	Level 3	Discounted 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	**2,412**	2,040	Level 3	Net asset value	Net Asset Value	Higher the Net Asset Value higher the fair value of unquoted units
Multi Asset Fund	**3,581**	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	**17,888**	14,400	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	**1,70,474**	**1,00,769**				

Certain listed equity investments are carried at Nil value on account of low trading. Fair value of the unquoted equity investment received upon settlement of loan has been considered at Nil value as the company is under going liquidation.

E Sensitivity disclosure for level 3 fair value measurements:

Particulars	Unobservable input	Sensitivity	Impact of change in rates on Total Comprehensive Income			
			As at March 31, 2021		As at March 31, 2020	
			Favourable	Unfavourable	Favourable	Unfavourable
Equity Shares	Net Asset Value and other valuation input	1%	362	(462)	134	(134)
Compulsorily Convertible Debenture	Transaction price	1%	10	(10)	10	(10)
Loans	Discounting rate	1%	869	(852)	684	(671)
Alternative Investment Fund	Net Asset Value	1%	4	(4)	-	-
Multi Asset Fund	Net Asset Value	1%	36	(36)	30	(30)
Venture capital fund	Net Asset Value	1%	179	(179)	144	(144)

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	FVTPL	Total
	Loans	Loans	Investments	
As at April 1, 2020	**67,696**	**-**	**33,073**	**1,00,769**
Total gains or losses:				
recognised in profit or loss	-	-	24,051	24,051
in OCI	483	-	-	483
Purchases	31,285	-	28,227	59,512
Settlements	(13,950)	-	-	(13,950)
Foreign currency transalations			(392)	
Transfers into Level 3	-	1,000	-	1,000
Transfers out of Level 3	-	-	-	-
As at March 31, 2021	**85,514**	**1,000**	**84,959**	**1,71,473**

(₹ in lakh)

Particulars	FVTOCI	FVTPL	FVTPL	Total
	Loans	Loans	Investments	
As at April 1, 2019	**82,010**	**-**	**38,540**	**1,20,550**
Total gains or losses:				
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**

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, see 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).

1) 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:

(₹ in lakh)

Outstanding Gross Loans	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due								
Zero overdue	**69,67,090**	**1,25,961**	**11,412**	**71,04,463**	70,78,316	16,916	1,236	70,96,468
1-29 days	**1,59,091**	**3,710**	**2,013**	**1,64,814**	2,83,282	5,007	260	2,88,549
30-59 days	**-**	**1,13,862**	**1,329**	**1,15,191**	-	1,09,854	347	1,10,201
60-89 days	**-**	**74,951**	**3,717**	**78,668**	-	64,067	1,755	65,822
90 or more days	**-**	**-**	**1,74,913**	**1,74,913**	-	-	1,45,937	1,45,937
Total	**71,26,181**	**3,18,484**	**1,93,384**	**76,38,049**	**73,61,598**	**1,95,844**	**1,49,535**	**77,06,977**

Note: Gross carrying amount does not include loan commitments Rs. 628,177 lakh (As on March 31, 2020: Rs. 697,770 lakh)

(₹ in lakh)

Impairment allowance on Loans	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due								
Zero overdue	**46,068**	**21,855**	**4,378**	**72,301**	58,589	2,389	887	61,865
1-29 days	**7,516**	**1,624**	**775**	**9,915**	9,362	1,501	154	11,017
30-59 days	**-**	**24,790**	**709**	**25,499**	-	20,644	198	20,842
60-89 days	**-**	**31,953**	**2,114**	**34,067**	-	23,118	934	24,052
90 or more days	**-**	**-**	**1,18,585**	**1,18,585**	-	-	1,05,252	1,05,252
Total	**53,584**	**80,222**	**1,26,561**	**2,60,367**	**67,951**	**47,652**	**1,07,425**	**2,23,028**

Note:

1. Includes impairment allowance on loan commitments Rs. 3,438 lakh (As on March 31, 2020 : Rs. 3,100 lakh)

2) 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.

(₹ in lakh)

a)

Outstanding Gross Loans	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Grade 1	**3,10,718**	**-**	**-**	**3,10,718**	2,15,404	-	-	2,15,404
Grade 2	**2,89,884**	**-**	**-**	**2,89,884**	2,94,743	7,071	-	3,01,814
Grade 3	**-**	**21,470**	**-**	**21,470**	-	12,947	-	12,947
Grade 4	**-**	**-**	**6,030**	**6,030**	-	-	6,030	6,030
Total	**6,00,602**	**21,470**	**6,030**	**6,28,102**	**5,10,147**	**20,018**	**6,030**	**5,36,195**

Note : Gross Carrying amount does not include Loan commitments Rs. 97,634 lakh (As on March 31, 2020: Rs. 146,525 lakh)

(₹ in lakh)

b)

Impairment allowance on Loans	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Grade 1	**952**	**-**	**-**	**952**	814	-	-	814
Grade 2	**3,113**	**-**	**-**	**3,113**	2,647	560	-	3,207
Grade 3	**-**	**2,415**	**-**	**2,415**	-	1,567	-	1,567
Grade 4	**-**	**-**	**2,193**	**2,193**	-	-	1,393	1,393
Total	**4,065**	**2,415**	**2,193**	**8,673**	**3,461**	**2,127**	**1,393**	**6,981**

Note : Include impairment allowance on Loan commitments ₹ 131 lakh (As on March 31, 2020: ₹ 124 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 Crisil rating grades.

3) Loans

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
LOANS		
- Amortised Cost	**75,51,535**	76,38,281
- At Fair Value through Other Comprehensive Income	**85,514**	67,696
- At Fair Value Through Profit and Loss	**1,000**	1,000
Total - Gross Carrying value of Loans	**76,38,049**	**77,06,977**
Less: Revenue received in Advance	**(31,826)**	(39,191)
Add: Unamortised loan sourcing costs	**13,322**	20,175
Total - Carrying Value of Loans	**76,19,545**	**76,87,961**
Less : Impairment Allowance	**(2,56,910)**	(2,19,908)
Total - Net Carrying value of Loans	**73,62,635**	**74,68,053**

4) Trade receivables

(₹ in lakh)

PARTICULARS	As at March 31, 2021			As at March 31, 2020		
Category of Trade receivables	**Gross**	**Impairment allowance**	**Net**	**Gross**	**Impairment allowance**	**Net**
Stage 1: Considered good	**2,661**	**-**	**2,661**	4,527	-	4,527
Stage 2:Significant increase in credit risk	**45**	**(43)**	**2**	33	(33)	-
Stage 3: Credit impaired	**259**	**(259)**	**-**	264	(264)	-
Net Carrying value of trade receivables	**2,965**	**(302)**	**2,663**	**4,824**	**(297)**	**4,527**

5) 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, 2021			As at March 31, 2020		
	Notional Amounts	**Fair Value - Assets**	**Fair Value - Liabilities**	**Notional Amounts**	**Fair Value - Assets**	**Fair Value - Liabilities**
Foreign Exchange Forward contracts	**2,58,316**	**33**	**15,134**	2,56,724	10,430	801
Interest Rate Swap	**1,34,010**	**-**	**3,154**	1,36,781	-	4,935
Cross currency Interest Rate Swap	**65,907**	**1,121**	**1,304**	29,897	1,944	-
Interest rate cap	**1,16,155**	**-**	**1,963**	99,462	-	92
Total	**5,74,388**	**1,154**	**21,555**	**5,22,864**	**12,374**	**5,828**

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.

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.

The table represents categories of collaterals available against the loan exposures:

(₹ in lakh)

(2)

Particulars	Category of collateral available	As at March 31, 2021	As at March 31, 2020
Financial assets Loans			
Bills purchased and bills discounted	Charge on trade receivables and inventories	**1,18,666**	42,008
Term loans	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.	**72,25,898**	73,26,530
Credit substitutes		**1,97,522**	1,88,047
Finance lease and hire purchase	Hypothecation of the underlying asset financed, primarily includes plant and equipment	**92,515**	78,072
Retained portion of assigned loans	Mortgages over residential properties	**3,448**	4,624
Total		**76,38,049**	**76,39,281**

(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, 2021, the Group has given loan against shares / equity oriented mutual funds / debt securities amounting to Rs. 420,671 Lakh (previous year : 243,620 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 Company has right to make good the shortfall within 7 working days.

As on March 31, 2021, the Group is in possession of non current assets held for sale (NCAHS) carrying value Nil lakh (gross carrying value Rs, 3,056 lakh (Previous year : Rs. 4,433 lakh) and provision towards the same Rs. 3,056 lakh (Previous year : 4,433 lakh) (Previous year : Nil lakh).

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, 2021	As at March 31, 2020
Financial asset measured at Amortised Cost and FVTOCI Loans			
Bills purchased and bills discounted	Charge on Trade receivables and inventories	-	-
Term loans	A) Charges 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	**1,89,942**	81,821
Credit substitutes		-	-
Total		**1,89,942**	**81,821**

Note: Fresh valuation is obtained for stage 3 assets upon becoming overdue for more than 15 months.

A. Credit risk

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 a days past due, which is a quantitative factor that indicates the risk of default. Additional factors such as customer fraud, reschedulement of loans and directions by the risk management committee to exit certain risky portfolios are also considered as qualitative factor. These factors are applied uniformly for each lending. 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 these stage and buckets and a significant increase in risk in stage 2 and stage 3.

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.

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 in a normal distribution curve 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.

Credit risk monitoring techniques

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) Exit directed by the Risk management committee

v) Accounts classified by SICR committee indicating significant increase in credit risk

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) Real GDP;

c) Housing Price Index;

d) Lending interest rate;

e) Consumer prices;

f) Real agriculture;

g) Long-term bond yield

h) GDP deflator

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 or internal benchmark with similar credit risk profile.

vii) 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. The Group has prospectively adopted collection curve method for computation of loss given defaults to determine expected credit losses, in the Absence of observed history of default, LGD applied is based on Basel IRB norms for certain products.

viii) 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.

ix) Modified financial assets

The Group renegotiates loans 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 debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor 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 downgradation and accordingly loss allowance is measured using 12 month PD.

Pursuant to RBI Covid restructuring policy, accounts for which Covid restructuring facility were given have been reclassified from Stage I to Stage II if DPD at invocation was between 0-29 and If the DPD was 30+ then the accounts were further downgraded within Stage II and corresponding staging wise ECL provision was done.

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 ECL.

The Group has calculated impact of COVID-19 on a collective basis. The portfolio is segmented based on nature of products, period of moratorium opted by the borrower and number of instances of bounces observed post COVID-19 moratorium. Further, the Group has segmented the portfolio, into various products for arriving at the potential impact on probability of default.

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, delay in completion of under construction project on account of lockdown leading to 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

To estimate the potential impact of COVID-19, various scenarios were built on the basis of likely duration of the COVID-19 impact.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. Based on the portfolio segmentation into re-structured and non-restructured pool, 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 Rs. 26,582 lakh (March 31, 2020: 31,500 lakh), 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.

iii Amounts arising from ECL

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, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**73,61,598**	**1,95,844**	**1,49,535**	**77,06,977**	72,87,009	1,76,551	1,33,174	75,96,734
New assets originated or purchased/further increase in existing assets	25,29,866	1,018	304	25,31,188	29,46,076	25	8	29,46,109
Assets derecognised or repaid (excluding write offs)	(24,36,981)	(41,492)	(16,095)	(24,94,568)	(26,50,959)	(59,037)	(19,115)	(27,29,111)
Transfers to Stage 1	50,403	(47,154)	(3,249)	-	29,003	(26,891)	(2,112)	-
Transfers to Stage 2	(2,61,690)	2,63,517	(1,827)	-	(1,48,166)	1,49,959	(1,793)	-
Transfers to Stage 3	(1,07,699)	(45,914)	1,53,613	-	(90,259)	(35,958)	1,26,217	-
Amounts written off	(9,316)	(7,335)	(88,897)	(1,05,548)	(11,106)	(8,805)	(86,844)	(1,06,755)
Gross carrying amount closing balance	**71,26,181**	**3,18,484**	**1,93,384**	**76,38,049**	**73,61,598**	**1,95,844**	**1,49,535**	**77,06,977**

Note: Gross carrying amount does not include loan commitments Rs. 628,177 lakh (As on March 31, 2020: Rs. 697,770 lakh)

(₹ in lakh)

b) Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**67,951**	**47,652**	**1,07,425**	**2,23,028**	46,935	32,479	1,06,172	1,85,586
Remeasurement due to changes in EAD/estimates	1,42,108	23,345	6,811	1,72,264	1,46,570	8,696	4,882	1,60,148
Assets derecognised or repaid (excluding write offs)	(31,998)	(14,013)	(14,111)	(60,122)	(18,914)	(12,556)	(12,438)	(43,908)
Transfers to Stage 1	1,339	(1,250)	(89)	-	391	(357)	(34)	-
Transfers to Stage 2	(55,927)	56,209	(282)	-	(45,486)	45,857	(371)	-
Transfers to Stage 3	(69,345)	(28,412)	97,757	-	(61,153)	(23,525)	84,678	-
Amounts written off	(544)	(3,309)	(70,950)	(74,803)	(392)	(2,942)	(75,464)	(78,798)
Change in rate	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**53,584**	**80,222**	**1,26,561**	**2,60,367**	**67,951**	**47,652**	**1,07,425**	**2,23,028**

Note: Includes impairment allowance on loan commitments Rs. 3,438 lakh (As on March 31, 2020 : Rs. 3,100 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.

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, 2021	As at March 31, 2020
Loan exposure to modified financial assets		
(i) Gross carrying amount	**1,27,568**	3,871
(ii) Impairment allowance	**27,190**	2,070
(iii) Net carrying amount	**1,00,378**	**1,801**

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 value	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Divisions								
Consumer, Housing finance and advisory business	**39,44,904**	**2,58,576**	**1,47,807**	**43,51,287**	44,57,288	1,25,127	92,032	46,74,447
Commercial and SME finance	**25,80,782**	**38,438**	**39,547**	**26,58,767**	23,94,220	50,700	49,991	24,94,911
Infrastructure finance	**6,00,602**	**21,470**	**6,030**	**6,28,102**	5,10,147	20,017	6,030	5,36,194
Others	**(107)**	**-**	**-**	**(107)**	(57)	-	1,482	1,425
Total	**71,26,181**	**3,18,484**	**1,93,384**	**76,38,049**	**73,61,598**	**1,95,844**	**1,49,535**	**77,06,977**

Note: Gross carrying amount does not include loan commitments Rs. 628,177 lakh (As on March 31, 2020: Rs. 697,770 lakh)

(₹ in lakh)

Impairment Allowance	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Divisions								
Consumer, Housing finance and advisory business	**37,153**	**71,815**	**90,179**	**1,99,147**	42,204	38,922	65,015	1,46,141
Commercial and SME finance	**12,366**	**5,991**	**34,188**	**52,545**	22,287	6,602	39,537	68,426
Infrastructure finance	**4,065**	**2,416**	**2,194**	**8,675**	3,460	2,128	1,392	6,980
Others	**-**	**-**	**-**	**-**	-	-	1,481	1,481
Total	**53,584**	**80,222**	**1,26,561**	**2,60,367**	**67,951**	**47,652**	**1,07,425**	**2,23,028**

Note: Includes impairment allowance on loan commitments Rs. 3,438 lakh (As on March 31, 2020 : Rs. 3,100 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:

Unrecognized 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 180 months but an average expected maturity of 84 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 Group has adopted a conservative approach for bucketing the inflows by suitably deferring the expected inflows on performing loans in the initial part of the fiscal year 2021.

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, 2021 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, 2021	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	2,02,042	2,02,042	1,91,932	78	10,032	-	-	2,02,042	-
Bank balances	3,022	3,022	884	274	1,782	82	-	2,940	82
Derivative assets	1,154	1,154	(160)	(271)	(1,289)	2,874	-	(1,720)	2,874
Receivables	2,670	2,675	-	106	2,569	-	-	2,675	-
Loans	73,62,635	73,62,635	3,04,561	7,01,326	14,14,645	27,74,740	21,67,363	24,20,532	49,42,103
Investments	4,65,297	4,65,297	2,66,469	-	-	1,24,688	74,140	2,66,469	1,98,828
Other Financial Assets	57,426	57,426	-	219	55,910	1,037	260	56,129	1,297
Total	**80,94,246**	**80,94,251**	**7,63,686**	**7,01,732**	**14,83,649**	**29,03,421**	**22,41,763**	**29,49,067**	**51,45,184**

As at March 31, 2021	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 liabilities by type									
Derivative liabilities	21,555	23,607	622	464	3,281	19,240	-	4,367	19,240
Trade and other payables	80,538	80,538	392	4,006	76,140	-	-	80,538	-
Debt securities	31,93,375	31,93,479	50,765	1,56,424	8,03,268	17,39,351	4,43,671	10,10,457	21,83,022
Borrowings	31,68,568	31,68,568	1,30,249	5,22,311	10,28,983	14,63,610	23,415	16,81,543	14,87,025
Subordinated liabilities	5,90,482	5,90,723	-	12,860	76,012	2,07,295	2,94,556	88,872	5,01,851
Lease liabilities	10,243	10,243	220	493	1,882	6,520	1,128	2,595	7,648
Other financial liabilities	1,01,640	1,01,640	4,306	-	50,786	44,085	2,463	55,092	46,548
Total	**71,66,401**	**71,68,798**	**1,86,554**	**6,96,558**	**20,40,352**	**34,80,101**	**7,65,233**	**29,23,464**	**42,45,334**
Market Borrowings	43,76,493	43,76,837	1,08,298	3,29,683	12,42,440	21,02,443	5,93,973	16,80,421	26,96,416
Bank borrowings	25,75,932	25,75,932	72,712	3,61,912	6,65,825	13,07,814	1,67,669	11,00,449	14,75,483
Total	**69,52,425**	**69,52,769**	**1,81,010**	**6,91,595**	**19,08,265**	**34,10,257**	**7,61,642**	**27,80,870**	**41,71,899**

(₹ 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	4,30,235	4,30,235	4,00,591	13,795	15,849	-	-	4,30,235	-
Bank balances	1,782	1,782	318	79	1,210	145	30	1,607	175
Derivative assets	12,374	13,748	21	46	418	13,263	-	485	13,263
Receivables	4,658	4,665	46	132	4,487	-	-	4,665	-
Loans	74,68,053	74,68,053	1,05,608	2,65,927	16,92,220	30,63,915	23,40,383	20,63,755	54,04,298
Investments	1,49,977	1,49,977	1,108	472	-	70,861	77,536	1,580	1,48,397
Other Financial Assets	39,919	39,919	13	7,318	30,295	2,009	284	37,626	2,293
Total	**81,06,998**	**81,08,379**	**5,07,705**	**2,87,769**	**17,44,479**	**31,50,193**	**24,18,233**	**25,39,953**	**55,68,426**
Financial liabilities by type									
Derivative liabilities	5,828	6,071	66	155	1,862	3,988	-	2,083	3,988
Trade and other payables	62,744	62,744	5,094	36,314	21,336	-	-	62,744	-
Debt securities issued	31,42,245	31,42,567	1,27,226	6,39,057	6,47,878	13,18,049	4,10,357	14,14,161	17,28,406
Borrowings	35,09,133	35,09,133	78,621	5,46,605	7,51,519	18,82,703	2,49,685	13,76,745	21,32,388

(₹ 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
Subordinated liabilities	5,51,624	5,52,198	1,703	5,822	39,095	1,89,829	3,15,749	46,620	5,05,578
Lease liabilities	11,374	11,374	231	425	1,854	7,420	1,444	2,510	8,864
Other financial liabilities	90,019	90,019	4,626	19,528	22,383	43,482	-	46,537	43,482
Total	**73,67,139**	**73,68,035**	**2,17,501**	**12,47,751**	**14,84,065**	**34,41,483**	**9,77,235**	**29,49,317**	**44,18,718**
Market Borrowings	43,58,821	43,59,715	26,685	6,63,951	7,23,051	21,42,882	8,03,146	14,13,687	29,46,028
Bank borrowings	28,47,531	28,47,531	1,80,965	5,27,737	7,16,240	12,49,851	1,72,738	14,24,942	14,22,589
Total	**72,06,352**	**72,07,246**	**2,07,650**	**11,91,688**	**14,39,291**	**33,92,733**	**9,75,884**	**28,38,629**	**43,68,617**

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, 2021			As at March 31, 2020		
	Pledged	Not Pledged	Total	Pledged	Not Pledged	Total
ASSETS						
Financial assets	**73,47,109**	**86,75,445**	**1,60,22,554**	**74,59,995**	**85,83,833**	**1,60,43,828**
Cash and cash equivalents	-	2,02,042	2,02,042	-	4,30,235	4,30,235
Bank Balance other than (a) above	63	2,959	3,022	-	1,782	1,782
Derivatives financial instruments	-	1,154	1,154	-	12,374	12,374
Trade Receivables	-	2,663	2,663	-	4,527	4,527
Other Receivables	-	7	7	-	131	131
Loans	73,47,046	15,589	73,62,635	74,59,995	8,058	74,68,053
Investments	-	4,39,754	4,39,754	-	1,04,812	1,04,812
Other financial assets	-	80,11,277	80,11,277	-	80,21,914	80,21,914
Non-financial Assets	**261**	**2,66,897**	**2,67,158**	**276**	**2,93,284**	**2,93,560**
Current tax asset	-	73,930	73,930	-	67,919	67,919
Deferred tax Assets (Net)	-	82,969	82,969	-	85,084	85,084
Investment property	240	1,887	2,127	253	1,994	2,247
Property, Plant and Equipment	21	76,554	76,575	23	94,915	94,938
Capital work-in-progress	-	-	-	-	76	76
Intangible assets under development	-	755	755	-	120	120
Other Intangible assets	-	2,710	2,710	-	2,772	2,772
Right to use assets	-	8,732	8,732	-	9,883	9,883
Other non-financial assets	-	19,360	19,360	-	30,521	30,521
Total Assets	**73,47,370**	**89,42,342**	**1,62,89,712**	**74,60,271**	**88,77,117**	**1,63,37,388**

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, 2021 and March 31, 2020 is shown in the preceding table.

C. Market risk

The following table sets out the allocation of assets and liabilities to non-trading portfolios. The Group does not allocate the assets and liabilities to trading portfolios.

(₹ in lakh)

Particulars	Market risk measure	
	As at March 31, 2021	As at March 31, 2020
Financial assets		
Cash and cash equivalents	2,02,042	4,30,235
Bank balances	3,022	1,782
Derivative financial instruments	1,154	12,374
Trade receivables	2,663	4,527
Other receivables	7	131
Loans	73,62,635	74,68,053
Investments	3,82,328	64,893
Other financial assets	57,426	39,919
Financial assets	**80,11,277**	**80,21,914**
Financial liabilities		
Derivatives financial instruments	21,555	5,828
Total outstanding dues of micro enterprises and small enterprises	111	74
Total outstanding dues of creditors other than micro enterprises and small enterprises	80,426	62,670
Debt securities	31,93,375	31,42,245
Borrowings (Other than debt securities)	31,68,568	35,09,133
Subordinated liabilities	5,90,482	5,51,624
Lease liabilities	10,243	11,374
Other financial liabilities	1,01,641	90,019
Finanicial liabilities	**71,66,401**	**73,72,967**

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, 2021 (₹ in lakh)

Particulars	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Loans given	66,98,062	51,942	(51,942)
Borrowings	39,72,307	(27,408)	27,408
Net Gap (Asset - liability)	**27,25,755**	**79,350**	**(79,350)**

As on March 31, 2020 (₹ in lakh)

Particulars	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Loans given	64,93,210	56,136	(56,136)
Borrowings	45,69,957	(37,387)	37,387
Net Gap (Asset - liability)	**19,23,253**	**93,523**	**(93,523)**

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, 2021	As at March 31, 2020
Variable rate borrowings	37%	44%
Fixed rate borrowings	63%	56%
Total borrowings	**100%**	**100%**

ii **Exposure to currency risks – Non-trading portfolios**

The Company has entered into derivative contract to fully hedge the risk.

The Company's exposure to foreign currency risk at on March 31, 2021 expressed in INR, are as follows

(₹ in lakh)

Particulars	March 31, 2021			March 31, 2020		
	USD	EURO	JPY	SGD	USD	EURO
Letter of Credit/Buyers Credit	619	675	1,132	125	281	419

(₹ in lakh)

Particulars	Impact on profit after tax			Impact on profit after tax		
	March 31, 2021			March 31, 2020		
	USD	EURO	JPY	SGD	USD	EURO
Sensitivity - Increase by 1%	(6)	(7)	(11)	(1)	(3)	(4)
Sensitivity - Decrease by 1%	6	7	11	1	3	4

iii. **Foreign currency risk exposure- subsidiaries**

The foreign currency risk from monetary asset and liabilities as at March 31, 2021 is as follows:

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
	US Dollar	US Dollar
Net exposure to foreign currency risk in respect of recognised financial assets/(recognised financial liabilities)	52,204	44,138

Sensitivity analysis between Indian Rupee and US Dollar:

(₹ in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1% Depreciation in INR		
Impact on P&L	74	21
1% Appreciation in INR		
Impact on P&L	(74)	(21)

NOTE "45"

FINANCIAL RISK MANAGEMENT

A Introduction;

As a financial institution, TATA Capital is exposed to various types of risks namely credit risk, liquidity risk, market risks, operational risk, strategic risk (including emerging & external risks) and compliance & reputation risk. We have adopted a holistic and data driven enterprise level risk management approach which includes monitoring both internal and external indicators.

We as an organization periodically adjust our strategy, incognizance with industry risk dynamics and emergence of new challenges and opportunities. TATA Capital's risk management framework has been laid down with long term sustainability and value creation in mind. Important pillars of the risk management approach are developing a strong risk management culture within Tata Capital and group companies, alignment of risk with business strategy, creating, preserving and realizing value. The key risks are being monitored by way of various policies covering these areas. The policies provide guiding principles by setting various limits, triggers, KRI frameworks etc. which are regularly tracked and reviews are presented to various senior management committees and board committees. An effort is also made to understand the best practices in risk management across industries which are then customized to our business requirements. The risk management practices of Tata Capital and its subsidiaries are compliant with ISO 31000: 2018 which is the international standard for risk management that lays down principles, guidelines and framework for risk management in an organisation.

B Group's Risk Management framework for measuring and managing risk:

Risk management framework:

Risk Management forms an integral part of TATA Capital's operations. The Group's Board of Directors with support of risk function 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.

Board level committees

Risk Management Committee of the Board (RMC): The purpose of the Committee is to assist the Board in its oversight of various risks (i) Credit Risk (ii) Liquidity and Interest Rate Risk (iii) Operational Risk (Process, HR, Technology and Fraud) (iv) Strategic Risks (including emerging and external risks) (v) Compliance and Reputation Risk (compliance risk and reputation risk are covered through compliance risk management charter).

Investment Credit Committee of the Board (ICC): Provide guidance on nature of investments that shall be undertaken, and approve credit limits for various counterparties, where exposures in aggregate exceed a certain level.

Asset Liability Management Committee of the Board (ALCO): ALCO shall review the Liquidity Risk and Interest Rate Risk on a regular basis and suggest necessary actions based on its view and expectations on the liquidity and interest rate profile.

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 ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Senior Management Committees

Operations Committee: Monthly Business performance review with all the SBUs and functions on budget achievements and portfolio quality. The members include MD and various business and functional heads

Management Credit Committee (MCC): Committee members include Managing Director, Chief operating officer – CFD, Chief Financial officer& Head-Risk. Committee approves policies on recommendation of concerned credit committee. It approves/ modifies/disapproves business proposal based on DOA approved by the Board and recommends proposals.

Operational Risk Management Committee (ORMC): ORMC is the oversight committee for operational risk, committee members include MD, CFO, Head-Risk, CHRO and Head-Legal & Compliance. The committee approves operational risk management policy and amendments to it, insurance management framework and corrective actions on operational risk incidents. The committee reviews the operational risk profile of the organization.

Fraud Risk Management Committee (FRMC): An independent Fraud Risk Management Committee (FRMC) comprising of top management representatives has been constituted who review the matters related to fraud risk and approve / recommend actions against frauds. FRMC consists of CFO, Head-Risk, CHRO and Head–Legal and Compliance.

Business Unit Level Committees

There are various committees that exist at the business level for credit sanctions, monitoring and reviews such as Credit Committee (CC), Credit Monitoring Committee (CMC) for corporate lending business and Credit Monitoring Committee (CMC), Retail Risk Review (RRR) for retail business.

C Group's Risk Management Approach for handling various type of risks

a) Credit risk;

It is the risk of loss suffered by a party whereby the counterparty fails to meet its contractual obligations. In its lending operations credit risk is one of the key risks that the Group is exposed to.

Credit risk management:

The credit risk is governed by defined credit policies and Board approved DOA which undergo periodic review. The credit policies outline the type of products that can be offered, customer categories, targeted customer profile, credit approval process, DOA and limits etc. Each business unit is required to implement Group's credit policies and procedures and maintain the quality of its credit portfolio.

The Group has additionally taken the following measures for risk management:

i single party and group borrower limit.

ii limit on secured and unsecured exposure for Commercial and SME finance division and at Group level.

iii establishment of a separate credit monitoring team to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required

iv enhanced monitoring of sensitive sector exposures

v enhanced monitoring of portfolio through periodic reviews

Credit Risk assessment methodology

Credit assessment

The Group has a structured credit approval process, which includes a well-established procedure of comprehensive credit appraisal.

For corporate and SME customers, the credit appraisal process involves critical assessment of quantitative and qualitative parameters subject to review and approval as per defined DOA. The credit assessment involves detailed analysis of industry, business, management, financials, end use etc. An internal rating is also assigned to the borrower based on defined parameters.

For retail customers, the credit assessment is based on a parameterised approach.

Credit risk monitoring and portfolio review

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 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 monitoring for corporate customers includes rating of the customers based on GAR model, monitoring of the security, monitoring of the portfolio based on defined triggers such as sector limits, secured/ unsecured limits, group and individual borrower limits, early warning signals etc.

The retail borrowers are managed at a portfolio level based on defined policy triggers, early warning signals etc. Data analytics is extensively used for effective risk monitoring.

Additional measures taken during COVID- 19 pandemic

The Group is taking following additional measures during COVID-19 pandemic for sustainable growth and maintaining a diversified and resilient portfolio.

i Increased engagement with the customers through dedicated relationship manager and collection team

ii Policy intervention by way of sector and geography analysis based on COVID-19 impact

iii Strengthened credit assessment process

iv Realigning the product suite by way of differentiated product mix offering to different segments of borrowers

v Increased geographical diversification of portfolio

vi Enhanced portfolio and account level monitoring measures

vii Digitization of key processes enabling better and real time portfolio monitoring.

viii Strengthening of the collection infrastructure

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 risk tolerances levels to ensure the solvency while optimising the return on risk.

ALCO sets up limits for each significant type of risk/aggregated risk 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 & periodic review along with day to day implementation.

Exposure to Market Risk:

Interest rate risk:

Core business of the Group is borrowing and lending as permitted by the Reserve Bank of India, exposing us to interest rate risk.

Interest rate risk is measured through Interest rate sensitivity report where gaps are being monitored 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 Group monitors 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.

Currency Risk

The Group is exposed to currency risk arising due to external commercial borrowings. The foreign currency loan in form of external commercial borrowing (ECB) raised by the Group are fully hedged basis.

The hedging policy as approved by the Asset Liability Committee (ALCO) prescribes the hedging of the risk associated with change in the interest rates and fluctuation of foreign exchange rates. The currency risk and interest rate risk on the borrowings is actively managed mainly through a combination of principal only swaps, forward contracts, option contracts, interest rate swaps. Counter party risk is reviewed periodically in terms of exposure to various counter parties.

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. There is no change in the contractual terms of the hedged item and hedging instrument pursuant to the COVID-19 outbreak.

Equity price risk

The Group has carried investment in equity at fair value through the statement of profit and loss account and does not expect any incremental impact due to COVID-19 outbreak.

Liquidity risk;

A risk that the Group will encounter difficulty in meeting its day to day financial obligations is known as liquidity risk.

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 to Treasury. ALCO has delegated the responsibility of managing overall liquidity and interest rate risk to Treasury. ALCO has set various gap limits for tracking liquidity risk. The market risk function monitors such gaps at regular intervals.

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.

v The Group has been maintaining the Liquidity coverage ratio since 1st Dec 2020 as per RBI circular dated 4th Nov 2019 circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20.

The key elements of the Group's liquidity risk management strategy are as follows:

Maintaining a diversified funding through market and bank borrowings resources such as debentures, commercial papers, subordinated debt, perpetual debt, Inter-corporate 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.

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.

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 increased liquidity risk across the economy to a large extent.

In order to address this risk and to seamlessly carry out treasury activities, the Group took following key actions amongst other administrative actions as on March 31, 2021 and up to the date of the adoption of the financial statements:

The Group has honoured all its debt obligations on time. Based on liquidity risk assessment, cash-flows mismatches are within the stipulated regulatory limits. The Group has been successful in maintaining the adequate liquidity by raising fresh/ renewal of bank lines, regular access to capital market and financial institution under the various scheme promulgated by RBI to raise medium to long term funds. Owing to the above measures, the Group has not seen a rise in its liquidity risk

c) Operational Risk;

The risk of direct or indirect potential loss arising from a wide variety of causes associated with the Group's processes, personnel, systems, or from external factors other than credit, compliance, reputation, market and liquidity risks.

Management of operational risk forms an integral part of TATA Capital's enterprise wide risk management systems. The organisation thrives towards incremental improvements to its operational risk management framework to address the dynamic industry landscape. Clear strategies and oversight by the Board of Directors and senior management, a strong operational risk management culture, effective internal control and reporting and contingency planning are crucial elements of TATA Capital's operational risk management framework.

The operational risk team monitors and reports key risk indicators ("KRI") and KRI exceptions. Suitable risk mitigation actions are taken wherever required to curtail the potential risk at the acceptable levels.

ORMC meets periodically to review the operational risk profile of the organization and oversee the implementation of the risk management framework and policies.

FRMC meets periodically to review matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

Tata Capital has a Business Continuity Planning "BCP" framework in place, to ensure uninterrupted business operations in case any disruptive event occurs. The Group immediately activated its Business Continuity Plan (BCP) during this time of COVID 19 pandemic. TCL continues to seamlessly carry out normal operations hence addressing the risk associated with occurrence of the pandemic.

TATA Capital has an IT Disaster Recovery Planning "IT-DRP" which provides the technology framework to continue day-to-day operations using secondary/back-up systems when primary system fails. It also protects the organisation against loss of computer based data and information.

Cyber Security Risk

Various measures are adopted to effectively protect the Group against phishing, social media threats and rogue mobile. During COVID-19 pandemic TCL ensured seamless accessibility of critical systems through virtual private network (VPN), thereby minimizing the risk of security/ data breaches and cyber-attacks.

Tata Capital has adopted "Framework for Improving Critical Infrastructure Cyber Security" published by the National Institute of Standards & Technology (NIST) and complies with regulatory guidelines.

d) Regulatory and Compliance Risk

Regulatory compliances are handled by Finance team, Treasury and Business teams in consultation with Group Compliance team. Statutory compliances are handled by Group Secretarial team, Administrative and people process related compliances are handled by Administration & HR departments.

Additionally, Risk team coordinates for Special Mention Accounts (SMA) and Fraud reporting in line with regulatory guidelines.

As per regulatory requirements, required policies are adopted, modified and rolled from time to time. Compliance to the defined policies is strictly adhered to.

e) Investment Risk

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.

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, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets	**29,49,059**	**51,45,187**	**80,94,246**	**25,39,940**	**55,67,058**	**81,06,998**
Cash and cash equivalents	2,02,042	-	2,02,042	4,30,235	-	4,30,235
Bank Balance other than (a) above	2,940	82	3,022	1,607	175	1,782
Derivatives financial assets	(1,720)	2,874	1,154	485	11,889	12,374
Receivables	2,670	-	2,670	4,658	-	4,658
Other receivable	-	-	-	-	-	-
Loans	24,20,529	49,42,106	73,62,635	20,63,754	54,04,299	74,68,053
Investments	2,66,469	1,98,828	4,65,297	1,580	1,48,397	1,49,977
Other financial assets	**56,129**	**1,297**	**57,426**	**37,621**	**2,298**	**39,919**
Non-financial Assets	15,403	1,82,936	1,98,339	15,880	2,08,059	2,23,939
Current tax asset	-	14,150	14,150	-	15,463	15,463
Deferred tax Assets (net)	-	73,930	73,930	-	67,919	67,919
Investment property	-	2,127	2,127	-	2,247	2,247
Property, Plant and Equipment	11,427	65,148	76,575	13,048	81,890	94,938
Capital work-in-progress	-	-	-	-	76	76
Intangible assets under development	-	755	755	-	120	120
Other Intangible assets	-	2,710	2,710	-	2,772	2,772
Right of use assets	-	8,732	8,732	-	9,883	9,883
Other non-financial assets	3,976	15,384	19,360	2,832	27,689	30,521
Total Assets	**29,64,462**	**53,28,123**	**82,92,585**	**25,55,820**	**57,75,117**	**83,30,937**
LIABILITIES						
Financial Liabilities	**29,23,359**	**42,43,042**	**71,66,401**	**29,50,998**	**44,21,969**	**73,72,967**
Derivative financial liabilities	4,369	17,186	21,555	2,083	3,745	5,828
Trade and other payables	80,538	-	80,538	62,744	-	62,744

(₹ in lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Other payable	-	-	-	-	-	-
Debt Securities	10,10,443	21,82,932	31,93,375	14,13,816	17,28,429	31,42,245
Borrowings (Other than debt securities)	16,81,543	14,87,025	31,68,568	13,76,745	21,32,388	35,09,133
Subordinated liabilities	88,779	5,01,703	5,90,482	46,565	5,05,059	5,51,624
Lease liabilities	2,595	7,648	10,243	2,509	8,865	11,374
Other financial liabilities	55,092	46,548	1,01,640	46,536	43,483	90,019
Non-Financial Liabilities	**37,602**	**7,903**	**45,505**	**19,689**	**6,729**	**26,418**
Current tax liability	28,695	-	28,695	12,186	-	12,186
Provisions	4,908	941	5,849	4,994	1,094	6,088
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non financial liabilities	3,999	6,962	10,961	2,509	5,635	8,144
Total liabilities	**29,60,961**	**42,50,945**	**72,11,906**	**29,70,687**	**44,28,698**	**73,99,385**
Net	**3,501**	**10,77,178**	**10,80,679**	**(4,14,867)**	**13,46,419**	**9,31,552**

NOTE "47"

In accordance with the RBI circulars on COVID-19 Regulatory Package dated March 27, April 17 and May 23, 2020, the Group had granted a moratorium of up to six months on payment of instalments, 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 remained standstill during the moratorium period (i.e. the number of days past-due ('DPD') shall exclude the moratorium period for the purposes of staging).

During the year ended March 31, 2021, the aggregate outstanding of the borrowers to whom moratorium was extended amounted to Rs. 3,41,560 lakh. Due to the moratorium benefit the overdues of these borrowers were ranging between DPD 1-89 days and these have been classified as standard as at March 31, 2021. Of the above, borrower accounts worth Rs. 118,515 lakh (including accrued interest of Rs. 935 lakh), were accounts where, in accordance with the abovementioned COVID-19 Regulatory Package the asset classification benefit was extended (accounts not classified as Stage 3) at March 31, 2021.

The Group has assessed its Expected Credit Loss in line with the RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. Accordingly, no impairment reserve is required to be created and no provision is adjusted during the respective accounting periods against slippages and the residual provisions as required in RBI circulars on COVID-19 Regulatory Package stated above.

NOTE "48"

Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. This may lead to a rise in the number of borrowers defaults and consequently an increase in corresponding provisions. The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Group's performance will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Group has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors / information available, upto the date of approval of these financial results. In order to cover the impact of COVID-19 on the future expected credit losses, the Group is carrying a provision of Rs. 26,582 lakh as on March 31, 2021. (For the year ended March 31, 2020 Rs 31,500 lakh).

NOTE "49"

RBI circular dated April 7, 2021 advised all lending institutions to put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 01, 2020 to August 31, 2020 in conformity with the Supreme Court judgement dated March 23, 2021 ("Supreme Court judgement"). Further, the circular stated that in order to ensure that the Supreme Court judgement is implemented uniformly in letter and spirit by all lending institutions, methodology for calculation of the amount to be refunded/adjusted for different facilities shall be finalised by the Indian Banks Association (""IBA"") in consultation with other industry participants/bodies, which shall be adopted by all lending institutions and also advised all lending institutions to disclose the aggregate amount to be refunded/adjusted in respect of their borrowers based on the above reliefs in their financial results for the year ended March 31, 2021.

The IBA has released clarification on identification of borrowers and the calculation methodology of the amount to be refunded/adjusted vide letter CIB/ADV/MBR/9833 dated April 19, 2021. The Company is in the process of assessing the impact of the IBA clarification. However the Company has made an estimation of the said amount and has recognised an interest reversal in its Statement of Profit and Loss Account for the year ended March 31, 2021.

NOTE "50"

The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, announced a scheme for COVID-19 Relief for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether moratorium as per RBI regulatory package was availed or not. The Group has implemented the Scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme, amounting to Rs. 4,052 lakh. The Group has filed its claim for the ex-gratia with State Bank of India as per the Scheme.

NOTE "51"

The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Group towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed after which the financial impact can be ascertained. The Group will complete its evaluation and will give appropriate impact, if any, in the financial statements following the Code becoming effective and the related rules being framed and notified.

NOTE "52"

In view of the Honourable Supreme Court of India interim order dated September 3, 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR), no additional borrower accounts were classified as impaired (non-performing assets (NPA)), which were not declared non-performing till August 31, 2020. Basis the said interim order the Group had not classified any additional borrower account as NPA as per RBI or other regulatory prescribed norms, after August 31, 2020 which were not NPA as of August 31, 2020.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Group has complied with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms.

NOTE “53”

RBI through its circular dated August 6, 2020 has, in the backdrop of economic fallout on account of the Covid-19 pandemic, decided to enable the lenders to implement a resolution plan in respect of eligible other exposures and personal loans with the intent to facilitate revival of real estate sector activities and mitigate the impact on the ultimate borrowers. The Group has restructured advances amounting to Rs 120,229 lakh (5,970 accounts) under RBI resolution framework and made necessary provision on these accounts as at March 31,2021.

NOTE “54”

On cessation of equity broking activities in 2003 in Tata Securities Limited (Erstwhile known as Tata TD Waterhouse Securities Limited), the Company had reconciled the stocks held in its beneficiary account on behalf of clients .The stocks after reconciliation was transferred to DP opened in IL&FS Securities Limited (DP a/c no-10920737). In March 20, 2020 DP account was opened in Tata Securities Limited (DP a/c no-257091) and all the stocks from IL&FS Securities Limited (DP a/c no-10920737) DP accounts were transferred to Tata Securities DP accounts except stock of Cyberspace. The Cyberspace stock could not be transfer due to inactive ISIN, so the Cyberspace shares are still lying with IL&FS Securities Limited DP accounts.

There is no client outstanding as on March 31, 2021. The value of the stocks as on March 31, 2021 is Rs.11 lakhs.

NOTE “55”

The Group 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 Group 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 Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

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

Malvika Sinha
(Director)
DIN: 08373142

Varsha Purandare
(Director), Pune
(DIN: 05288076)

Akeel Master
Partner
Membership No: 046768

F. N. Subedar
(Director)
(DIN: 00028428)

Aarthi Subramanian
(Director)
(DIN: 07121802)

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Place : Mumbai
Date : April 23, 2021

Sarita Kamath
(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	5,10,537	47,41,112	40,67,582	1,30,905	5,99,166	82,510	14,804	67,706	-	100.00
2	Tata Capital Housing Finance Limited	October 15, 2008	INR	54,756	2,53,146	27,00,184	23,92,282	1,50,476	2,91,913	47,798	12,274	35,524	-	100.00
3	Tata Cleantech Capital Limited	September 27, 2011	INR	38,802	77,445	6,50,792	5,34,545	5,520	66,869	22,071	5,295	16,776	-	80.50
4	Tata Capital Pte. Limited (2)	April 25, 2008	1 USD = 73.2298 INR	15,880	27,330	59,205	15,996	48,423	7,091	6,441	1,114	5,327	-	100.00
5	Tata Capital Advisors Pte. Limited (2)	April 25, 2008	1 USD = 73.2298 INR	5,544	4,551	15,257	5,162	19	5,363	2,259	136	2,123	-	100.00
6	Tata Capital General Partners LLP (2)	January 28, 2010	1 USD = 73.2298 INR	3,661	1,431	7,155	2,063	-	433	28	-	28	-	80.00
7	Tata Capital Growth II General Partners LLP (2)	September 28, 2018	1 USD = 73.2298 INR	15	3	37	19	-	319	2	-	2	-	80.00
8	Tata Capital Healthcare General Partners LLP (2)	June 17, 2010	1 USD = 73.2298 INR	37	(10)	32	5	-	103	-	-	-	-	100.00
9	Tata Capital Healthcare II General Partners LLP(2)	September 12, 2019	1 USD = 73.2298 INR	7	4	18	7	-	61	4	-	4	-	100.00
10	Tata Opportunities General Partners LLP (2)	November 1, 2010	1 USD = 73.2298 INR	8	6	99	85	-	4,596	(1)	-	(1)	-	90.00
11	Tata Capital PLC (2)	November 10, 2009	1 GBP = 100.8057 INR	1,008	126	1,171	37	-	193	(79)	(15)	(64)	-	100.00
12	Tata Securities Limited	July 27, 2007	INR	618	1,780	2,616	218	132	617	(196)	(7)	(189)	-	100.00
13	Tata Capital Growth Fund I -Trust (3)	July 26, 2010	INR	16,127	(6,949)	9,274	96	9,153	520	63	2	61	-	73.75
14	Tata Capital Special Situation Fund - Trust (3)	March 15, 2010	INR	14,826	(10,156)	4,680	10	4,553	49	(2,079)	1	(2,080)	-	28.20
15	Tata Capital Healthcare Fund I - Trust (3)	May 5, 2010	INR	10,434	(5,685)	4,844	95	4,746	7,571	7,547	1	7,546	-	32.17
16	Tata Capital Healthcare Fund II- Trust (3)	September 12, 2019	INR	6,982	(1,801)	5,255	74	5,012	2	(1,227)	-	(1,227)	-	-(5)
17	Tata Capital Innovations Fund - Trust (3)	August 31, 2010	INR	27,917	(21,578)	6,553	214	6,469	5	(3,191)	1	(3,192)	-	27.69
18	Tata Capital Growth Fund II - Trust (3)	September 28, 2018	INR	44,431	16,417	60,862	14	60,830	19,717	17,303	-	17,303	-	-(5)
19	TCL Employee Welfare - Trust (4)	March 2, 2010	INR	-	1,714	8,359	6,645	8,231	11	10	1	9	-	-

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, 2021 as: 1 USD = Rs. 73.2298 INR and 1 GBP = Rs. 100.8057 INR whereas Turnover, Profit/(Loss) before Taxation, Provision for Taxation and Profit/(Loss) after Taxation are translated at annual average rate of 1 USD = Rs. 74.0228 INR and 1 GBP = Rs. 96.7774 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"”), for FY 2020-21.”

5) Tata Capital Markets Pte. Limited ceased to be subsidiary on 23rd September 2020.

6) *Note:- Consolidated based on capital contributed (TCGF II: 29.89% and TCHF II 24.66%) towards portfolio investment and expenses allocation as per investor agreement.

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, 2020	June 28, 2008	4,83,07,333	18,528	24.00%	Based on shareholding	N.A.	22,734	(598)	(1,895)
2	Novalead Pharma Private Limited	March 31, 2020	August 31, 2010	11,477	2,335	19.75%		N.A.	294	(11)	(45)
3	Pluss Advanced Technologies Limited	March 31, 2020	November 27, 2012	1,31,167	1,500	36.61%		N.A.	710	166	287
4	Sea6 Energy Private Limited	March 31, 2020	August 7, 2015	25,410	3,500	28.84%		N.A.	736	(43)	(112)
5	Indusface Private Limited	March 31, 2020	April 21, 2020	4,51,721	3,500	35.35%		N.A.	(187)	(60)	(120)
6	Alef Mobitech Solutions Private Limited	March 31, 2020	November 30, 2015	4,96,276	1,588	25.70%		N.A.	237	12	36
7	Vortex Engineering Private Limited	March 31, 2020	December 13, 2011	1,39,415	2,900	18.49%	Based on rights under definitive documents	N.A.	625	-	(319)
8	Tema India Limited	March 31, 2020	October 31, 2013	19,85,524	4,253	35.01%		N.A.	5,579	52	76
9	Kapsons Industries Private Limited	March 31, 2020	December 24, 2014	2,857	1	0.01%		N.A.	(1)	-	-
10	Tata Technologies Limited	March 31, 2020	May 4, 2011	18,73,253	4,707	4.48%		N.A.	8,300	915	19,513
11	Shriram Properties Limited	March 31, 2020	July 10, 2014	22,23,569	3,935	1.50%		N.A.	1,341	-	-
12	TVS Supply Chain Solutions Limited	March 31, 2020	September 3, 2015	1,45,488	981	0.42%		N.A.	248	(224)	(42,105)
13	Fincare Business Services Limited	March 31, 2020	March 21, 2017	25,47,910	734	0.78%		N.A.	690	(17)	(2,204)
14	Roots Corporation Limited	March 31, 2020	March 28, 2013	22,91,454	2,062	2.43%		N.A.	473	0	(6,561)
15	Tata Projects Limited	March 31, 2020	June 24, 2015	44,810	2,823	2.21%		N.A.	2,890	14	611
16	Tata Sky Limited	March 31, 2020	September 13, 2013	1,00,72,871	5,242	0.72%		N.A.	(382)	(492)	(67,862)
17	Fincare Small Finance Bank Limited	March 31, 2020	January 21, 2021	9,660	27	0.02%		N.A.	18	3	16,612
18	Linux Laboratories Pvt Ltd	March 31, 2020	February 22, 2021	3,600	1,500	3.90%		N.A.	110	12	2,900

1) Shriji Polymers (India) Limited was Associate Companies at the beginning of FY 2020-21, based on rights under definitive documents. Tata Capital Healthcare Fund 1's stake in Shriji Polymers (India) Limited was sold on August 27, 2020 and as a result these ceased to be Associate Companies as at March 31, 2021.

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Malvika Sinha
(Director)
DIN: 08373142

Varsha Purandare
(Director), Pune
DIN : 05288076

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Sarita Kamath
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

Place : Mumbai
Date : April 23, 2021

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 2021, 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 (hereinafter referred to as "the Standalone Financial Statements").

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 2021, 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.

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 year. 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 Matters:

Impairment of investments in subsidiaries and associates
Charge: INR 1,809 Lakhs for year ended 31 March 2021
Provision: INR 6,842 Lakhs at 31 March 2021

Refer to the accounting policies in "Note 28 to the Standalone Financial Statements : Impairment of Investments at Cost and Financial Instruments", "Note 7 to the Standalone Financial Statements: Investments" "Note 2(v) to the Standalone Financial Statements: Significant Accounting Policies- use of estimates", "Note 39 to the Standalone Financial Statements: Financial Risk Review".

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>

Subjective estimate

Recognition and measurement of investments in subsidiaries and associates involve significant management judgement.

As detailed in Note 7, the Company has investment in subsidiaries amounting to INR 8,69,879 Lakhs and associate companies amounting to INR 28,655 Lakhs. Such investments are individually assessed for impairment as per the requirements of Ind AS 36 – Impairment of Assets.

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 85% of the total assets of the Company as on 31 March 2021. 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, impairment testing of investments in such group companies continues to remain an area of focus for the audit. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of impairment are:

– As part of such impairment assessment, management considers financial information, liquidity and solvency position of investments in subsidiaries and associates. Management also considers other factors such as assessment of the investee company's operations, business performance and modifications, if any, in the auditors' report of such subsidiaries and associates. For some investee companies which are classified as associates, the management involves an external valuer to assess impairment.

– The Company has investments in Domestic Venture Capital Funds/ Alternative Investment Funds ('the Funds'), which are classified as its subsidiaries, and the impairment assessment for such Funds is done by considering the net

</td><td>

Our audit procedures included the following:

Design / controls

- Understanding of the process, evaluating the design and testing the operating effectiveness in respect of impairment / fair value assessment of investments done by management.
- Evaluating management's controls over collation of relevant information used for determining estimates for impairment / fair value of investments.

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.
- Challenge completeness and validity of management judgements, particularly in response to COVID-19 by critically evaluating the risks that have been addressed by management in the valuation approach
- Obtaining independent valuation reports of investments in associates and investments held by the Funds and involving a valuation specialist to test the appropriateness of the fair value of these investments and assessing if any impairment on these investments is required.

</td></tr>
</table>

The key audit matter	How the matter was addressed in our audit
asset value of the respective Fund. The net asset value is determined based on the value of the underlying investments held by these Funds. The management involves an external valuer to assess impairment or the fair value of the underlying investments. This process involves consideration of various valuation methodologies such as income or market approach, includes data inputs, assumptions and market related knowledge that requires management judgement and expertise. – Economic scenarios - impact of the COVID-19 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 investments to generate the expected return. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of investments in subsidiaries and associates, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Standalone Financial Statements as a whole, and possibly many times that amount.	• Assess the completeness, accuracy and relevance of data • Assess the appropriateness and test mathematical accuracy of valuations applied • Assessing the factual accuracy and appropriateness of the disclosures made in the Standalone Financial Statements.

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 Standalone Financial Statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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.

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, the 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 Standalone 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 the Management and Board of Directors.
- Conclude on the appropriateness of the 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 auditors' 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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 representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2021 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 Standalone 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 Auditors' 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 2021 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 49 to the Standalone Financial Statements;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

   iv. The disclosures in the Standalone Financial Statements regarding the holdings as well as the dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the Standalone Financial Statements since they do not pertain to the financial year ended 31 March 2021.

   (C) With respect to the matter to be included in the Auditors' 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

Akeel Master
Partner
Membership No: 046768
UDIN: 21046768AAAABW1091

Mumbai
April 23, 2021

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-wide lock-down imposed in India, in the current year, the management has physically verified all 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 investment property and 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) 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, value added tax, duty of customs and duty of excise.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they become 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 Rs. 494 lakhs by making a disallowance u/s 14A of the Income Tax Act, 1961. Pursuant to the Commissioner of Income Tax (Appeals) order which has been confirmed by the Income Tax Appellate Tribunal ('ITAT'), the disallowances have been deleted. As per the latest order passed by the income tax officer, tax demand as on 31 March 2021 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. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Thus, provisions of clause 3(xiv) of the Order are not applicable.

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

Akeel Master
Partner
Membership No: 046768
UDIN: 21046768AAAABW1091

Mumbai
April 23, 2021

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 the Standalone Financial Statements of Tata Capital Limited (the 'Company') as of 31 March 2021 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 the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to the 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').

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 the 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 the 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 the 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 the 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 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

Akeel Master
Partner
Membership No: 046768
UDIN: 21046768AAAABW1091

Mumbai
April 23, 2021

STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(₹ in lakh)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(I) Financial Assets			
(a) Cash and cash equivalents	3	**1,862**	173
(b) Bank balance other than (a) above	4	**665**	24
(c) Receivables			
(i) Trade receivables	5(i)	**1,289**	1,478
(ii) Other receivables	5(ii)	**7**	24
(d) Loans	6	**1,27,948**	1,08,349
(e) Investments	7	**9,08,263**	9,00,063
(f) Other financial assets	8	**74**	72
Total Financial Assets		**10,40,108**	**10,10,183**
(II) Non-Financial Assets			
(a) Current tax assets (net)		**826**	–
(b) Deferred tax assets (net)	9	**42**	246
(c) Investment property	10	**5,247**	5,559
(d) Property, plant and equipment	10	**3,754**	4,142
(e) Other intangible assets	10	**4**	8
(f) Other non-financial assets	11	**1,405**	844
Total Non-Financial Assets		**11,278**	**10,799**
Total Assets		**10,51,386**	**10,20,982**
LIABILITIES AND EQUITY			
LIABILITIES			
(I) Financial Liabilities			
(a) Payables			
(i) Trade payables			
– Total outstanding dues of micro enterprises and small enterprises	12(i)	**2**	0*
– Total outstanding dues other than micro enterprises and small enterprises	12	**2,037**	2,137
(b) Debt securities	13	**2,29,107**	1,75,216
(c) Subordinated liabilities	14	**1,15,740**	1,46,146
(d) Other financial liabilities	15	**9,262**	8,176
Total Financial Liabilities		**3,56,148**	**3,31,675**
(II) Non-Financial Liabilities			
(a) Current tax liabilities (net)		**–**	447
(b) Provisions	16	**435**	467
(c) Other non-financial liabilities	17	**1,926**	1,370
Total Non-financial Liabilities		**2,361**	**2,284**
EQUITY			
(a) Equity share capital	18	**3,51,617**	3,51,617
(b) Other equity	19	**3,41,260**	3,35,406
Total Equity		**6,92,877**	**6,87,023**
Total Liabilities and Equity		**10,51,386**	**10,20,982**
Summary of significant accounting policies	2		
See accompanying notes forming part of the Standalone Financial Statements	3-49		

* 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

Akeel Master
Partner
Membership No: 046768

Mumbai
April 23, 2021

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Malvika Sinha
(Director)
DIN: 08373142

Varsha Purandare
(Director)
DIN : 05288076
(Pune)

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Sarita Kamath
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lakh)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	**Revenue from operations**			
(i)	Interest income	22	**10,097**	8,815
(ii)	Dividend income		**20,035**	16,910
(iii)	Rental income		**1,901**	1,997
(iv)	Fee and commission income	23	**4,458**	8,927
(v)	Net gain on fair value changes	24	**477**	-
I	**Total revenue from operations**		**36,968**	**36,649**
II	Other income	25	**2,201**	3,690
III	Profit on sale of investment		**6,048**	1,241
IV	**Total income (I+II+III)**		**45,217**	**41,580**
V	**Expenses**			
(i)	Finance costs	27	**25,513**	27,185
(ii)	Net loss on fair value changes	24	**-**	74
(iii)	Impairment on investments at cost and financial instruments	28	**1,898**	2,145
(iv)	Employee benefits expense	29	**9,123**	4,714
(v)	Depreciation, amortisation and impairment	10	**727**	777
(vi)	Other expenses	30	**1,653**	1,235
V	**Total expenses**		**38,914**	**36,130**
VI	**Profit before exceptional items and tax (IV-V)**		**6,303**	**5,450**
VII	**Exceptional Items**		**–**	**–**
VIII	**Profit before tax (VI-VII)**		**6,303**	**5,450**
IX	**Tax expenses :**			
	(1) Current tax		**1,538**	2,233
	(2) Deferred tax		**98**	291
IX	**Total Net tax expense**	31	**1,636**	**2,524**
X	**Profit for the year from continuing operations (VIII-IX)**		**4,667**	**2,926**
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)**		**4,667**	**2,926**
XV	**Other Comprehensive Income**			
(A)	**(i) Items that will not be reclassified to profit or loss**			
	(a) Remeasurement of defined employee benefit plans		**451**	(213)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**114**	(54)
	Subtotal A ((i) - (ii))		**337**	**(159)**
(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		**458**	840
	(ii) Income tax relating to items that will be reclassified to profit or loss		**107**	209
	Subtotal B ((i) - (ii))		**351**	**631**
	Total Other Comprehensive Income (A+B)		**688**	**472**

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021 *(Contd.)*

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
XVI Total Comprehensive Income for the year (XIV+XV)		**5,355**	**3,398**
XVII Earnings per equity share for continuing operations	32		
Equity Share of par value ₹ 10/- each			
(1) Basic (₹)		**0.13**	0.09
(2) Diluted (₹)		**0.13**	0.09
XVIII Earnings per equity share for discontinuing operations	32		
Equity Share of par value ₹ 10/- each			
(1) Basic (₹)		**–**	–
(2) Diluted (₹)		**–**	–
XIX Earnings per equity share for discontinued & continuing operations:	32		
Equity Share of par value ₹ 10/- each			
(1) Basic (₹)		**0.13**	0.09
(2) Diluted (₹)		**0.13**	0.09
Summary of significant accounting policies	2		
See accompanying notes forming part of the Standalone Financial Statements	3-49		

In terms of our report attached

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

Akeel Master
Partner
Membership No: 046768

Mumbai
April 23, 2021

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Malvika Sinha
(Director)
DIN: 08373142

Varsha Purandare
(Director)
DIN : 05288076
(Pune)

F. N. Subedar
(Director)
DIN: 00028428

Aarthi Subramanian
(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Sarita Kamath
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021

a Equity share capital

(₹ in lakh)

Particulars	
Balance as at April 1, 2019	**3,32,009**
Changes in equity share capital during the period	19,608
Balance as at March 31 2020	**3,51,617**
Balance as at April 1, 2020	**3,51,617**
Changes in equity share capital during the period	–
Balance as at March 31, 2021	**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, 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**
Profit for the year	–	–	–	–	4,667	–	–	–	–	4,667
Other comprehensive income for the year, net of income tax	–	–	–	–	–	–	–	351	337	688
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**4,667**	**-**	**-**	**351**	**337**	**5,355**
Transfer to special reserve account	–	–	–	933	(933)	–	–	–	–	–
ESOP option cost	–	–	–	–	–	499	–	–	–	499
ESOP option cost transferred to general reserve	–	–	–	–	–	(160)	160	–	–	–
Balance as at March 31, 2021	**93**	**575**	**2,95,866**	**25,670**	**17,084**	**1,047**	**288**	**563**	**75**	**3,41,260**

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

Malvika Sinha
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(Director)
DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Mumbai
April 23, 2021

Sarita Kamath
(Company Secretary)

Rakesh Bhatia
(Chief Financial Officer)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
1. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**6,303**	**5,450**
Adjustments for :			
Dividend income		**(20,035)**	(16,910)
Interest income		**(10,097)**	(8,815)
Net gain/(loss) on fair value changes		**(477)**	74
Finance cost		**25,513**	27,185
Provision for employee benefits		**(111)**	(27)
Impairment loss allowance against stage I and stage II assets		**79**	(129)
Impairment loss / Write off for diminution in value of investments		**1,809**	2,535
Impairment provision on trade receivables		**10**	(261)
Distribution of interest income by private equity funds		**(5)**	(57)
Equity settled share based payments cost		**499**	589
Depreciation, amortisation and impairment		**727**	777
Profit on sale of investments		**(6,048)**	(1,241)
Net Impact on fair valuation of security deposit received/ given		**(408)**	(409)
Net gain on derecognition of property, plant and equipment		**-**	(1)
Operating Profit before working capital changes and adjustments for interest paid, interest received and dividend received		**(2,241)**	**8,759**
Adjustments for :			
Decrease in trade receivables		**197**	726
(Increase) / Decrease in other financial / non-financial assets		**(52)**	23
Increase in loans		**(19,598)**	(50,306)
Decrease in trade payables		**(99)**	(819)
Increase / (Decrease) in other financial / non-financial liabilities and provisions		**1,017**	(7,324)
Cash used in operations before adjustments for interest paid, interest received and dividend received		**(20,775)**	**(48,940)**
Interest paid		**(12,584)**	(17,577)
Interest received		**10,017**	8,513
Dividend received		**20,035**	16,910
Cash used in operations		**(3,307)**	**(41,094)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021 *(contd...)*

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Taxes paid		**(2,925)**	(2,638)
NET CASH USED IN OPERATING ACTIVITIES		**(6,232)**	**(43,732)**
2. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipments (including capital advances)		**(5)**	(52)
Proceeds from derecognition of property, plant and equipments		**3**	10
Distribution of interest income by private equity funds		**5**	57
Investment in subsidiary and associate companies		**-**	(70,000)
Investment in private equity funds and Category III Alternative Investment Fund ("AIF")		**(10,582)**	(5,149)
Proceeds from divestments by private equity funds		**7,559**	1,268
Investment in other entities		**(5)**	-
Investment in mutual funds		**-**	(14)
CASH USED IN INVESTING ACTIVITIES		**(3,025)**	**(73,880)**
3. CASH FLOW FROM FINANCING ACTIVITIES			
Issue of equity shares		**-**	19,608
Premium on issue of equity shares		**-**	80,392
Issue of Cumulative Redeemable Preference Shares		**-**	36,400
Redemption of Cumulative Redeemable Preference Shares		**(30,740)**	(81,066)
Dividend paid on Cumulative Redeemable Preference Shares (including dividend distribution tax)		**(9,074)**	(12,763)
Interest on share application money pending allotment		**-**	(0)*
Expenses on issue of equity shares		**-**	(100)
Expenses on issue of Cumulative Redeemable Preference Shares		**-**	(74)
Expenses on issue of Non Convertible Debentures		**(179)**	(17)
Proceeds from Debt securities		**1,29,964**	3,53,375
Repayment of Debt securities		**(78,351)**	(3,36,160)
Premium on issue of Debt securities		**-**	64
Repayment of lease liability		**(33)**	(31)
Repayment of borrowings (other than Debt securities)		**-**	(37)
NET CASH FROM FINANCING ACTIVITIES		**11,587**	**59,592**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2,330**	**(58,020)**
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**197**	**58,217**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021 *(contd...)*

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	3 & 4	**2,527**	**197**
Reconciliation of cash and cash equivalents as above with cash and bank balances			
Cash and bank balances as at the end of the year		**1,862**	**173**
Add: Restricted Cash (Refer note 4)		**665**	**24**
Cash and bank balances as at the end of the year		**2,527**	**197**

Changes in Liabilities arising from financing activities

Particulars	Debt securities	Borrowing (Other than debt securities)	Subordinated liabilities
Balance as at April 1, 2019	**1,61,937**	37	**1,90,478**
Net change due to proceeds/ (repayment)	17,215	(37)	(44,666)
Others **	(3,936)	-	333
Balance as at March 31, 2020	**1,75,216**	**-**	**1,46,146**
Net change due to proceeds/ (repayment)	51,613	-	(30,740)
Others **	2,278	-	335
Balance as at March 31, 2021	**2,29,107**	**-**	**1,15,740**

Summary of significant accounting policies	2	
See accompanying notes forming part of the Standalone Financial Statements	3-49	

* Amount less than ₹ 50,000

** Others includes the effect of interest accrued but not due, amortisation of borrowing cost, amortisation of premium/discount on CPs/NCDs

In terms of our report attached

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

Akeel Master
Partner
Membership No: 046768

Mumbai
April 23, 2021

For and on behalf of the Board of Directors

Saurabh Agrawal
(Chairman)
DIN: 02144558

Malvika Sinha
(Director)
DIN: 08373142

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(Director)
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DIN: 07121802

Rajiv Sabharwal
(Managing Director & CEO)
DIN: 00057333

Sarita Kamath
(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 April 23, 2021.

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.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis.

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 38.

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, 2021 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 34 - measurement of defined benefit obligations: key actuarial assumptions.

– Note 38 - determination of the fair value of financial instruments with significant unobservable inputs.

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 Fee and commission 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. Dividend income on financial assets measured at fair value through profit and loss is presented under Dividend income and not as a part of Net gains/(losses) on fair value changes.

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.

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. Trade Receivables are measured at transaction price.

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 (SPPI) 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 on 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.

Investment in associates are recognised at cost.

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 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 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 39.

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:

Probability of Default (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.

Exposure at Default (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.

Loss Given Default (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 receivables

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 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 its 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 Rs. 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 are reported at cost, including transaction costs. Subsequent to initial recognition its 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.

i) Right of Use Asset

Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for certain type of 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 right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and accumulated impairment loss, if any, and adjusted for certain re-measurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost and subsequently measured at fair value, in accordance with the Company's accounting policies.

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 superannuation fund.

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

Defined contribution plans

The Company's contribution to superannuation fund is considered as defined contribution plan and is 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

The Company makes Provident Fund contributions, a defined benefit plan for qualifying employees. Under the Schemes, both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall on account of , if any, shall be made good by the Company. Hence the Company is 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. The total liability in respect of the interest shortfall of the Fund is determined on the basis of an actuarial valuation. The interest liability arising only to the extent of the aforesaid differential shortfalls is a defined benefit plan. There is no such shortfall as at March 31, 2021.

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 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.

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.

Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

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 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.

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;

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

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 accrued on such instrument is recorded as finance cost.

NOTE "3" (₹ in lakh)

CASH AND CASH EQUIVALENTS	As at March 31, 2021	As at March 31, 2020
(a) Balances with banks (in the nature of cash and cash equivalents)	**1,862**	173
Total	**1,862**	**173**

NOTE "4" (₹ in lakh)

OTHER BALANCES WITH BANKS	As at March 31, 2021	As at March 31, 2020
(a) Earmarked balances with banks (unpaid dividend)	**665**	24
Total	**665**	**24**

NOTE "5(i)" (₹ in lakh)

TRADE RECEIVABLES	As at March 31, 2021	As at March 31, 2020
(a) Dues from related parties		
(i) Receivables considered good - Unsecured	**1,294**	1,484
(ii) Receivables - credit impaired	**192**	192
	1,486	1,676
Less: Impairment loss allowance		
(i) Impairment loss allowance	**(5)**	(6)
(ii) Credit impaired	**(192)**	(192)
Total	**1,289**	**1,478**

All Trade receivables are non-interest bearing.and are generally on terms of 6 months to 1 year

NOTE "5(ii)" (₹ in lakh)

OTHER RECEIVABLES	As at March 31, 2021	As at March 31, 2020
(a) Dues from related parties		
(i) Receivables considered good - Unsecured	**7**	24
(ii) Receivables - credit impaired	**10**	–
	17	24
Less: Impairment loss allowance		
(i) Impairment loss allowance	**(0)***	(0)*
(ii) Credit impaired	(10)	–
Total	**7**	**24**

* Amount less than ₹ 50,000

NOTE "6" (₹ in lakh)

LOANS	As at March 31, 2021	As at March 31, 2020
LOANS AT AMORTIZED COST		
(A)		
(a) Bills purchased and bills discounted	**–**	–
(b) Loans repayable on demand (Refer footnote 1)	**1,28,462**	1,08,784
(c) Term loans	**–**	–
(d) Leasing and hire purchase	**–**	–
(e) Factoring	**–**	–
Total (A) - Gross	**1,28,462**	1,08,784
Less : Impairment loss allowance	**(514)**	(435)
Total (A) - Net	**1,27,948**	1,08,349
(B)		
(a) Secured by tangible assets	**–**	–
(b) Secured by intangible assets	**–**	–
(c) Covered by Bank / Government Guarantees	**–**	–
(d) Unsecured	**1,28,462**	1,08,784
Total (B) - Gross	**1,28,462**	1,08,784
Less : Impairment loss allowance	**(514)**	(435)
Total (B) - Net	**1,27,948**	1,08,349
(C)		
(I) Loans in India		
(a) Public Sector	**–**	–
(b) Others	**1,28,462**	1,08,784
(II) Loans outside India	**–**	–
Total (C) - Gross	**1,28,462**	1,08,784
Less : Impairment loss allowance	**(514)**	(435)
Total (C) - Net	**1,27,948**	1,08,349
Total	**1,27,948**	**1,08,349**

Footnote 1: All Unsecured loans repayable on demand are given to subsidiary companies.

NOTE "7" (₹ in lakh)

Scrip-wise details of investments

INVESTMENTS	Face value Per Unit ₹	As at March 31, 2021		As at March 31, 2020	
		No. of Units	₹ in lakh	No. of Units	₹ in lakh
INVESTMENTS AT COST					
Investment in Subsidiaries					
Unquoted:					
Investment in Equity Shares			**8,40,056**		**8,40,056**
Tata Capital Financial Services Limited	10	1,62,99,31,981	5,38,755	1,62,99,31,981	5,38,755
Tata Capital Housing Finance Limited	10	54,75,55,612	2,40,600	54,75,55,612	2,40,600
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			**29,823**		**20,753**
Tata Capital Growth Fund- Class A Units	1	2,50,00,00,000	5,791	2,50,00,00,000	5,841
Tata Capital Special Situations Fund- Class A Units	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- Class A Units	1	1,00,00,00,000	2,377	1,00,00,00,000	3,838
Tata Capital Healthcare Fund I - Class B Units	1	10,000	-	10,000	0*
Tata Capital Innovations Fund- Class A Units	1,000	7,50,000	5,818	7,50,000	5,818
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	12,184	3,60,67,70,000	2,942
Tata Capital Growth Fund II - Class B1 Units	1	1,25,00,000	42	1,25,00,000	10
Tata Capital Growth Fund II - Class B2 Units	1	1,00,00,000	34	1,00,00,000	8
Tata Capital Healthcare Fund II	1,000	14,00,000	1,317	14,00,000	35
Investment in Associates					
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)			**8,98,534**		**8,89,464**
Provision for diminution in value of investments (B)			**(6,842)**		**(5,033)**
Carrying value of Investments in Subsidiaries and Associates measured at cost (C) = (A + B)			**8,91,692**		**8,84,431**

NOTE “7” (₹ in lakh)

Scrip-wise details of investments *(Continued)*

INVESTMENTS	Face value Per Unit ₹	As at March 31, 2021		As at March 31, 2020	
		No. of Units	₹ in lakh	No. of Units	₹ in lakh
INVESTMENTS AT FAIR VALUE THROUGH PROFIT & LOSS					
Quoted:					
Investment in Equity shares			**156**		**55**
Tata Steel Limited (Fully paid)	10	16,740	136	15,660	42
Tata Steel Limited (Partly paid)	10	-	-	1,080	0*
The Indian Hotels Company Limited	1	17,640	20	17,640	13
Investments in Mutual Funds	**1,000**	**9,342**	**301**	**9,342**	**291**
Investments in Category III Alternative Investment Fund ("AIF")			**2,411**		**2,040**
Tata Absolute Return Fund	1,000	1,00,000	1,079	1,00,000	1,069
Tata Equity Plus Absolute Return Fund	1,000	1,00,000	1,332	1,00,000	971
Total Investments at Fair Value through Profit & Loss (D)			**2,868**		**2,386**
INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Investment in Subsidiaries					
Unquoted:					
Investment in Non-Convertible Debentures			**13,703**		**13,246**
8.90% Perpetual Debentures of Tata Capital Financial Services Limited	10,00,000	1,250	13,703	1,250	13,246
Total Investments at Fair Value through Other Comprehensive Income (E)			**13,703**		**13,246**
Total Investments (C + D + E)			**9,08,263**		**9,00,063**

Particulars	**₹ In lakhs**	**₹ In lakhs**
(i) Investments in India	8,97,456	8,89,256
(ii) Investments outside in India (Refer Fotnote 1)	10,807	10,807
Total Investments	**9,08,263**	**9,00,063**

* Amount less than ₹ 50,000

Footnote 1 : Investment outside India is in Equity shares of wholly owned subsidiary of Tata Capital Limited

NOTE "8"

(₹ in lakh)

OTHER FINANCIAL ASSETS		As at March 31, 2021	As at March 31, 2020
(a)	Security deposit	**74**	72
(b)	Accrued Income - others	**0***	–
	Total	**74**	**72**

* Amount less than ₹ 50,000

NOTE "9"

The major components of deferred tax assets and liabilities as at March 31, 2021 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	125	20	–	145
(b) Employee benefits	66	(5)	–	61
(c) Timing difference on debenture issue expenses	19	(26)	–	(7)
(d) Provisions for non-performing assets	97	2	–	99
(e) Fair value of investments	(186)	(99)	(107)	(391)
(f) Depreciation on property, plant and equipment	124	10	–	134
(g) Others (refer footnote)	1	(0)*	–	1
Deferred Tax Asset (Net)	**246**	**(98)**	**(107)**	**42**

* Amount less than ₹ 50,000

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**	**(291)**	**(209)**	**246**

Footnote:

Deferred Tax Asset of ₹ 1 lakh has been recognised in opening reserves on Transition to Ind AS 116.

Net deferred tax assets and liabilities are as follows: (₹ in lakh)

	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets :-		
(a) Impairment loss allowance - stage I & II	**145**	125
(b) Employee benefits	**61**	66
(c) Timing difference on debenture issue expenses	**(7)**	19
(d) Provisions for non-performing assets	**99**	97
(e) Fair value of investments	**(391)**	(186)
(f) Depreciation on property, plant and equipment	**134**	124
(g) Others	**1**	1
Deferred Tax Asset (Net)	**42**	**246**

NOTE "10"

(₹ in lakh)

PROPERTY, PLANT AND EQUIPMENT	Gross Block				Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2020	Additions/ Adjustments	Deletions/ Adjustments	Closing balance as at March 31, 2021	Opening balance as at April 1, 2020	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2021	As at March 31, 2021
TANGIBLE ASSETS									
Buildings	**4,323**	**–**	**–**	**4,323**	**633**	**211**	**–**	**844**	**3,479**
	4,323	*–*	*–*	*4,323*	*422*	*211*	*–*	*633*	*3,690*
Plant and Equipment	**90**	**–**	**–**	**90**	**47**	**16**	**–**	**63**	**27**
	94	*–*	*(4)*	*90*	*35*	*16*	*(4)*	*47*	*43*
Furniture and Fixtures	**470**	**–**	**(0)***	**470**	**238**	**79**	**(0)**	**317**	**153**
	476	*4*	*(10)*	*470*	*164*	*82*	*(8)*	*238*	*232*
Vehicles	**231**	**20**	**(26)**	**225**	**119**	**58**	**(25)**	**152**	**72**
	264	*14*	*(47)*	*231*	*92*	*67*	*(40)*	*119*	*112*
Office Equipment	**37**	**–**	**(3)**	**34**	**34**	**1**	**(2)**	**33**	**1**
	38	*0**	*(1)*	*37*	*32*	*3*	*(1)*	*34*	*3*
Computer Equipment	**50**	**0***	**(1)**	**49**	**26**	**11**	**(1)**	**36**	**13**
	36	*14*	*–*	*50*	*15*	*11*	*–*	*26*	*24*
Right of Use Asset	**67**	**–**	**–**	**67**	**29**	**29**	**–**	**58**	**9**
	–	*67*	*–*	*67*	*–*	*29*	*–*	*29*	*38*
TANGIBLE ASSETS - TOTAL	**5,268**	**20**	**(30)**	**5,258**	**1,126**	**406**	**(28)**	**1,504**	**3,754**
	5,231	*99*	*(62)*	*5,268*	*760*	*419*	*(53)*	*1,126*	*4,142*
INVESTMENT PROPERTY									
Buildings given on operating lease (Refer Footnote 1 and 2)	**6,495**	**–**	**–**	**6,495**	**936**	**312**	**–**	**1,248**	**5,247**
	6,495	*–*	*–*	*6,495*	*624*	*312*	*–*	*936*	*5,559*
INTANGIBLE ASSETS (other than internally generated)									
Software	**93**	**5**	**–**	**98**	**85**	**9**	**–**	**94**	**4**
	93	*–*	*–*	*93*	*39*	*46*	*–*	*85*	*8*
INTANGIBLE ASSETS - TOTAL	**93**	**5**	**–**	**98**	**85**	**9**	**–**	**94**	**4**
	93	*–*	*–*	*93*	*39*	*46*	*–*	*85*	*8*
TOTAL	**11,856**	**25**	**(30)**	**11,851**	**2,147**	**727**	**(28)**	**2,846**	**9,005**
	11,819	*99*	*(62)*	*11,856*	*1,423*	*777*	*(53)*	*2,147*	*9,709*

Figures in Italics relate to previous year

* Amount less than ₹ 50,000

Footnotes:

1. Amount recognised in Statement of Profit and Loss for Investment Property:

Notes: (₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental income from Investment Property	**1,901**	1,997
Direct Operating expenses arising from Investment Property that generated rental income	**545**	354
Direct Operating expenses arising from Investment Property that did not generate rental income	**–**	–

2. Fair value of investment property as on March 31, 2021 : ₹ 13,831 lakh (Carrying value ₹ 5,247 lakh).Pursuant to the Ind AS transition, the Company 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.

NOTE "11" (₹ in lakh)

OTHER NON-FINANCIAL ASSETS	As at March 31, 2021	As at March 31, 2020
(a) Capital advances	**0***	20
(b) Advances other than capital advances	**63**	34
(c) Prepaid expenses	**397**	338
(d) Rental income accrued	**262**	256
(e) Balances with government authorities	**17**	12
(f) Gratuity asset (net)	**666**	137
(g) Assets held-for-sale/ Assets included in disposal group(s) held-for-sale	**–**	47
Total	**1,405**	**844**

* Amount less than ₹ 50,000

NOTE "12" (₹ in lakh)

TRADE PAYABLES	As at March 31, 2021	As at March 31, 2020
(a) Accrued expenses	**2,030**	2,102
(b) Payable to subsidiary	**9**	35
Total	**2,039**	**2,137**

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 “12(i)”

TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

(₹ in lakh)

Particular	As at March 31, 2021	As at March 31, 2020
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting period; **	2	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 period;	–	–
(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 period; and	–	–
(e) The amount of further interest due and payable even in the succeeding period, 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	**2**	**0***

* Amount less than ₹ 50,000

** Amount of Interest due is Nil as at March 31, 2021 and March 31, 2020

NOTE “13”

(₹ in lakh)

DEBT SECURITIES	As at March 31, 2021	As at March 31, 2020
At Amortised cost		
UNSECURED		
(i) Non-Convertible Debentures		
(i) Privately placed	**2,29,107**	1,35,562
(ii) Public issue	–	–
(ii) Commercial Paper [Net of unamortised discount of ₹ 346 lakh as at March 31, 2020]	–	39,654
Total (A)	**2,29,107**	**1,75,216**
Debt Securities in India	**2,29,107**	1,75,216
Debt Securities outside India	–	–
Total (B)	**2,29,107**	**1,75,216**

Discount on above outstanding Commercial papers as at March 31, 2020 varies from 6.00% to 7.75% and maturity varies from 2 months to 3 months from the end of financial year.

No borrowings in the form of Debt securities have been made from related parties.

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, 2021	March 31, 2020
TCL Unsecured NCD A FY 2020-21 Option I	August 4, 2020	August 4, 2025	2,050	20,500	–
TCL Unsecured NCD B FY 2020-21 Option II	February 25, 2021	April 30, 2024	1,000	10,000	–
TCL Unsecured NCD B FY 2020-21 Option I	February 25, 2021	December 28, 2023	3,000	30,000	–
TCL Unsecured NCD A FY 2020-21 Option II	August 4, 2020	August 4, 2023	3,000	30,000	–
TCL Unsecured NCD C FY 2019-20 Option I	February 7, 2020	June 28, 2023	1,250	12,500	12,500
TCL Unsecured NCD C FY 2019-20 Option II	February 7, 2020	March 13, 2023	1,250	12,500	12,500
TCL Unsecured NCD D FY 2019-20	February 20, 2020	December 21, 2022	3,000	30,000	30,000
TCL Unsecured NCD B FY 2019-20 Option II	December 3, 2019	June 3, 2022	3,750	37,500	37,500
TCL Unsecured NCD B FY 2019-20 Option II Reissuance	February 20, 2020	June 3, 2022	250	2,500	2,500
TCL Unsecured NCD B FY 2019-20 Option I	December 3, 2019	December 3, 2021	3,000	30,000	30,000
TCL Unsecured NCD A FY 2019-20	August 29, 2019	August 27, 2021	750	7,500	7,500
Less : Unamortised Borrowing Cost				(137)	(36)
Add : Unamortised Premium				33	61
Add : Interest Accrued but not due				6,211	3,036
Total				**2,29,107**	**1,35,562**

Coupon rate of above outstanding unsecured NCD's as at March 31, 2021 varies from 6.70% to 9.22% (as at March 31, 2020 : 8.05% to 9.22%)

NOTE "14" (₹ in lakh)

SUBORDINATED LIABILITIES	As at March 31, 2021	As at March 31, 2020
At Amortised cost		
UNSECURED		
(a) Preference Shares other than those that qualify as equity		
(i) Cumulative Redeemable Preference Shares [Face Value ₹ 1,15,980 lakh (As at March 31, 2020 ₹ 1,46,720 lakh]	**1,15,740**	1,46,146
Total (A)	**1,15,740**	**1,46,146**
Subordinated Liabilities in India	**1,15,740**	1,46,146
Subordinated Liabilities outside India	**–**	–
Total (B)	**1,15,740**	**1,46,146**

Of the above Subordinated Liabilities, Preference shares amounting to face value of ₹ 5,233 lakh (March 31, 2020 : ₹ 5,263 lakh) are held by related parties.

No default has been made in repayment of any Debt securities, Subordinated liabilities and interest thereon for the year ended March 31, 2021 and March 31, 2020.

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, 2021	March 31, 2020
7.50% Cumulative Redeemable Preference Shares of ₹ 1,000 each	AN	4,00,000	September 24, 2019	September 23, 2026	March 31, 2024	**3,987**	3,983
	AM	4,50,000	September 18, 2019	September 17, 2026	March 31, 2024	**4,494**	4,493
	AL	4,00,000	September 9, 2019	September 8, 2026	February 29, 2024	**3,988**	3,984
	AK	4,00,000	September 4, 2019	September 3, 2026	January 31, 2024	**3,988**	3,984
	AJ	4,00,000	August 30, 2019	August 29, 2026	December 31, 2023	**3,996**	3,994
	AI	4,00,000	August 28, 2019	August 27, 2026	November 30, 2023	**3,996**	3,994
	AH	3,90,000	August 7, 2019	August 6, 2026	November 30, 2023	**3,893**	3,890
	AG	4,00,000	June 28, 2019	June 27, 2026	October 31, 2023	**3,992**	3,993
	AF	4,00,000	June 12, 2019	June 11, 2026	September 30, 2023	**3,993**	3,993
7.75% Cumulative Redeemable Preference Shares of ₹ 1,000 each	AE	4,00,000	March 13, 2019	March 12, 2026	June 30, 2023	**3,977**	3,969
7.10% Cumulative Redeemable Preference Shares of ₹ 1,000 each	AD	3,34,500	June 15, 2018	June 14, 2025	September 30, 2022	**3,330**	3,319
	AC	4,00,000	May 10, 2018	May 9, 2025	September 30, 2022	**3,983**	3,971
	AB	4,00,000	April 20, 2018	April 19, 2025	September 30, 2022	**3,983**	3,971
	AA	7,50,000	September 29, 2017	September 28, 2024	January 31, 2022	**7,481**	7,456
7.15% Cumulative Redeemable Preference Shares of ₹ 1,000 each	Z	7,50,000	September 15, 2017	September 14, 2024	January 31, 2022	**7,481**	7,457
7.33% Cumulative Redeemable Preference Shares of ₹1,000 each	Y	7,47,500	August 4, 2017	August 3, 2024	October 30, 2021	**7,464**	7,438
	X	7,50,000	July 28, 2017	July 27, 2024	October 30, 2021	**7,489**	7,464
7.50% Cumulative Redeemable Preference Shares of ₹ 1,000 each	W	7,50,000	July 26, 2017	July 25, 2024	October 30, 2021	**7,489**	7,464
	V	7,50,000	July 12, 2017	July 11, 2024	October 30, 2021	**7,489**	7,464
	U	6,50,000	July 7, 2017	July 6, 2024	October 30, 2021	**6,491**	6,469
	T	12,76,000	March 10, 2017	March 9, 2024	May 31, 2021	**12,757**	12,715
	T	74,000	March 10, 2017	March 30, 2021	March 30, 2021	**–**	737
	S	7,50,000	October 27, 2016	September 22, 2020	September 22, 2020	**–**	7,486
	R	5,00,000	October 7, 2016	September 22, 2020	September 22, 2020	**–**	4,991
	Q	10,00,000	September 16, 2016	September 22, 2020	September 22, 2020	**–**	9,982
	P	7,50,000	September 2, 2016	September 22, 2020	September 22, 2020	**–**	7,487
Total						**1,15,740**	**1,46,146**

Notes:

1 Date of Redemption and / or Early Date of Redemption refers to Actual date of redemption for Tranche P, Tranche Q, Tranche R, Tranche S and Tranche T.

2 Early Date of Redemption refers to the date on or before which the CRPS shall be redeemed, as per the terms of offer, in the event of exercise of Call / Put Option by Option Exercise Date by the Company or CRPS holder(s), as the case may be, to seek early redemption.

NOTE “15” (₹ in lakh)

OTHER FINANCIAL LIABILITIES	As at March 31, 2021	As at March 31, 2020
(a) Unpaid dividends	16	24
(b) Security deposit	5,478	5,058
(c) Accrued employee benefit expenses	3,758	3,054
(d) Lease liability	9	40
Total	**9,262**	**8,176**

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, 2021	As at March 31, 2020
(a) Provision for Retirement benefits and compensated absences	381	414
(b) Impairment provision against stage I and Stage II assets	55	53
Total	**435**	**467**

NOTE “17” (₹ in lakh)

OTHER NON-FINANCIAL LIABILITIES	As at March 31, 2021	As at March 31, 2020
(a) Revenue received in advance	609	1,025
(b) Statutory dues	1,317	341
(c) Others	–	4
Total	**1,926**	**1,370**

NOTE “18” (₹ in lakh)

EQUITY SHARE CAPITAL	Face Value Per Unit ₹	As at March 31, 2021		As at March 31, 2020	
		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	3,51,61,67,744	3,51,617
Total			**3,51,617**		**3,51,617**

Footnote 1 : The Company has issued and allotted 19,60,78,430 Equity Shares of face value ₹ 10/- each, at premium of ₹ 41/- per share during the year ended March 31, 2020

Footnote 2 : The details of Preference Shares Issued, Subscribed and Paid-up are as below :

Particulars	Face Value Per Unit ₹	As at March 31, 2021		As at March 31, 2020	
		No. of shares	₹ in lakh	No. of shares	₹ in lakh
ISSUED					
Cumulative Redeemable Preference Shares	1,000	**1,15,98,000**	**1,15,980**	1,46,72,000	1,46,720
SUBSCRIBED AND PAID UP					
Cumulative Redeemable Preference Shares	1,000	**1,15,98,000**	**1,15,980**	1,46,72,000	1,46,720

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)

NOTE "18 (a)"

Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at March 31, 2021			As at March 31, 2020		
	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%	3,32,45,83,520	3,32,458	94.6%

NOTE "18 (b)"

Reconciliation of number of equity shares outstanding

Particulars	No. of shares	₹ in lakhs
Equity Shares		
Opening balance as on April 01, 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**
Issued during the year	–	–
Closing Balance as on March 31, 2021	**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.

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, 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
	Add: Issued	–	–
	Closing Balance as on March 31, 2021	3,32,45,83,520	3,32,458
Tata Investment Corporation Limited (Subsidiary of Tata Sons Private Limited)	**Opening Balance as on April 01, 2019**	7,71,96,591	7,720
	Add: Issued	–	–
	losing Balance as on March 31, 2020	7,71,96,591	7,720
	Add: Issued	–	–
	Closing Balance as on March 31, 2021	7,71,96,591	7,720
Tata Industries Limited (Joint Venture of Tata Sons Private Limited)	**Opening Balance as on April 01, 2019**	22,72,346	227
	Add: Issued	–	–
	Closing Balance as on March 31, 2020	22,72,346	227
	Add: Issued	–	–
	Closing Balance as on March 31, 2021	22,72,346	227
Tata International Limited (Subsidiary of Tata Sons Private Limited)	**Opening Balance as on April 01, 2019**	7,90,592	79
	Add: Issued	–	–
	Closing Balance as on March 31, 2020	7,90,592	79
	Add: Issued	–	–
	Closing Balance as on March 31, 2021	7,90,592	79
Tata Motors Limited (Associate of Tata Sons Private Limited)	**Opening Balance as on April 01, 2019**	43,26,651	433
	Add: Issued	–	–
	Closing Balance as on March 31, 2020	43,26,651	433
	Add: Issued	–	–
	Closing Balance as on March 31, 2021	43,26,651	433
Tata Chemicals Limited (Associate of Tata Sons Private Limited)	**Opening Balance as on April 01, 2019**	32,30,859	323
	Add: Issued	–	–
	Closing Balance as on March 31, 2020	32,30,859	323
	Add: Issued	–	–
	Closing Balance as on March 31, 2021	32,30,859	323

Name of company	Particulars of issue	No. of equity shares	₹ in Lakh
Tata Consumer Products Limited (formerly Tata Global Beverages Limited) (Associate of Tata Sons Private Limited)	**Opening Balance as on April 01, 2019**	6,13,598	61
	Add: Issued	–	–
	Closing Balance as on March 31, 2020	6,13,598	61
	Add: Issued	–	–
	Closing Balance as on March 31, 2021	6,13,598	61
Total	**Opening Balance as on April 01, 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
	Add: Issued	–	–
	Closing Balance as on March 31, 2021	3,41,30,14,157	3,41,301

NOTE "19" (₹ in lakh)

OTHER EQUITY	As at March 31, 2021	As at March 31, 2020
(a) Capital Redemption Reserve	**575**	575
(b) Securities Premium	**2,95,866**	2,95,866
(c) Special Reserve /Statutory Reserve	**25,670**	24,737
(d) ESOP Reserve	**1,047**	708
(e) General Reserve	**288**	128
(f) Other Comprehensive Income	**638**	(50)
(g) Capital Reserve	**93**	93
(h) Surplus in Statement of Profit and Loss	**17,084**	13,350
Total	**3,41,260**	**3,35,406**

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 ₹ 933 lakh to Special Reserve for the year ended March 31, 2021 (For the year ended March 31, 2020 ₹ 1,153 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 employees stock options that expired unexercised 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.

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, 2021	As at March 31, 2020
Opening Balance	**494**	623
Additions during the period	**79**	–
Utilised during the period	**–**	(129)
Closing Balance	**574**	**494**

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, 2021	As at March 31, 2020
Income Tax (Pending before Appellate authorities)	**11,113**	11,113
Value Added Tax (Pending before Sales Tax Appellate Authorities)	**276**	276
Total	**11,389**	**11,389**

As at March 31, 2021, 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 as 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, 2020: ₹ 22 lakh)

ii. Commitment to invest in Tata Capital Healthcare Fund I amounting to ₹ 559 lakh (as at March 31, 2020 : ₹ 559 lakh)

iii. Commitment to invest in Tata Capital Growth Fund I amounting to ₹ 2,983 lakh (as at March 31, 2020 : ₹ 2,983 lakh)

iv. Commitment to invest in Tata Capital Innovations Fund amounting to ₹ 45 lakh (as at March 31, 2020 : ₹ 45 lakh)

v. Commitment to invest in Tata Capital Growth Fund II amounting to ₹ 24,032 lakh (as at March 31, 2020 : ₹ 33,332 lakh)

vi. Commitment to invest in Tata Capital Healthcare Fund II amounting to ₹ 12,683 lakh (as at March 31, 2020 : ₹ 13,965 lakh)

vii. Commitment to co-invest with Omega TC Holdings Pte. Ltd USD 15.06 Million (₹ 11,026 lakh) (as at March 31, 2020 : USD 15.09 Million (₹ 11,281 lakh)

viii. Guarantees issued to National Housing Bank on behalf of Tata Capital Housing Finance Limited ₹ 120,000 lakh (As at March 31, 2020 : ₹ 120,000 lakh) against which the amount liable by Tata Capital Housing Finance Limited is ₹ 26,237 lakh as at March 31, 2021 (As at March 31, 2020 ₹ 39,867 lakh). Pursuant to the terms of the Guarantee, the Company's liability on invocation is capped at the outstanding amount.

ix. Uncalled liability on 1,080 partly paid equity shares of Tata Steel Limited amounting to NIL (as at March 31, 2020 : ₹ 5 lakh)

NOTE "22" (₹ in lakh)

INTEREST INCOME	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a) **On Financial Assets measured at fair value through OCI**		
(i) Interest on Perpetual Debt	**1,113**	1,113
(b) **On Financial Assets measured at amortized cost**		
(i) Interest on Inter Corporate Deposits	**8,984**	7,702
Total	**10,097**	**8,815**

NOTE "23" (₹ in lakh)

FEES AND COMMISION INCOME	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a) Income from advisory and management services	**4,458**	8,927
Total	**4,458**	**8,927**

NOTE "24" (₹ in lakh)

NET GAIN/ (LOSS) ON FAIR VALUE CHANGES	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a) Net gain/(loss) on investments at fair value through profit or loss		
(i) On trading Portfolio		
Investment	–	–
Derivatives	–	–
Others	–	–
(ii) Others		
- On equity securities	95	(54)
- On other financial securities	382	(20)
- On derivative contracts	–	–
(iii) Total net gain/(loss) on fair value changes	477	(74)
(b) Fair Value Changes :		
Realised loss	–	(76)
Unrealised gain	477	2
Total Net gain/(loss) on fair value changes	477	(74)
Total	**477**	**(74)**

NOTE "25" (₹ in lakh)

OTHER INCOME	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a) Income from managerial services	**2,145**	3,596
(b) Net gain on derecognition of property, plant and equipment	**–**	1
(c) Miscellaneous Income	**56**	93
Total	**2,201**	**3,690**

NOTE “26”: Disclosure as per Ind AS 115

(a) Contracts with customers

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i. Type of service		
- Income from Advisory Services (Refer Footnote 1)	**1,712**	6,395
- Income from Managerial Services (Refer Footnote 2)	**4,891**	6,128
Total revenue from contracts with customer	**6,603**	**12,523**
ii. Primary geographical market:		
- Outside India	**1,712**	6,395
- India	**4,891**	6,128
Total revenue from contracts with customer	**6,603**	**12,523**
iii. Timing of revenue recognition		
- at a point in time of rendering service	**3,857**	9,991
- over the period of time upon rendering service	**2,746**	2,532
Total revenue from contracts with customer	**6,603**	**12,523**

(b) The following table provides information about receivables and contract liabilities from contracts with customers.

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Receivables	**1,072**	1,132
Contract Liabilities which are included in other liabilities (Refer Footnote 3)	**–**	10
	1,072	**1,142**

(c) Reconciliation between revenue as per IndAS 108 Segment Reporting and revenue as per IndAS 115 Revenue from contract with customers

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue reported as per IndAS 108 Segment Reporting	**45,217**	41,580
Less:		
Revenue reported as per IndAS 109 financial Instruments:		
Interest income	10,097	8,815
Net gain on fair value changes	477	-
Revenue reported as per IndAS 27 Separate Financial Statements:		
Dividend income	20,035	16,910
Profit on sale of investment	6,048	1,241
Revenue reported as per IndAS 40 Investment Property:		
Rental income	1,901	1,997
Other income	56	94
Revenue reported as per IndAS 115 Revenue from contract with customers	**6,603**	**12,523**

Footnotes:

1. Income from Advisory fees are charged to offshore investment manager for providing non-exclusive non-binding support services for transactions by private equity funds.
2. **Income from Managerial Services include :**
   - Management fees charged to subsidiaries for providing managerial and marketing services at cost plus mark-up as and when the underlying costs are incurred.
   - Private Equity Asset Management fees charged for assets under management and recognised as contracted under investment management agreement with each Private Equity Fund.
3. The contract liabilities include management fees received in advance from the private equity funds. As per the management fee agreement between the Company (in capacity as Investment Manager) and private equity funds, the Company is liable to receive management fee bi-annually in advance. Income from managerial services is recognised on a time proportion basis over the period for which it is received.
4. The amount of ₹ 10 lakhs recognised in contract liabilities at the beginning of the year has been recognised as revenue for the year ended March 31, 2021.
5. As on March 31, 2021 and March 31, 2020, the Company doesn't have any unsatisfied/partially satisfied performance obligation in respect of revenue recognised for the year.

NOTE "27" (₹ in lakh)

FINANCE COST		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	**On Financial liabilities measured at Amortised Cost**		
(i)	Interest expense on security deposit	**420**	389
(ii)	Interest on debt securities	**14,159**	8,085
(iii)	Interest on subordinated liabilities	**10,050**	13,189
(iv)	Interest on right to use liabilities	**2**	5
(v)	Other interest expenses (discounting charges on Commercial Papers)	**882**	5,517
Total		**25,513**	**27,185**

Footnote :

During the year ended March 31, 2021, the Company has declared and paid, an interim dividend for the year ending March 31, 2021 on Cumulative Redeemable Preference Shares aggregating to ₹ 1,134 lakh (For the year ending March 31, 2020 ₹ 2,935 lakh) and final dividend for the year ending March 31, 2021 aggregating to ₹ 8,581 lakh (For the year ending March 31, 2020 ₹ 9,847 lakh).

NOTE "28" (₹ in lakh)

IMPAIRMENT OF INVESTMENTS AND FINANCIAL INSTRUMENTS	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) On Financial Instruments measured at amortized cost		
(i) Investments	**1,809**	2,535
(ii) Impairment provision against Stage I and Stage II assets	**79**	(129)
(iii) Impairment provision on trade receivables	**10**	(261)
Total	**1,898**	**2,145**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "29" (₹ in lakh)

EMPLOYEE BENEFIT EXPENSES	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Salaries and wages	**8,267**	3,668
(b) Contribution to provident and other funds	**226**	327
(c) Share based payments to employees	**499**	589
(d) Staff welfare expenses	**31**	38
(e) Post employment defined benefit plans	**100**	92
Total	**9,123**	**4,714**

NOTE "30" (₹ in lakh)

OTHER EXPENSES	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Advertising and publicity	**62**	135
(b) Director's fees, allowances and expenses	**137**	143
(c) Insurance	**45**	63
(d) IT costs	**299**	4
(e) Legal and professional charges	**649**	(59)
(f) Rent, taxes and energy costs	**161**	312
(g) Repairs and maintenance	**4**	5
(h) Printing and Stationery	**1**	21
(i) Travelling and conveyance	**83**	361
(j) Expenditure towards CSR (Refer Note 30 (c))	**106**	92
(k) Other expenditure	**106**	158
Total	**1,653**	**1,235**

Included in Other Expenses are the below:

NOTE "30(a)" (₹ in lakh)

PAYMENTS TO AUDITORS INCLUDED IN OTHER EXPENDITURE (EXCLUDING GST)	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) For statutory and interim audit	**20**	18
(b) For tax audit	**2**	2
(c) For company law matters	**-**	-
(d) For other services *	**6**	2
(e) For reimbursement of expenses	**1**	1
Total	**29**	**23**

* Other Services include fees for certifications

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "30(b)"

(₹ in lakh)

EXPENDITURE IN FOREIGN CURRENCIES		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Membership and subscription	**-**	23
(b)	Legal and professional fees	**1**	23
(c)	Travelling and conveyance	**-**	58
(d)	IT Expenses	**-**	2
Total		**1**	**106**

NOTE "30(c)"

EXPENDITURE INCURRED FOR CORPORATE SOCIAL RESPONSIBILITY

(i) Gross amount required to be spent by the Company during the year is ₹ 106 lakh (FY 2019-20 : ₹ 92 lakh)

(ii) Amount spent during the year on:

Particulars	Paid	Yet to be paid	Total
Construction / acquisition of any asset	-	-	-
On purposes other than above	106	-	106
Total	**106**	**-**	**106**

NOTE "31"

INCOME TAX DISCLOSURES

A The income tax expense consist of the following:

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax:		
Current tax expense for the year	**1,538**	2,233
Current tax expense / (benefit) pertaining to prior years	**-**	-
	1,538	2,233
Deferred tax benefit		
Origination and reversal of temporary differences	**98**	93
Change in tax rates	**-**	198
	98	291
Total income tax expense recognised in the year	**1,636**	**2,524**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

B Amounts recognised in OCI

(₹ in lakh)

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	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)	451	(114)	337	(213)	54	(159)
Items that are or may be reclassified subsequently to profit or loss						
Net change in fair value	458	(107)	351	840	(209)	631
	909	**(220)**	**688**	**627**	**(155)**	**472**

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)

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Profit before tax	**6,303**	5,450
Indian statutory income tax rate	**25.17%**	25.17%
Tax using the Company's domestic tax rate	**1,586**	1,372
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax-exempt income	**-**	(4,391)
Non-deductible expenses	**684**	5,511
Tax on income at different rates	**(634)**	(166)
Change in tax rates	**-**	198
Total income tax expense	**1,636**	**2,524**

Dividend Distribution Tax ("DDT") as required under Section 115-O of the Income Tax Act, 1961 has been abolished from FY 2020-21 onwards. The Company has not paid DDT in FY 2019-20.

NOTE "32"

(₹ in lakh)

EARNINGS PER SHARE (EPS):		**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Profit after tax	₹ in lakh	**4,667**	2,926
Profit after tax available for equity shareholders	₹ in lakh	**4,667**	2,926
Weighted average number of Equity shares used in computing Basic EPS	Nos	**3,51,61,67,744**	3,37,44,66,256
Face value of equity shares	₹	**10**	10
Basic EPS	₹	**0.13**	**0.09**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Profit after tax available for equity shareholders	₹ in lakh	**4,667**	2,926
Weighted average number of Equity Shares used in computing Basic EPS	Nos	**3,51,61,67,744**	3,37,44,66,256
Add: Potential weighted average number of Equity shares	Nos	**-**	-
Weighted average number of shares in computing Diluted EPS	Nos	**3,51,61,67,744**	3,37,44,66,256
Face value of equity shares	₹	**10**	10
Diluted EPS	₹	**0.13**	**0.09**

NOTE "33"

SHARE BASED PAYMENT

A. Description of share based payments:

Particulars	**ESOP 2013**	**ESOP 2017**	**ESOP 2018**	**ESOP 2019**	**ESOP 2020**
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	20% at the end of each 12 and 20 months and 30% at the end of each 32 and 44 months from the date of grant
ii. Maximum term of option	6 years	2 years	7 years	7 years	7 years
iii. Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
iv. Modifications to share based payment plans	N.A.	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.	N.A.

B. Summary of share based payments

March 31, 2021

Particulars	**ESOP 2018**	**ESOP 2019**	**ESOP 2020**	**Total**
Outstanding balance at the beginning of the year	**33,25,000**	**32,00,000**	**-**	**65,25,000**
Options granted	-	-	32,25,000	32,25,000
Options forfeited	5,25,000	4,50,000	-	9,75,000

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	Total
Options exercised	-	-	-	-
Options expired	-	-	-	-
Options lapsed	-	-	-	-
Options outstanding at the end of the year	**28,00,000**	**27,50,000**	**32,25,000**	**87,75,000**
Options exercisable at the end of the year	**11,20,000**	**5,50,000**	-	16,70,000
For share options exercised:				
Weighted average exercise price at date of exercise				-
Money realized by exercise of options				-
For share options outstanding				
Range of exercise prices	50.60	51.00	40.30	
Average remaining contractual life of options	4.50	5.34	6.34	5.44
Modification of plans	N.A.	N.A.	N.A.	-
Incremental fair value on modification	N.A.	N.A.	N.A.	-

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 (in absolute figures)					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.	–

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 :

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	ESOP 2013	ESOP 2017	ESOP 2018	ESOP 2019	ESOP 2020
Share price:	25.00	33.40	50.60	51.00	40.30
Exercise Price:	25.00	33.40	50.60	51.00	40.30
Fair value of option:	8.60	8.40	23.34	23.02	17.07
Valuation model used:	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation
Expected Volatility:	0.37	0.35	0.38	0.41	0.42
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	Historical volatility of equity shares of comparable companies over the period ended December 15,2020 based on the life of options
Contractual Option Life (years):	3.00	2.00	7.00	7.00	7.00
Expected dividends:	0.00	0.00	0.00	0.00	0.00
Risk free interest rate:	8.00%	6.57%	8.04%	6.28%	5.22%
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	20% vesting on December 14, 2021
	66.67% vesting on July 29, 2015	-	40% vesting on September 30, 2020	40% vesting on August 01, 2021	40% vesting on July 31, 2022
	100% vesting on July 29, 2016	-	70% vesting on September 30, 2021	70% vesting on August 01, 2022	70% vesting on July 31, 2023
			100% vesting on September 30, 2022	100% vesting on August 01, 2023	100% vesting on July 31, 2024
Valuation of incremental fair value on modification	N.A.	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, 2021

Name of Scheme	Mr. Rajiv Sabharwal		Mr. Rakesh Bhatia		Ms. Avan Doomasia*		Ms. Sarita Kamath*	
	Granted	Exercised	Granted	Exercised	Granted	Exercised	Granted	Exercised
ESPS 2009	-	-	50,151	50,151	80,615	80,615	-	-
ESPS 2011	-	-	-	-	-	-	3,000	3,000
ESOP 2011	-	-	-	-	60,000	60,000	-	-
PS 2013	-	-	-	-	8,690	8,690	323	323
ESPS 2013	-	-	-	-	-	-	-	-
ESOP 2013	-	-	-	-	-	-	30,000	30,000
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	-	-	-	1,25,000	-	1,00,000	-
ESOP 2019	16,00,000	-	-	-	1,00,000	-	1,00,000	-
ESOP 2020	17,60,000	-	2,00,000	-	-	-	1,10,000	-
Total	**49,60,000**	**-**	**2,50,151**	**50,151**	**3,94,305**	**1,69,305**	**3,63,323**	**53,323**

* Ms. Avan Doomasia ceased to be a KMP w.e.f. November 30, 2020 and Ms. Sarita Kamath was appointed as KMP w.e.f. December 01, 2020.

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE “34”

EMPLOYEE BENEFIT EXPENSES

A. Defined contribution plans

1 Superannuation Fund

The Company makes contribution towards superannuation fund, a defined contribution retirement plan for qualifying employees. The Superannuation fund is administered by superannuation fund set up as Trust by the Company. The Company is liable to pay to the superannuation fund to the extent of the amount contributed. The Company recognizes such contribution as an expense in the year of contribution. The Company has recognised ₹ 37 Lakhs (Year ended 31 March 2020 ₹ 64.9 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss.

B. Defined benefit plans

1 Provident Fund

The Company makes Provident Fund contributions, a defined benefit plan for qualifying employees. Under the Schemes, both employees and the Company make monthly contributions at a specified percentage of the covered employees’ salary (currently 12% of employees’ salary). The contributions, except that the employer’s contribution towards pension fund is paid to the Regional Provident Fund office, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Hence the Company is 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. The total liability in respect of the interest shortfall of the Fund is determined on the basis of an actuarial valuation. The interest liability arising only to the extent of the aforesaid differential shortfalls is a defined benefit plan. There is no such shortfall as at March 31, 2021.

The Provident Fund contributions along with the interest shortfall if any are recognized as an expense in the year in which it is determined. The Company has recognised ₹ 189 Lakhs (Year ended 31 March 2020 ₹ 211.8 Lakhs) for Provident Fund contributions and ₹ Nil (Year ended 31 March 2020 ₹ Nil) for interest shortfalls in the Statement of Profit and Loss.

2 Gratuity

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/Disability

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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 Income Tax Rules, 1962. 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.

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Movement in net defined benefit (asset) liability

a) Reconciliation of balances of Defined Benefit Obligations.

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Defined Obligations at the beginning of the year	**1,451**	**-**	1,356	-
Current service cost	114	-	123	-
Interest Cost on Defined Benefit Obligations	86		93	-
Liabilities / (Assets) assumed on transfer of employees	51		(15)	-
Actuarial (Gains)/ Losses on obligations arising from:				
a. Due to change in financial assumptions	(8)		67	-
b. Due to change in experience adjustments	(104)		(42)	-
c. Due to experience adjustments	-		-	-
Benefits paid directly by the Company	(178)		(132)	-
Defined Obligations at the end of the year	**1,412**	**-**	**1,451**	**-**

b) Reconciliation of balances of Fair Value of Plan Assets

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Fair Value at the beginning of the year	**1,588**	**-**	1,670	-
Expected return on plan assets	**340**	**-**	(187)	-
Assets transferred on transfer of employees	**51**	**-**	(15)	-
Interest Income on Plan Assets	**100**	**-**	120	-
Fair Value of Plan Assets at the end of the year	**2,079**	**-**	**1,588**	**-**

c) Funded status

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Surplus of plan assets over obligations	**666**	**-**	137	-
Total	**666**	**-**	**137**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

d) Categories of plan assets

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Corporate bonds	**414**	**-**	341	-
Equity shares	**129**	**-**	91	-
Government securities	**499**	**-**	366	-
Insurer managed funds - ULIP Product	**987**	**-**	788	-
Cash	**49**	**-**	2	-
Total	**2,079**	**-**	**1,588**	**-**

e) Amount recognised in Balance sheet

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Present value of the defined benefit obligation	**(1,412)**	**-**	(1,451)	-
Fair value of plan assets	**2,079**	**-**	1,588	-
Net asset recognised in the Balance Sheet	**666**	**-**	**137**	**-**

f) Amount recognised in Statement of Profit and Loss

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Current Service Cost	**114**	**-**	123	-
Interest Cost (net)	**(14)**	**-**	(27)	-
Expenses for the year	**100**	**-**	**96**	**-**

g) Amount recognised in OCI

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
a. Due to change in financial assumptions	**(8)**	**-**	67	-
b. Due to change in experience adjustments	**(104)**	**-**	(42)	-
c. Due to experience adjustments	**-**	**-**	-	-
d. Return on plan assets (excl. interest income)	**(340)**	**-**	187	-
Total remeasurements in OCI	**(451)**	**-**	213	-
Total defined benefit cost recognized in P&L and OCI	**(351)**	**-**	**309**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

h) Expected cash flows for the following year

Particulars	As at March 31, 2021	As at March 31, 2020
Expected total benefit payments	2,201	2,272
Year 1	137	151
Year 2	143	256
Year 3	187	140
Year 4	202	182
Year 5	208	197
Next 5 years	1,323	1,345

i) Major Actuarial Assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate (%)	6.40%	6.30%
Salary Escalation/ Inflation (%)	Non CRE: 8.25%, CRE & J Grade:6%	Non CRE: 8.25%, CRE & J Grade:6%
Expected Return on Plan assets (%)	6.40%	6.30%
Attrition		
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	**137**	**151**

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(74)	81	(74)	82
Future salary growth (1% movement)	79	(73)	80	(74)
Others (Withdrawal rate 5% movement)	(39)	55	(42)	59

j) Provision for leave encashment

	March 31, 2021		March 31, 2020	
	Non current	Current	Non current	Current
Liability for compensated absences	198	34	216	36

Experience adjustments	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
Funded					
2020-21	1,412	2,079	666	104	340
2019-20	1,451	1,588	137	42	(187)
Unfunded					
2020-21					
2019-20	-	-	-	-	-

NOTE "35"

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.(ceased w.e.f. 23.09.2020) 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 (ceased w.e.f. 23.09.2020) Tata Capital Growth Fund I Tata Capital Healthcare Fund I Tata Capital Innovations Fund

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	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 Limited TVS Supply Chain Solutions Limited Fincare Business Services Limited Fincare Small Finance Bank Limited (w.e.f. 21.01.2021) **Associates of Domestic Venture Capital Funds (Portfolio Investments)** Lokmanaya Hospital Private Limited Novalead Pharma Private Limited Shriji Polymers (India) Limited (ceased w.e.f. 28.08.2020) Vortex Engineering Private Limited Pluss Advances Technologies Private Limited Sea6 Energy Private Limited Alef Mobitech Solutions Private Limited TEMA India Private Limited Kapsons Industries Limited Tata Technologies Limited Indusface Private Limited (w.e.f. 21.04.2020) Linux Laboratories Private Limited (w.e.f. 25.01.2021)
Post Employment Benefit Plan	Tata Capital Limited Gratuity Scheme Tata Capital Limited Employees Provident Fund Tata Capital Limited Superannuation Scheme TCL Employee Welfare Trust
Fellow-subsidiaries (with which the Company had transactions)	Tata Consultancy Services Limited Tata Teleservices (Maharashtra) Limited Tata International Limited Tata Investment Corporation Limited Tata AIG General Insurance Company Limited
Other Related Parties (with which the Company had transactions)	Tata Steel Limited Conneqt Business Solutions Limited The Indian Hotels Company Limited Piem Hotels Limited Tata AIA Life Insurance Company Limited Trent Limited Voltas Limited TMF Holdings Limited (formerly Tata Motors Finance Limited)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	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 and Non-Executive Director Mr. F. N. Subedar - Non-Executive Director Ms. Aarthi Subramanian - Non-Executive Director Mr. Nalin M. Shah - Independent Director (retired w.e.f 31.03.2021) Mr. Mehernosh B. Kapadia - Independent Director (retired w.e.f 23.10.2020) Ms. Varsha Purandare- Independent Director Mr. Rajiv Sabharwal - Managing Director & CEO Ms. Sarita Kamath - Company Secretary (appointed w.e.f 01.12.2020) Mr. Rakesh Bhatia- Chief Financial Officer (appointed w.e.f 02.03.2020) Ms. Avan Doomasia - Company Secretary (resigned w.e.f 30.11.2020) Mr. Puneet Sharma- Chief Financial Officer (resigned w.e.f 16.02.2020)

NOTE "35"

SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES :

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2021	March 31, 2020
I	**Transactions with Holding Company:**					
1	**Tata Sons Private Limited**	a) Expense	Advertising and publicity	Provisions for Brand Equity Contribution	65	72
			Staff welfare expenses	Staff welfare expenses	-	0*
			Legal and professional charges	Legal and professional charges	10	-
			Other expenditure	Other expenditure	-	0*
		b) Other Transactions	Share Capital	Issue of Equity Shares (including Premium)	-	1,00,000
		c) Liabilities	Share Capital	Equity shares Held	3,32,458	3,32,458
			Trade Payables	Provision for Brand Equity Contribution	65	72
II	**Transactions with Subsidiaries :**					
1	**Tata Capital Financial Services Limited**	a) Income	Dividend income	Dividend received on Compulsorily Convertible Cumulative Preference shares	-	2,739
			Dividend income	Dividend received on Equity shares	14,995	4,890
			Interest income	Interest Income on ICD's	6,672	5,071
			Interest income	Interest Income on Investments in Perpetual debt	1,113	1,113
			Rental Income	Rental Income	973	871
			Income from managerial services	Marketing & Managerial Service Fees Income	1,213	2,341

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2021	March 31, 2020
		b) Expense	Rent, taxes and energy costs	Rent expense	3	13
			Rent, taxes and energy costs	Guest house charges	-	0*
			Insurance	Reimbursement of Insurance Expenses	(6)	(7)
			Rent, taxes and energy costs	Reimbursement of Electricity expense	(30)	(57)
			Other expenditure	Reimbursement of Other expenses	(88)	-
				Reimbursement of Marketing & Managerial Service	(86)	(796)
			Legal and professional charges	Placement fee	16	33
		c) Other Transactions	Investments	Conversion of CCCPS in Equity Shares	-	1,88,900
			Investments	Investments in Equity shares	-	25,000
			Loans	ICDs placed during the year	2,48,099	10,34,419
			Loans	ICDs repaid back during the year	1,91,391	9,81,795
			-	Pass through of insurance refund received	0*	1
		d) Assets	Investments	Investment in Equity Shares	5,38,755	5,38,755
			Investments	Investment in Perpetual Debentures	13,703	13,246
			Loans	ICDs Outstanding - Receivable	1,15,058	58,350
			Loans	Accrued Interest on ICD Outstanding	480	307
			Investments	Accrued Interest on Perpetual Debentures	18	18
			Trade Receivables	Trade Receivables	549	430
			Other Receivables	Other Receivables	3	9
		e) Liabilities	Other financial liabilities	Security Deposit outstanding	5,191	4,794
			Trade Payables	Provision		
				- Towards Rent	0*	2
				- Towards Placement fee	9	33
2	**Tata Capital Housing Finance Limited**	a) Income	Dividend income	Dividend received on Compulsorily Convertible Cumulative Preference shares	-	948
			Dividend income	Dividend received on Equity shares	5,038	6,571
			Interest income	Interest Income on ICD's	784	2,066
			Income from managerial services	Marketing & Managerial Service Fees Income	697	778
		b) Expense	Insurance	Reimbursement of Insurance Expenses	(2)	(2)
			Other expenditure	Reimbursement of Marketing & Managerial Service	(37)	(265)
		c) Other Transactions	Investments	Investments in Compulsorily Convertible Cumulative Preference shares	-	30,000

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2021	March 31, 2020
			Investments	Conversion of CCCPS in Equity Shares	-	1,57,200
			Investments	Investments in Equity shares	-	15,000
			Loans	ICDs placed during the year	1,23,840	4,84,084
			Loans	ICDs repaid back during the year	1,20,950	5,04,202
				Pass through of insurance refund received	0*	1
		d) Assets	Investments	Investment in Equity Shares	2,40,600	2,40,600
			Loans	ICDs Outstanding - Receivable	2,890	-
			Loans	Accrued Interest on ICD Outstanding	20	-
			Trade Receivables	Trade Receivables	214	115
		e) Commitments	Guarantee	Guarantees issued to National Housing Bank on behalf of TCHFL	26,237	39,867
3	**Tata Cleantech Capital Limited**	a) Income	Interest Income	Interest Income on ICD's	1,528	565
			Rental Income	Rental Income	54	48
			Income from managerial services	Marketing & Managerial Service Fees Income	235	477
		b) Expense	Rent, taxes and energy costs	Guest house charges	-	0*
			Insurance	Reimbursement of Insurance Expenses	(0)*	(0)*
			Rent, taxes and energy costs	Reimbursement of Electricity expense	(2)	(3)
			Other expenditure	Reimbursement of Marketing & Managerial Service	(15)	(159)
		c) Other Transactions	Loans	ICDs placed during the year	38,500	2,04,950
			Loans	ICDs repaid back during the year	78,500	1,87,150
		d) Assets	Investment	Investment in Equity Shares	49,105	49,105
			Loans	ICDs Outstanding - Receivable	10,000	50,000
			Loans	Accrued Interest on ICD Outstanding	14	126
			Trade Receivables	Trade Receivables	89	74
			Other Receivables	Other Receivables	0*	0*
		e) Liabilities	Other financial liabilities	Security Deposit outstanding	287	265
4	**Tata Securities Limited**	a) Expense	Insurance	Reimbursement of Insurance expenses	(0)*	(0)*
		b) Other Transactions	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	1,712	6,395
		b) Other Transactions	Reimbursement	Reimbursement of Legal expenses	-	96
		c) Assets	Trade receivables	Trade receivables		
				- Towards Fee and commision income	282	602
				- Towards Reimbursement of expenses	-	92

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2021	March 31, 2020
7	**Tata Capital Special Situations Fund**	a) 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)
		b) Commitments	Commitments	Commitments	22	22
8	**Tata Capital Growth Fund I**	a) Income	Fee and commision income	Asset Management Fees	-	91
			Dividend income	Distribution of Dividend	-	749
			Miscellaneous Income	Distribution of Interest	4	-
			Profit on Sale of Investment	Carried Interest Income	112	1,268
			Profit on Sale of Investment	Loss on sale of Investment	(50)	(27)
		b) Other Transactions	Investments	Proceeds from Divestment	-	0*
			Reimbursement	Reimbursement of expenses	11	1
		c) Assets	Investments	Investment in Class A units of fund	5,791	5,841
			Investments	Provision for Diminution in value of Investment	(1,088)	(1,088)
			Trade Receivables	Receivables towards Reimbursement	11	-
		e) Commitments	Commitments	Commitments	2,983	2,983
9	**Tata Capital Healthcare Fund I**	a) Income	Fee and commision income	Asset Management Fees	53	187
			Miscellaneous Income	Distribution of Interest	-	2
			Profit on Sale of Investment	Profit on Sale of Investment	5,986	-
		b) Expense	Impairment of Financial Instrument	Provision for Diminution in value of Investment	(193)	-
		c) Other Transactions	Investments	Investment in Units of Fund	-	87
			Investments	Proceeds from Divestment	7,447	-
			Reimbursement	Reimbursement of expenses	12	-
		d) Assets	Investments	Investment in Class A units of fund	2,377	3,838
			Investments	Investment in Class B units of fund	-	0*
			Investments	Provision for Diminution in value of Investment	(277)	(84)
			Trade Receivables	Receivables towards Reimbursement	2	-
		e) Liabilities	Other non financial liabilities	Revenue received in advance	-	10
		f) Commitments	Commitments	Commitments	559	559
10	**Tata Capital Innovation Fund**	a) Income	Fee and commision income	Asset Management Fees	-	310
			Miscellaneous Income	Distribution of Interest	1	-
		b) Expense	Impairment of Financial Instrument	Provision for Diminution in value of Investment	1,533	1,934

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2021	March 31, 2020
			Impairment of Financial Instrument	Provision for bad & doubtful debts	-	(94)
		c) Other Transactions	Investments	Investment in Units of Fund	-	67
			Reimbursement	Reimbursement of expenses	11	14
		d) Assets	Investments	Investment in Class A units of fund	5,818	5,818
			Investments	Investment in Class B units of fund	0*	0*
			Investments	Provision for Diminution in value of Investment	(3,676)	(2,142)
			Trade Receivables	Trade Receivables		
				-Towards Management Fees	195	195
				-Towards Reimbursement of Expenses	6	14
			Trade Receivables	Provision for bad & doubtful debts	(192)	(192)
		f) Commitments	Commitments	Commitments	45	45
11	**Tata Capital Healthcare Fund II**	a) Income	Fee and commision income	Asset Management Fees	880	292
			Fee and commision income	Setup fee	95	179
			Miscellaneous Income	Distribution of Interest	0*	-
			Miscellaneous Income	Compensating Contribution received	0*	-
		b) Expenses	Impairment of Financial Instrument	Provision for Diminution in value of Investment	3	35
		c) Other Transactions	Investments	Investment in Units of Fund	1,282	35
			Reimbursement	Reimbursement of expenses	1	-
		d) Assets	Investments	Investment in units of fund	1,317	35
			Investments	Provision for Diminution in value of Investment	(38)	(35)
			Other Financial assets	Accrued income	0*	-
			Trade Receivables	Trade Receivables towars Management fees	45	-
		e) Commitments	Commitments	Commitments	12,683	13,965
12	**Tata Capital Growth Fund II**	a) Income	Fee and commision income	Asset Management Fees	1,658	1,322
			Fee and commision income	Setup fee	61	151
			Miscellaneous Income	Distribution of FD Interest	-	55
			Miscellaneous Income	Compensating Contribution received	48	29
		b) Expense	Impairment of Financial Instrument	Provision for Diminution in value of Investment	79	69
		c) Other Transactions	Investments	Investment in Class A1 units of Fund	9,242	2,942
			Investments	Investment in Class B1 units of Fund	32	10
			Investments	Investment in Class B2 units of Fund	26	8
			Reimbursement	Reimbursement of expenses	96	32
		d) Assets	Investments	Investment in Class A1 units of Fund	12,184	2,942
			Investments	Investment in Class B1 units of Fund	42	10

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2021	March 31, 2020
			Investments	Investment in Class B2 units of Fund	34	8
			Investments	Provision for Diminution in value of Investment	(148)	(69)
			Trade Receivables	Trade Receivables towards Reimbursement	0*	20
		e) Commitments	Commitments	Commitments	24,032	33,332
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
		b) Assets	Investments	Investment in Equity Shares	18,528	18,528
3	**Tata Projects Limited**	a) Income	Dividend income	Dividend income	-	45
		b) Assets	Investments	Investment in Equity Shares	2,823	2,823
4	**Roots Corporation Limited**	a) Expenses	Impairment of Financial Instrument	Provision for Diminution in value of Investment	-	497
		b) Assets	Investments	Investment in Equity Shares	2,062	2,062
			Investments	Provision for Dimninution in value of Investment	(625)	(625)
5	**Tata Technologies Limited**	a) Expense	Interest on subordinated liabilities	Dividend on Cumulative Redeemable Preference Shares	-	23
		b) Other Transactions	Subordinated liabilities	Redemption of Cumulative Redeemable Preference shares	-	333
			Subordinated liabilities	Premium paid on redemption of Cumulative Redeemable Preference shares	-	167
6	**Indusface Private Limited**	a) Other Transactions	Reimbursement	Reimbursement of expenses	51	-
7	**Linux Laboratories Private Limited**	a) Other Transactions	Reimbursement	Reimbursement of expenses	11	-
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)
		b) Liabilities	Financial Liabilities	Provision for Trust's exposure to investment in IL & FS	140	140
2	**Tata Capital Limited Employees Provident Fund**	a) Expense	Other expenditure	Reimbursement of Trust's charges	-	1
			Employee benefits expense	Employer Contribution to Provident Fund	175	195
			Employee benefits expense	Provision for Trust's exposure to investment in IL & FS	-	63
		b) Other Transactions	Employee Contribution	Employee Contribution to Provident Fund and Voluntary Provident Fund	529	499
		c) Liabilities	Financial Liabilities	Provision for Trust's exposure to investment in IL & FS	285	285
			Other non-financial liabilities	Statutory Liabilities	74	58
3	**Tata Capital Limited Superannuation Scheme**	a) Expense	Employee benefits expense	Contribution to Superannuation Scheme	37	65

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2021	March 31, 2020
4	**TCL Employee Welfare Trust**	a) Liabilities	Share Capital	Equity shares held	5,250	5,175
V	**Transactions with Other Related Parties :**					
1	**Tata Consultancy Services Limited**	a) Expense	IT costs	IT costs	112	45
			IT costs	Provision for IT costs	128	109
		b) Liabilities	Trade Payables	Provision for IT costs	128	109
2	**Tata Teleservices (Maharashtra) Limited**	a) Expense	Other expenditure	Telephone Services Expenses	1	2
3	**Tata International Limited**	a) Expense	Employee benefits expense	Expenditure - Staff Welfare	-	3
		b) Liabilities	Share Capital	Equity shares held	79	79
4	**Tata Investment Corporation Limited**	a) Liabilities	Share Capital	Equity shares held	7,720	7,720
5	**Tata AIG General Insurance Company Limited**	a) Expense	Insurance	Insurance premium	3	8
		b) Assets	Other non-financial assets	Advance to vendor	8	2
VI	**Transactions with Other Related Parties :**					
1	**Tata Steel Limited**	a) Income	Dividend income	Dividend income	2	2
		b) Other Transactions	Investments	Investment in Equity Shares (Fully paid)	5	-
		c) Assets	Investments	Investment in Equity Shares (Fully paid)	136	42
			Investments	Investment in Equity Shares (Partly paid)	-	0*
		d) Commitments	Commitments	Uncalled Liability on partly paid shares	-	5
2	**Conneqt Business Solutions Limited**	a) Income	Rental Income	Rental Income	462	544
		b) Expense	Other expenditure	Service providers' charges	4	6
			Other expenditure	Reimbursement of Electricity expense	(29)	(162)
			Impairment of Financial Instrument	Provision for bad & doubtful debts	10	-
		c) Assets	Trade Receivables	Trade Receivables	91	136
			Other Receivables	Provision for bad & doubtful debts	10	-
			Other Receivables	Other Receivables	14	15
3	**The Indian Hotels Company Limited**	a) Income	Dividend income	Dividend income	0*	0*
		b) Expense	Travelling and conveyance	Conference expenses	8	55
			Employee Benefit expenses	Expenditure - Staff Welfare	2	-
			Other expenditure	Membership expenses	2	2
		c) Assets	Investments	Investment in Equity Shares	20	13

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sr. No.	Party Name	Group	P&L / BS line item	Nature of Transactions	March 31, 2021	March 31, 2020
4	**Piem Hotels Ltd**	a) Expense	Travelling and conveyance	Hotel expenses	0*	-
5	**Tata AIA Life Insurance Company Limited**	a) Expense	Insurance	Insurance premium	10	11
		b) Assets	Other non-financial assets	Advance to vendor	20	1
6	**Trent Limited**	a) Expense	Interest on subordinated liabilities	Dividend on Cumulative Redeemable Preference Shares	-	30
		b) Other Transactions	Subordinated liabilities	Redemption of Cumulative Redeemable Preference shares	-	1,000
7	**Voltas Limited**	a) Expense	Interest on subordinated liabilities	Dividend on Cumulative Redeemable Preference Shares	366	366
		b) Liabilities	Subordinated liabilities	Cumulative Redeemable Preference shares held	5,000	5,000
8	**TMF Holdings Limited (formerly Tata Motors Finance Limited)**	a) Expense	Interest on subordinated liabilities	Dividend on Cumulative Redeemable Preference Shares	-	3
		b) Other Transactions	Subordinated liabilities	Redemption of Cumulative Redeemable Preference shares	-	67
			Subordinated liabilities	Premium paid on redemption of Cumulative Redeemable Preference shares	-	33
9	**Tata Consumer Products Limited (formerly Tata Global Beverages Limited)**	a) Liabilities	Share Capital	Equity shares held	61	61
10	**Tata Chemicals Limited**	a) Liabilities	Share Capital	Equity shares held	323	323
11	**Tata Motors Limited**	a) Liabilities	Share Capital	Equity shares held	433	433
12	**Tata Industries Limited**	a) Liabilities	Share Capital	Equity shares held	227	227
13	**Af-Taab Investment Company Limited**	a) Liabilities	Share Capital	Equity shares held	233	233
14	**Mrs Sangeeta Sabharwal (Relative of KMP)**	a) Expense	Interest on subordinated liabilities	Dividend on Cumulative Redeemable Preference Shares paid	4	4
		b) 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, 2021	March 31, 2020
VII	**Transactions with KMP :**					
1	**Key Management Personnel (KMP)**	a) Expense	Employee Benefit expenses	Remuneration to KMP		
			(refer footnote 2)	- Short Term Employee Benefits	1,025	1,207
				- Post Employment Benefits	55	47
				- Other Long Term benefits	-	-
				- Termination benefits	40	71
			ESOP	- Share based payments (No. of Shares)		
				a) Options granted	20,70,000	21,00,000
				b) Options exercised	-	78,950
			Other expenditure	- Director Sitting Fees &		
				Commission (on payment basis)	126	116
			Interest on subordinated liabilities	Dividend paid on Cumulative Redeemable Preference shares	15	18
		b) Other Transactions	Subordinated liabilities	Redemption of Cumulative Redeemable Preference shares	30	45
			Subordinated liabilities	Premium paid on redemption of Cumulative Redeemable Preference shares	-	23
		c) Liabilities	Share Capital	Equity Shares held	35	79
			Subordinated liabilities	Cumulative Redeemable Preference shares held	183	213
			ESOP	Total Options granted till date	64,55,211	49,34,223
				Total Options exercised till date	7,60,211	7,88,172

* Amount less than 50,000

Footnotes:

1 All transactions with these related parties are priced at arm’s length and are in the ordinary course of business.

2 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 made for encashable leave, gratuity and premium paid for group health insurance.

NOTE “36”

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Information about leases for which the Company is a lessee is presented below.

(i) Right-of-use assets

Right-of-use assets relate to building that are presented seperately within property and equipment (see note 10)

(₹ in lakh)

Particulars	March 31, 2021	March 31, 2020
Opening Balance	38	63
Prepaid rent reclassed	-	4
Additions during the year	-	-
Deletion during the year	-	-
Depreciation charge for the year	(29)	(29)
Closing Balance	**9**	**38**

(ii) Movement of Lease liabilities

(₹ in lakh)

Particulars	March 31, 2021	March 31, 2020
Opening Balance	40	66
Additions during the year	-	-
Deletion during the year	-	-
Finance cost	2	5
Payment of lease liabilities	(33)	(31)
Closing Balance	**9**	**40**

(iii) Amounts recognised in statement of cash flows

(₹ in lakh)

Particulars	March 31, 2021	March 31, 2020
Total cash outflow for leases during the year	33	31

(iv) Amounts recognized in the Statement of Profit and Loss

(₹ in lakh)

Particulars	March 31, 2021	March 31, 2020
Short-term lease rent expense	-	-
Interest on lease liabilities	2	5
Depreciation of ROU lease asset	29	29
Write off/(Write back) of ROU lease asset	-	-

(v) Future lease payments required are as follows:

(₹ in lakh)

Particulars	March 31, 2021	March 31, 2020
Less than one month	3	3
Between one and three months	2	5
Between three months and one year	4	25
Between one and five years	-	9
More than five years	-	-
Total undiscounted lease liabilities	**9**	**42**

Company has considered entire lease term for the purpose of determination of Right-of-use assets and Lease liabilities.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "37"

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, 2021	For the year ended March 31, 2020
I	**Segment Revenue**			
	(a)	Investment activity	30,608	24,976
	(b)	Private equity investments	10,561	11,004
	(c)	Others	4,046	5,593
	(d)	Unallocated	2	7
		Total Revenue	**45,217**	**41,580**
		Less : Inter-segment revenue	-	-
		Total Income	45,217	41,580
II	**Segment Expenses**			
	(a)	Investment activity	23,096	25,535
	(b)	Private equity investments	9,713	12,494
	(c)	Others	2,760	3,754
	(d)	Unallocated	3,345	(5,653)
		Total Expenses	**38,914**	**36,130**
III	**Segment Results**			
	(a)	Investment activity	7,512	(559)
	(b)	Private equity investments	848	(1,490)
	(c)	Others	1,286	1,839
	(d)	Unallocated	(3,343)	5,660
		Profit before taxation	**6,303**	**5,450**
		Less : Provision for taxation	1,636	2,524
		Profit after taxation	**4,667**	**2,926**

Footnote:

Out of the Total Segment Revenue, Rs 1,712 lakhs pertains to revenue earned from outside India (For the year ended March 31, 2020 Rs 6,395 lakhs)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in lakh)

Particulars			As at March 31, 2021	As at March 31, 2020
IV	**Segment Assets**			
	(a)	Investment activity	10,12,605	9,92,067
	(b)	Private equity investments	24,162	17,336
	(c)	Others	6,507	6,639
	(d)	Unallocated	8,112	4,940
		Total	**10,51,386**	**10,20,982**
V	**Segment Liabilities**			
	(a)	Investment activity	3,14,267	3,00,326
	(b)	Private equity investments	33,578	22,662
	(c)	Others	6,089	6,075
	(d)	Unallocated	4,575	4,896
		Total	**3,58,509**	**3,33,959**
VI	**Capital Employed**			
	(a)	Investment activity	6,98,338	6,91,741
	(b)	Private equity investments	(9,416)	(5,326)
	(c)	Others	418	564
	(d)	Unallocated	3,537	44
		Total	**6,92,877**	**6,87,023**

Particulars			For the year ended March 31, 2021	For the year ended March 31, 2020
VII	**Capital Expenditure (including Capital Work-in-Progress)**			
	(a)	Investment activity	-	-
	(b)	Private equity investments	-	-
	(c)	Others	-	-
	(d)	Unallocated	(5)	(52)
		Total	**(5)**	**(52)**
VIII	**Depreciation, amortisation and impairment**			
	(a)	Investment activity	-	-
	(b)	Private equity investments	15	22
	(c)	Others	358	403
	(d)	Unallocated	354	352
		Total	**727**	**777**
IX	**Significant Non-Cash Expenses Other than Depreciation, amortisation and impairment**			
	(a)	Investment activity	79	368
	(b)	Private equity investments	1,809	1,944
	(c)	Others	10	(179)
	(c)	Unallocated	-	12
		Total	**1,898**	**2,145**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "38"

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, 2021 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	-	-	-	-	1,862	-	1,862
Other balances with banks	-	-	-	-	665	-	665
Trade and other receivables	-	-	-	-	1,296	-	1,296
Investments	2,868	13,703	-	-	-	8,91,692	9,08,263
Loans	-	-	-	-	1,27,948	-	1,27,948
Other financial assets	-	-	-	-	74	-	74
Total	**2,868**	**13,703**	**-**	**-**	**1,31,845**	**8,91,692**	**10,40,108**
Financial Liabilities:							
Trade and other payables	-	-	-	-	2,039	-	2,039
Debt securities	-	-	-	-	2,29,107	-	2,29,107
Subordinated liabilities	-	-	-	-	1,15,740	-	1,15,740
Other financial liabilities	-	-	-	-	9,262	-	9,262
Total	**-**	**-**	**-**	**-**	**3,56,148**	**-**	**3,56,148**

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
Debt Securities	-	-	-	-	1,75,216	-	1,75,216
Subordinated liabilities	-	-	-	-	1,46,146	-	1,46,146
Other financial liabilities	-	-	-	-	8,176	-	8,176
Total	**-**	**-**	**-**	**-**	**3,31,675**	**-**	**3,31,675**

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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 period.

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, 2021	Level 1	Level 2	Level 3	Total
Financial Assets:				
Equity Shares	156	-	-	156
Mutual fund units	-	301	-	301
Investments in Category III Alternative Investment Fund	-	-	2,411	2,411
Investment in Perpetual Debt	-	13,703	-	13,703
Total	**156**	**14,004**	**2,411**	**16,571**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ 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**

Reconciliation of Level 3 fair value measurement

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	**2,040**	**3,16,176**
Total gains or losses:		
in profit or loss	371	(36)
Purchase / (Sale) of :		
Investments in Category III Alternative Investment Fund	-	2,000
Investments in Compulsorily Convertible Cumulative Preference shares	-	30,000
Conversion of Compulsorily Convertible Cumulative Preference shares into Equity Shares	-	(3,46,100)
Closing Balance	**2,411**	**2,040**

Total gains or losses for the period in the above table are presented in the statement of profit or loss and OCI as follows.

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Total gains or losses:		
- Recognised in profit or loss		
Net Gains / (Losses) on Fair Value Changes		
Fair Value Changes :		
- Realised	-	76
- Unrealised	371	(40)
- Recognised in OCI	–	–
Total Net gain/(loss) on fair value changes	**371**	**36**

The following table summarises disclosure of fair value of financial assets and liabilities measured at amortised cost :

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in lakh)

Measured at Level 3	March 31, 2021		March 31, 2020		Fair Value level
	Carrying Value	Fair value	Carrying Value	Fair value	
Financial Liabilities at amortised cost:					
Debt Securities	2,29,107	2,38,519	1,75,216	1,79,822	Level 3
Subordinated liabilities	1,15,740	1,15,907	1,46,146	1,46,561	Level 3
Total	**3,44,847**	**3,54,426**	**3,21,362**	**3,26,383**	

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 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, 2021	As at March 31, 2020				
Equity Shares	156	55	Level 1	Published Market Price	N.A.	N.A.
Mutual fund units	301	291	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	2,411	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	13,703	13,246	Level 2	Gsec yields as increased by risk based spreads (Published by FIMMDA)	Gsec yields as increased by risk based spreads	Lower the risk adjusted Gsec yield higher the fair value of debt
Financial Assets at FVTPL/FVTOCI	**16,571**	**15,632**				

There were no significant transfers between Level 1 and Level 2 and Level 3 of the fair value hierarchy in the period.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Sensitivity disclosure for level 3 fair value measurements:

(₹ in lakh)

Particulars	Unobservable Input	Sensitivity	Impact of change in rates on Total Comprehensive Income			
			As at March 31, 2021		As at March 31, 2020	
			Favourable	Unfavourable	Favourable	Unfavourable
Investments in Category III Alternative Investment Fund	Net Asset Value (NAV)	1%	**4**	**(4)**	**0***	**(0)***

* Amount less than 50,000

NOTE "39"

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.

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.

Tata Capital Limited is a Core Investment Company (CIC-ND-SI) and only has investments in and loans to group companies. Though there is an uncertainty in the environment, given the nature of its business, it is expected that the impact of the pandemic on the company and its operations will be minimal.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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.

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.

For 2021, historical data of trade receivable is averaged for 5 years i.e. from 2020 till 2016. Based on reasonable and supportable information that is available without undue cost or effort, for 2020 similar data is averaged for 5 years which is from 2019 till 2015.

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, 2021	Amount outstanding	ECL	% of ECL
Loans	1,28,462	514	0.4%
Investment in Perpetual Debt Instruments	13,703	55	0.4%
Trade and Other Receivables	1,301	5	0.4%
Total	**1,43,466**	**574**	

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**	

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, 2021	As at March 31, 2020
Opening balance	494	623
Addition during the year	79	-
Reversed during the year	-	(129)
Closing balance	**574**	**494**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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 Finance & Asset Liability Supervisory 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 39 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Company carries out interest rate sensitivity analysis to assess the impact of interest rate movement on earnings, the floating rate assets and liabilities based on exposure as on end of reporting period are considered as an outstanding for whole year. The fixed rate assets and liabilities which are falling due on residual basis within one year have been considered as floating rate assets and liabilities respectively basis the minimum of 'interest rate reset date or maturity of the contract'. The basis risk between various benchmark linked to assets and liabilities are considered to be insignificant.

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 floating rate loans & borrowings due for repayment / rate reset in next one year.

As at March 2021 (₹ in lakh)

Particulars	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Loans given	1,27,948	1,226	(1,226)
Borrowings	95,122	(289)	289
Net Gap (Asset - liability)	**32,826**	**937**	**(937)**

As at March 2020 (₹ in lakh)

Rate sensitive	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)**

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.

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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 41 in the financial statements.

A. Liquidity risk

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:

As at March 31, 2021	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	2,039	2,039	-	-	-	-	2,039	-	-	-
Debt securities issued	2,29,107	2,29,211	65	-	795	10,157	32,694	1,55,000	30,500	-
Subordinated liabilities	1,15,740	1,15,980	-	12,760	-	-	51,475	51,745	-	-
Other financial liabilities	9,262	9,954	18	1	1	3	3,760	6,171	-	-
Total	**3,56,148**	**3,45,191**	**65**	**12,760**	**795**	**10,157**	**84,169**	**2,06,745**	**30,500**	**-**
Market Borrowings		3,45,191	65	12,760	795	10,157	84,169	2,06,745	30,500	-
Bank borrowings		-	-	-	-	-	-	-	-	-
Total Borrowings		**3,45,191**	**65**	**12,760**	**795**	**10,157**	**84,169**	**2,06,745**	**30,500**	**-**
Financial Asset										
Cash and cash equivalents	1,862	1,862	1,862	-	-	-	-	-	-	-
Other balances with banks	665	665	665	-	-	-	-	-	-	-
Receivables	1,296	1,301	-	-	-	-	1,301	-	-	-
Loans	1,27,948	1,28,462	1,000	2,000	7,000	15,000	1,03,462	-	-	-
Investments	9,08,263	9,08,263	-	-	-	-	-	-	-	9,08,263
Other Financial Assets	74	75	-	17	-	-	6	-	-	52
Total	**10,40,108**	**10,40,628**	**3,527**	**2,017**	**7,000**	**15,000**	**1,04,769**	**-**	**-**	**9,08,315**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

As at March 31, 2020	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	2,137	2,137	-	-	-	-	2,137	-	-	-
Debt securities issued	1,75,216	1,75,536	-	30,000	10,154	363	2,519	1,20,000	12,500	-
Subordinated liabilities	1,46,146	1,46,720	-	-	-	-	30,000	76,320	40,400	-
Other financial liabilities	8,176	9,291	27	3	3	8	3,070	6,180	-	-
Total	**3,31,675**	**3,33,684**	**27**	**30,003**	**10,157**	**371**	**37,726**	**2,02,500**	**52,900**	**-**
Market Borrowings		3,22,256	-	30,000	10,154	363	32,519	1,96,320	52,900	-
Bank borrowings		-	-	-	-	-	-	-	-	-
Total Borrowings	**-**	**3,22,256**	**-**	**30,000**	**10,154**	**363**	**32,519**	**1,96,320**	**52,900**	**-**
Financial Asset										
Cash and cash equivalents	173	173	173	-	-	-	-	-	-	-
Other balances with banks	24	24	24	-	-	-	-	-	-	-
Receivables	1,502	1,508	-	-	-	-	1,508	-	-	-
Loans	1,08,349	1,08,784	-	40,000	10,000	25,000	33,784	-	-	
Investments	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**	**35,292**	**23**	**-**	**9,00,115**

The Company has considered actual cash inflows/ outflows that would be realised from the financial asset or required to settle the financial liability respectively and ignored the impacts of fair valuation and provisions while bucketing of Debt Securities, Subordinated liabilities, other financial liabilities, trade & other receivables, loans and other financial assets

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, 2021			As at March 31, 2020		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Cash and cash equivalents	1,862	-	1,862	173	-	173
Other balances with banks	665	-	665	24	-	24
Trade receivables	1,296	-	1,296	1,502	-	1,502
Loans	1,27,948	-	1,27,948	1,08,349	-	1,08,349
Investments	-	9,08,263	9,08,263	-	9,00,063	9,00,063
Other financial assets	22	52	74	-	72	72
Financial Assets	**1,31,793**	**9,08,315**	**10,40,108**	**1,10,048**	**9,00,136**	**10,10,183**
Current tax asset	-	826	826	-	-	-
Deferred tax Assets (Net)	-	42	42	-	246	246
Investment property	-	5,247	5,247	-	5,559	5,559
Property, Plant and Equipment	-	3,754	3,754	-	4,142	4,142
Other Intangible assets	-	4	4	-	8	8
Other non-financial assets	295	1,110	1,405	197	648	844

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Non-financial Assets	**295**	**10,983**	**11,278**	**197**	**10,602**	**10,799**
Total Assets	**1,32,088**	**9,19,298**	**10,51,386**	**1,10,244**	**9,10,738**	**10,20,982**
LIABILITIES						
Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	2	-	2	0*	-	0*
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,037	-	2,037	2,137	-	2,137
Debt securities	43,697	1,85,410	2,29,107	42,690	1,32,525	1,75,216
Subordinated liabilities	64,142	51,598	1,15,740	29,945	1,16,200	1,46,146
Other financial liabilities	3,783	5,479	9,262	3,108	5,068	8,176
Financial Liabilities	**1,13,661**	**2,42,487**	**3,56,148**	**77,881**	**2,53,793**	**3,31,675**
Current tax liability	-	-	-	447	-	447
Provisions	33	402	435	45	422	467
Other non financial liabilities	1,317	609	1,926	355	1,015	1,370
Non-Financial Liabilities	**1,350**	**1,011**	**2,361**	**847**	**1,437**	**2,284**
Total liabilities	**1,15,011**	**2,43,498**	**3,58,509**	**78,728**	**2,55,230**	**3,33,959**

* Amount less than 50,000

NOTE "40"

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, 2021 (₹ 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)	-	65	18	1,000	-	2,527
Over 1 month to 2 months	-	12,760	1	2,000	-	17
Over 2 months to 3 months	-	795	1	7,000	-	-
Over 3 months to 6 months	-	10,157	3	15,000	-	-
Over 6 months to 1 year	-	84,169	5,799	1,03,462	-	1,307
Over 1 year to 3 years	-	2,06,745	6,171	-	-	-
Over 3 years to 5 years	-	30,500	-	-	-	-
Over 5 years	-	-	-	-	9,08,263	52
Total	**-**	**3,45,191**	**11,993**	**1,28,462**	**9,08,263**	**3,903**

Note :Advances of Rs. 1,28,462 lakhs represents Inter corporate deposits (including interest accrued) given to subsidiaries which are callable on demand to meet maturities of borrowings.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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	-	10,154	3	10,000	-	-
Over 3 months to 6 months	-	363	8	25,000	-	-
Over 6 months to 1 year	-	32,519	5,207	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	**-**	**3,22,256**	**11,428**	**1,08,784**	**9,00,063**	**1,780**

Note :Advances of Rs. 1,08,784 lakh 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 Rs. 1,00,000 lakh from its parent Tata Sons Private Limited.

NOTE "41"

CORE INVESTMENT COMPANY ("CIC") COMPLIANCE RATIOS :

(₹ in lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Investments & loans to group companies as a proportion of Net Assets (%)	96%	97%
(b)	Investments in equity shares and compulsorily convertible instruments of group companies as a proportion of Net Assets (%)	83%	85%
(c)	Capital Adequacy Ratio (%) [Adjusted Net worth / Risk Weighted Assets]	64%	65%
(d)	Leverage Ratio (Times) [Outside liabilities / Adjusted Networth]	0.56	0.55

As per RBI circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 and DOR (NBFC).CC.PD.No.116/22.10.106/2020-21 dated July 24, 2020, unrealised gains arising out of fair valuation of financial instruments (net of tax), are ignored for calculation of "owned funds" ; consequently, the net unrealised gains are also excluded from Risk Weighted Assets (RWA).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "42"

EXPOSURE TO REAL ESTATE SECTOR

(₹ in lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
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)	2,43,510	2,40,600
	Non-fund based exposure on National Housing Bank (Refer footnote 2)	26,237	39,867

Footnotes

1 Represents investments in Equity 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 Rs. 120,000 lakh (As at March 31, 2020 : Rs. 120,000 lakh) against which the amount liable by Tata Capital Housing Finance Limited is Rs. 26,237 lakh as at March 31, 2021 (As at March 31, 2020 Rs. 39,867 lakh). Pursuant to the terms of the Guarantee, the Company's liability on invocation is capped at the outstanding amount.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "43"

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
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)	**2,29,107**	1,35,562	**-**	-
b) Deferred Credits	**-**	-	**-**	-
c) Term Loans	**-**	-	**-**	-
d) Inter-corporate loans and borrowing	**-**	-	**-**	-
e) Commercial Paper (Refer footnote 2)	**-**	39,654	**-**	-
f) Other loans (Bank overdraft)	**-**	-	**-**	-
g) Other loans (Subordinated liabilities)	**1,15,740**	1,46,146		

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.

Assets Side: (₹ in lakh)

Particulars	Amount Outstanding	
	March 31, 2021	March 31, 2020
2) Break up of Loans and Advances including bills receivables (other than those included in (4) below)		
a) Secured	**-**	-
b) Unsecured	**1,29,795**	1,10,327
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	**–**	–

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Assets Side: (₹ in lakh)

Particulars	**Amount Outstanding March 31, 2021**	**Amount Outstanding March 31, 2020**
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	–	–
Long Term Investments :		
(1) Quoted:		
(i) Shares:		
(a) Equity	**156**	55
(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**	8,68,086
(b) Preference	**-**	-
(ii) Debentures and Bonds	**13,703**	13,246
(iii) Units of Mutual Funds	**301**	291
(iv) Government Securities	**-**	-
(v) Others (Refer Footnote 1 & 2)	**26,017**	18,384

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Footnote

1 Investments in equity shares as at March 31, 2021 are net of impairment provision of Rs 625 lakh (as at March 31, 2020 Rs 625 lakh) and Investments in others as at March 31, 2021 are net of impairment provision of Rs 6,217 lakh (as at March 31, 2020 Rs 4,408 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 2020-21 (₹ in lakh)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	1,29,149	1,29,149
(b) Companies in the same group	-	17	17
(c) Other related parties	-	115	115
(d) Other than related parties	-	514	514
Total	**-**	**1,29,795**	**1,29,795**

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**

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, 2021		As at March 31, 2020	
	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	11,79,082	8,77,365	10,58,768	8,69,647
(b) Companies in the same group	-	-	-	-
(c) Other related parties	48,130	28,186	50,539	28,086
(d) Other than related parties	2,712	2,712	2,330	2,330
Total	**12,29,924**	**9,08,263**	**11,11,637**	**9,00,063**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

7) Other Information

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
	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 11 (g)	–	47

NOTE "44"

DISCLOSURE OF DETAILS AS REQUIRED BY RBI/2020-21/24/DOR (NBFC) (PD) CC. NO. 117/03.10.001/2020-21 DATED AUGUST 13, 2020

Components of ANW and other related requirement

(₹ in lakh)

Particulars		As at March 31, 2021	As at March 31, 2020
i)	ANW as a % of Risk Weighted Assets	64%	65%
ii)	Unrealized appreciation in the book value of quoted investments	-	-
iii)	Diminution in the aggregate book value of quoted investments	-	-
iv)	Leverage Ratio	0.56	0.55

Investment in other CICs

(₹ in lakh)

Particulars		As at March 31, 2021	As at March 31, 2020
a)	Total amount representing any direct or indirect capital contribution made by one CIC in another CIC (including name of CICs)	-	-
b)	Number of CICs with their names wherein the direct or indirect capital contribution exceeds 10% of Owned Funds	-	-
c)	Number of CICs with their names wherein the direct or indirect capital contribution is less than 10% of Owned Funds	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Off Balance Sheet Exposure

(₹ in lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Off balance sheet exposure	26,237	39,872
b)	Financial Guarantee as a % of total off balance sheet exposure	100%	100%
c)	Non-Financial Guarantee as a% of total off balance sheet exposure	-	-
d)	Off balance sheet exposure to overseas subsidiaries	-	-
e)	Letter of Comfort issued to any subsidiary	3,75,842	4,65,089

Investments

(₹ in lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	9,04,298	8,94,289
	(b) Outside India	10,807	10,807
	(ii) Provision for Depreciation		
	(a) In India	6,842	5,033
	(b) Outside India	-	-
	(iii) Net Value of Investments	8,97,456	8,89,256
	(a) In India	10,807	10,807
	(b) Outside India		
2)	Movement of Provisions held towards depreciation on Investments		
	(i) Opening Balance	5,033	2,499
	(ii) Add: Provisions made during the year	1,809	2,535
	(iii) Less: Write Off/ Write back of excess provisions during the year	-	-
	(iv) Closing Balance	6,842	5,033

Business Ratios

(₹ in lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Return on Equity (RoE)	0.7%	0.4%
b)	Return on Assets (RoA)	0.5%	0.3%
c)	Net Profit per employee *	109	65

* Calculated on Profit after Tax

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Provisions and Contingencies

(₹ in lakh)

Break up of 'Provisions and Contingencies' shown under the Profit and Loss Account		As at March 31, 2021	As at March 31, 2020
a)	Provisions for depreciation on Investment	1,809	2,535
b)	Provision towards NPA	-	-
c)	Provision made towards Income tax	1,636	2,524
d)	Other Provision and Contingencies (Provision on Trade Receivables)	10	(261)
e)	Provision for Standard Assets	79	(129)

Concentration of NPAs

(₹ in lakh)

	Amount	Exposure as a % of Total Assets
Total exposure to top five NPA accounts	-	-

Overseas Assets

Name of Subsidiary	Country	Total Assets
Tata Capital Pte. Limited	Singapore	$ 80.8 million

NOTE "45"

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	**2,37,490**	**0%**	**66%**

(ii) Top 20 Large Deposits

(₹ in lakh)

Sr. No	Counterparty	Amount	% of total deposits
	Nil		

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(iii) Top 10 Borrowing (amounts to Rs. 2,33,500 lakhs and 69% of total borrowings)

(₹ in lakh)

Sr. No.	Name of Borrower	Amount	% of total borrowings
1	SBI Mutual Fund	85,000	25%
2	Aditya Birla Sun Life Mutual Fund	47,500	14%
3	Nippon Life India Mutual Fund	41,000	12%
4	Axis Mutual Fund	15,000	4%
5	Wipro Enterprises Private Limited	12,000	4%
6	Britannia Dairy Private Limited	10,000	3%
7	Shree Cement Ltd	7,500	2%
8	The Larsen and Toubro Officers and Supervisory Staff Provident Fund	6,500	2%
9	Voltas Limited	5,000	1%
10	Balkrishna Industries Limited	4,000	1%

(iv) Funding Concentration based on significant instrument/product

(₹ in lakh)

Sr. No	Name of the instrument / product	Amount	% of total liabilities
1	CP	-	0%
2	NCD	2,23,000	62%
3	CRPS	1,15,980	32%
	Total	**3,38,980**	

(v) Stock Ratios

	Particulars	%
(a)(i)	Commercial papers as a % of total public funds	0.00%
(a)(ii)	Commercial papers as a % of total liabilities	0.00%
(a)(iii)	Commercial papers as a % of total assets	0.00%
(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	33.93%
(c)(ii)	Other Short-term liabilities as a % of total Liabilities	32.08%
(c)(i)	Other Short-term liabilities as a % of total Assets	10.94%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(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 Finance & Asset Liability Supervisory 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 an year (Excluding NCD Maturity of original tenor less than 1 year)

NOTE "46"

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, 2021

(₹ 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	1,43,667	776	1,42,891	574	202

NOTE "47"

Tata Capital Limited is registered with RBI as a Non-Deposit taking, Systemically Important Core Investment Company (CIC-ND-SI). In compliance with the 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. With reference to relief packages announced by RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the group companies have not opted for payment moratorium and hence, there is no impact of these circulars on the financial position of the Company.

The Company has assessed its Expected Credit Losses ("ECL") in line with the RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. Accordingly, no impairment reserve is required to be created.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

NOTE "48"

The Parliament has approved the Code on Social Security, 2020 which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be notified after which the financial impact can be ascertained. The Company will complete its evaluation and will give appropriate impact in the financial statements following the Code becoming effective and the related rules to determine the financial impact being notified.

NOTE "49"

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.

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	**Malvika Sinha** (Director) DIN: 08373142	**Varsha Purandare** (Director) DIN : 05288076 (Pune)
Akeel Master Partner Membership No: 046768	**F. N. Subedar** (Director) DIN: 00028428	**Aarthi Subramanian** (Director) DIN: 07121802	**Rajiv Sabharwal** (Managing Director & CEO) DIN: 00057333
Mumbai April 23, 2021	**Sarita Kamath** (Company Secretary)	**Rakesh Bhatia** (Chief Financial Officer)	

TATA CAPITAL

Count on us

TATA CAPITAL LIMITED

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