

TATA CAPITAL FINANCIAL SERVICES LIMITED

Annual Report 2017-18

Corporate Information

Board of Directors	Mr. Rajiv Sabharwal Mr. F. N. Subedar Mr. Mukund S. Dharmadhikari Ms. Anuradha E. Thakur Mr. M. D. Mallya Mr. Kusal Roy
Chief Financial Officer	Mr. Puneet Sharma
Company Secretary	Ms. Avan Doomasia
Statutory Auditors	B S R & Co. LLP
Registered Office	Tower A, 11th floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
Corporate Identification Number	U67100MH2010PLC210201

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BOARD'S REPORT

To the Members,

The Board has pleasure in presenting the Eighth Annual Report and the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2018.

1. BACKGROUND

Tata Capital Financial Services Limited ("Company" or "TCFSL") is a wholly owned subsidiary of Tata Capital Limited ("TCL") and is a Systemically Important Non Deposit Accepting Non Banking Finance Company, holding a Certificate of Registration dated November 4, 2011 from the Reserve Bank of India ("RBI").

The Company is headquartered in Mumbai and has a wide network of 112 offices across India.

2. INDUSTRY AND ECONOMIC SCENARIO

The global economy is estimated to have grown by 3.2% in 2017, the best growth rate recorded since 2011. This growth was broad based with most major developed economies showing a positive growth trajectory while the return of global growth is good for exports and developing economies like India in general, a consequence of the growth is tighter monetary policy at the margin by the leading central banks. The combined effect of home country growth, coupled with increasing global interest rates, will put pressure on surplus global liquidity and consequent inflows into India. Further, global commodities like oil and metals witnessed a very large run up in prices with oil nearly doubling from its 2016 lows. It is estimated that every US\$ 10 increase in oil prices beyond US\$ 68 per barrel has the potential impact of approximately 30 bps on Indian inflation and approximately 10 bps on growth. Oil prices will, hence, be one of the most crucial factors affecting India in the coming year, as it has an effect on inflation, fiscal deficit, balance of payments and currency.

India became the fifth largest global economy in US\$ terms in 2018. India continued on its structural reform path, which is beginning to receive global acknowledgement. Upgradation of India's sovereign rating by Moody's and inclusion of India in the top 100 economies in ease of doing business, are some of the significant outcomes of the reform process.

The economic activity is expected to gather pace in FY 2018-19, benefitting from a conducive domestic and global environment. The key drivers supporting growth will largely be domestic and policy driven. The economy is poised to benefit from receding implementation troubles on Goods and Service Tax ("GST") resulting in higher tax collections, the re-capitalisation of public sector banks and the resolution of distressed assets under the Insolvency and Bankruptcy Code, 2016. Given that this is a run up to

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the election year, the Government's thrust on Rural and Infrastructure sectors could rejuvenate Rural demand as well as Infrastructure and Consumer spending.

The problem of Non-Performing Assets ("NPA") in the banking sector is expected to peak by March 2019 at approximately 11% of gross banking advances. This will constrain the banking system from growing in aggregate. The changing behaviour of the retail consumer is reflected in credit off-take becoming increasingly broad-based and Financialisation of savings. All of these factors augur well for Non - Banking Finance Companies ("NBFC").

Inflation decline in the month of February 2018 was only temporary and inflation is expected to remain within RBI's tolerance limits. RBI is, hence, expected to remain neutral on the policy rate front for most part of FY 2018-19, unless there is clearly an oil price based shock to inflation.

The Company has a cautiously optimistic outlook for the next financial year. Improving growth dynamics, domestic consumption and infrastructure spending and supportive tailwinds from global growth are likely positives for FY 2018-19. The Company will be closely watching the monsoons, timing of monetary policy tightening by the large central banks in advanced economies, protectionist tendencies of large global economies as they have the ability to impact liquidity and inflation, both critical variables impacting our largest resource – "Money".

3. FINANCIAL RESULTS

3.1 Standalone Results

3.1.1 The performance of the Company for the Financial Year ended March 31, 2018, on a Standalone basis is, summarized below:

(Rs. in crore)

Particulars	FY 2017-18	FY 2016-17
Gross Income	4,555	4,192
Less:		
Finance Costs	2,231	2,212
Establishment, Administrative and Other Expenses	1,340	1,500
Amortisation of expenses	6	5
Depreciation	236	143
Profit Before Tax	742	332
Less: Provision for Tax	259	116
Profit After Tax	483	216
Amount brought forward from previous year	375	324
Amount available for appropriation	858	540
Appropriations:		
Special Reserve Account	96	43
Debenture Redemption Reserve	-	-
Interim Dividend on Equity Shares	45	59
Interim Dividend on Preference Shares	87	42

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Dividend Distribution Tax	27	21
Surplus carried to Balance Sheet	602	375

- 3.1.2 The Company's book size increased by Rs. 4,359 crore from Rs. 32,910 crore in FY 2016-17 to Rs. 37,269 crore in FY 2017-18. Gross Income increased by 9% and stood at Rs. 4,555 crore (FY 2016-17: Rs. 4,192 crore). The Company's Profit Before Tax was Rs. 742 crore (FY 2016-17: Rs. 332 crore) and the Profit After Tax increased by about 123% to Rs. 483 crore (FY 2016-17: Rs. 216 crore). The Credit cost (including Standard Asset Provision) stood at Rs. 315 crore (FY 2016-17: Rs. 602 crore).
- 3.1.3 In FY 2017-18, the Gross and Net NPAs decreased to 3.3% and 0.9% as compared to 4.9% and 1.2%, respectively, in FY 2016-17. The decrease in GNPA's is attributable to a combination of efficient collections, larger closing book size and technical write-offs. During the year ended March 31, 2018, the Company had a Fee to Income Ratio of 21% (FY 2016-17: 19%) and Cost to Income Ratio of 49% (FY 2016-17: 47.5%). The Return on Asset and Return on Equity ratio as at March 31, 2018 were at 1.5% and 11.2%, as against 0.7% and 5.8%, respectively, as at March 31, 2017. The Provision Coverage Ratio ("PCR") decreased from 76.2% in FY 2016-17 as compared to 73.4% in FY 2017-18. The Net Interest Margin ("NIM") increased by 15% and stood at Rs. 1,630 crore (FY 2016-17: Rs. 1,419 crore).
- 3.1.4 During FY 2017-18, no amount was transferred to the Company's Debenture Redemption Reserve ("DRR") since, as at March 31, 2018, the DRR balance stood at Rs. 300 crore, which is in excess of the limits prescribed under the Companies Act, 2013 ("Act"), for maintaining DRR by NBFCs on its debentures issued to the Public.
- 3.1.5 Pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, a provision at the rate of 0.4% on standard assets amounting to Rs. 36.64 crore was made in FY 2017-18, as against 0.35% and Rs. 30.08 crore, respectively, in FY 2016-17.
- 3.1.6 As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. An amount of Rs. 96.52 crore (FY 2016-17: Rs. 43.19 crore), being 20% of the profits, has been transferred to the said Reserve. An amount of Rs. 602 crore has been carried to the Balance Sheet as Surplus.

3.2 Consolidated Results

- 3.2.1 During FY 2017-18, the Company had one associate company, International Asset Reconstruction Company Private Limited ("IARC"). However, "IARC" has ceased to be an associate, with effect from March 9, 2018. As at March 31, 2018, the Company does not have any associate company.

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3.2.2 The performance of the Company for the Financial Year ended March 31, 2018, on a consolidated basis is, summarized below:

(Rs. in crore)

Particulars	FY 2017-18	FY 2016-17
Gross Income	4,555	4,192
Less:		
Finance Costs	2,231	2,212
Establishment, Administrative and Other Expenses	1,340	1,500
Amortisation of expenses	6	5
Depreciation	236	143
Profit Before Tax	742	332
Less: Provision for Tax	259	116
Profit After Tax	483	216
Share of Profit of Associates (upto March 8, 2018)	0.39	2
Profit for the year attributable to the shareholders of the Company	483	218

4. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2018, was Rs. 1,297.55 crore, which was entirely held by TCL and its nominees.

During FY 2017-18, the Company raised funds by issuing Compulsorily Convertible Cumulative Preference Shares (“CCCPS”) of Rs. 10 each aggregating Rs. 575 crore, on a Rights basis to TCL, carrying a dividend rate of 8.5% p.a. As a consequence of the aforesaid issuance, the paid-up Preference Share Capital of the Company stood at Rs. 1,520 crore, as on March 31, 2018.

5. DIVIDEND

5.1. Interim Dividend

During FY 2017-18, the Board of Directors of the Company declared Interim Dividend, as under:

- (i) At the Meeting of the Board of Directors held on July 26, 2017, at the rate of 9% i.e. Rs. 0.90 per CCCPS on 94,50,00,000 CCCPS of Rs. 10/- each, for a period of 91 days from April 1, 2017 upto June 30, 2017, aggregating Rs. 21.20 crore.
- (ii) At the Meeting of the Board of Directors held on March 20, 2018:
 - At the rate of 9% p.a. i.e. Rs. 0.90 per CCCPS on 94,50,00,000 CCCPS of the Company, from July 1, 2017 to March 31, 2018, aggregating Rs. 63.85 crore;
 - At the rate of 8.5% p.a. i.e. Rs. 0.85 per CCCPS on 17,50,00,000 CCCPS of the Company, on a *pro rata* basis, from the date of issue up to March 31, 2018, aggregating Rs. 2.18 crore; and
 - At 3.50% p.a. i.e. Rs. 0.35 per Equity Share (FY 2016-17: Rs. 0.45 per Equity Share), aggregating Rs. 45.41 crore (FY 2016-17: Rs. 58.39 crore).

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The dividend distribution tax on the above dividend payments was Rs. 27.01 crore (FY 2016-17: Rs. 20.5 crore).

5.2. Final Dividend

The Directors do not recommend payment of any final dividend on the Equity Shares for FY 2017-18.

Further, since the Company has paid Dividend aggregating Rs. 87.26 crore on the Preference Share Capital allotted up to March 8, 2018, for FY 2017-18, by way of an Interim Dividend, the Directors do not recommend any final dividend on those Preference Shares.

At the Meeting of the Board of Directors held on April 30, 2018, the Board recommended the payment of a final dividend of 8.50% on the following CCCPS:

- (i) 25,00,00,000 CCCPS aggregating Rs. 250 crore and allotted on March 21, 2018; and
- (ii) 15,00,00,000 CCCPS aggregating Rs. 150 crore and allotted on March 31, 2018,

for FY 2017-18, on a *pro rata* basis up to March 31, 2018, subject to the approval of the Members at the ensuing Annual General Meeting (“AGM”). The said Dividend, if approved by the Members, would involve a cash outflow of Rs. 0.81 crore (including dividend distribution tax of Rs. 0.14 crore).

6. REVIEW OF OPERATIONS OF THE COMPANY

6.1. Corporate Finance Division

The Corporate Finance Division (“CFD”) comprises two broad business areas, viz. Commercial Finance and Infrastructure Finance, comprising the Special Assets Management Group (“SAMG”).

The Closing Book of CFD stood at Rs. 21,352 crore (FY 2016-17: Rs. 19,264 crore), comprising Commercial Finance: Rs. 20,875 crore (97.8%) and SAMG: Rs. 477 crore (2.2%).

6.1.1 Commercial Finance:

The Commercial Finance Business specializes in product offerings ranging from Vanilla Term Loans, Working Capital Term Loans, Channel Finance, Bill Discounting, Construction Equipment (“CEQ”) Finance, Equipment Finance, Leasing Solutions, Lease Rental Discounting, Promoter Finance and Structured Products. This Business serves over 11,633 customers through its business verticals viz. Large Corporate, Mid and Emerging Corporate and Government Business. All the verticals are supported by the respective Product teams, which help these verticals in extending the right product mix to the customer. Further, a Syndication and Structured Finance

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team supports all the business verticals, with special focus on debt syndications, down selling and structured transactions.

For the year under review, the Commercial Finance Business ended with a book of Rs. 20,875 crore as compared to Rs. 18,229 crore at the end of FY 2016-17. Gross Income grew by 7.4% from Rs. 1,928 crore in FY 2016-17 to Rs. 2,024 crore in FY 2017-18. This segment disbursed loans of Rs. 63,960 crore during FY 2017-18, through its diverse, customer-centric product offerings.

During FY 2017-18, the Channel Finance Business continued to be the largest contributor of book in Commercial Finance. This Business ended FY 2017-18 with a book of Rs. 8,167 crore (FY 2016-17: Rs. 6,733 crore).

During FY 2017-18, the CEQ Finance Business (including Rental Division) continued to be amongst the top five players in the industry. This Business ended FY 2017-18 with a book of Rs. 3,188 crore (FY 2016-17: Rs. 2,741 crore) and disbursed loans of Rs. 2,186 crore in FY 2017-18 (FY 2016-17: Rs. 1,874 crore).

During FY 2017-18, Leasing Business continued to report good growth in its book and maintained asset quality in both, primary and secondary leases, despite the headwinds faced by the business due to GST roll-out and impact. As at March 31, 2018, the outstanding book was about Rs. 1,136 crore consisting of a healthy mix of Capital Goods, Information Technology, Auto and Office Equipment leased to corporate entities. Operating leases constitute nearly 64% of the equipment provided on lease.

TCFSL is emerging as the leading Leasing Solutions provider and a one-stop for customer providing a suite of financing and leasing solutions across varied assets. TCFSL aspires to scale up the business through strategic initiatives and leveraging a strong foothold in the Commercial Finance Business.

The Commercial Finance Business is committed to being a complete financial solutions partner to its customers, through high quality service levels and innovative products, which provide value to its customers.

6.1.2 SAMG:

SAMG was formed on April 1, 2015 to manage the Project Finance portfolio of the erstwhile Infrastructure Finance division. SAMG managed a portfolio of Rs. 1,680 crore as at April 1, 2016 which reduced to Rs. 477 crore as at March 31, 2018, as a result of recovery and write off.

The key objectives of SAMG are, as under:

- Primary responsibility of identifying, quantifying and minimizing the loss that could be incurred on impaired assets, with focus on reduction in impaired asset portfolio through proactive asset management, legal actions, disposals, debt re-structuring and portfolio monitoring, on an ongoing basis;
- Work out settlement proposals in such a way that the loss is minimized;

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- Identify / initiate dialogue with various special situation funds / NBFCs / lenders / Asset Reconstruction Companies (“ARC”) for takeover of the Company’s debt;
- Develop expertise to acquire stress portfolio from other NBFCs / Banks and undertake fee based stress advisory mandates.

During FY 2017-18, total Collections by SAMG team was Rs. 311 crore, comprising cash recoveries of Rs. 251 crore, income recognized as realised Rs. 47 crore and realization on assets held for sale of Rs. 13 crore.

6.2. Consumer Finance

The Company offers, through its Consumer Finance and Advisory Business (“CFAB”), a wide range of consumer loans such as Auto Loans (New and Used Car Loans, Tractor Loans, Commercial Vehicle Loans and Two Wheeler Loans), Business Loans, Loans against Property, Personal Loans, Consumer Durables Loans and Loans against Securities. Disbursements in FY 2017-18 aggregated Rs. 10,868 crore as compared to Rs. 9,018 crore in FY 2016-17, representing an increase of about 21%. Gross Income grew by 14% from Rs. 1,966 crore in FY 2016-17 to Rs. 2,238 crore in FY 2017-18. Disbursement of Loans against Property increased from Rs. 2,854 crore in FY 2016-17 to Rs. 3,010 crore in FY 2017-18, representing a growth of 6% over the previous year. Disbursement of Personal Loans and Business Loans increased from Rs. 2,664 crore in FY 2016-17 to Rs. 3,285 crore in FY 2017-18, representing a growth of 23% over the previous year. Auto Loan disbursements of Rs. 2,530 crore constituted 23% of the overall CFAB disbursements for the year. Disbursements of high margin focus products remained flat at 35% during FY 2017-18.

CFAB continued its focus on margin expansion while the overall interest rates decreased in the Indian economy which has an impact on the fixed yield portfolio. NIM increased from 6.6% in FY 2016-17 to 7% in FY 2017-18. Continued focus on leveraging the Tata ecosystem has resulted in disbursements increasing from Rs. 276 crore in FY 2016-17 to Rs. 432 crore, in FY 2017-18.

As at March 31, 2018, the Assets Under Management of the Wealth Management business was Rs. 5,033 crore, crossing a major milestone of Rs. 5,000 crore during FY 2017-18 and the business posted a profit of Rs. 3 crore. Tata Cards, a White Label Credit Card in partnership with SBI Cards and Payments Services Limited, has nearly 1.9 lakh cards in force as at March 31, 2018.

For FY 2017-18, CFAB’s closing book of Rs. 15,859 crore (FY 2016-17: Rs. 13,579 crore) comprised Auto Loans of Rs. 4,887 crore (31%), Business Loans and Personal Loans of Rs. 4,470 crore (28%), and Loans against Property of Rs. 5,816 crore (37%) the balance being other Retail loans. Loans against Property grew by 22% whereas Business Loans and Personal Loans grew by 31% in FY 2017-18 as compared to the previous year. These products have attained a strong market position in key high growth markets like Delhi NCR, Mumbai, Bengaluru and Hyderabad. Owing to these changes, the financial contribution of these businesses has shown material improvement.

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Going forward, CFAB plans to grow its business through partnership with Tata Group Consumer Companies as well as a continued focus on cross sell to its existing customers of Consumer Durable loans as well as Personal Loans. Additionally, it continues to focus on high NIM products, increase customer acquisition, especially through expanding its Consumer Durables loans business, Two Wheeler loans business, balancing its product mix, ramping up fee based income, optimizing operating costs and improving collection efficiency for further enhancing its profitability.

CFAB also plans to leverage analytics capabilities to explore opportunities in the market and offer unique products and solutions to new as well as existing customers. There are plans to automate several processes to ensure Quick Turnaround. Cost Optimization initiatives have been taken to specifically focus on acquisition costs, manpower cost, process simplification, digitization and infrastructure cost.

7. OVERVIEW OF SUBSIDIARIES AND ASSOCIATES

As on March 31, 2018, the Company did not have any subsidiary company nor any associate company.

IARC is registered with RBI under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI”), as a Securitisation and Reconstruction Company. IARC was promoted in 2002 by professionals from the banking and financial services sector, for reconstruction of financial assets.

During FY 2017-18, on account of acquisition of 51% stake in the equity share capital of IARC by a new investor, TCFSL’s shareholding in IARC reduced from 25.37% to 16.57%. Accordingly, IARC ceased to be an associate of TCFSL, with effect from March 9, 2018.

8. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the provisions of Section 129(3) of the Act, a separate statement containing the salient features of the Financial Statements of IARC, its Associate Company, in the prescribed Form No. AOC-1, is also included in the Annual Report at Page No. 194 .

The Financial Statements of the Company, including the Consolidated Financial Statements, are also available on the website of the Company, www.tatacapital.com.

9. FINANCE

During FY 2017-18, the Company met its funding requirements through a combination of short term debt (comprising Commercial Papers, Inter-Corporate Deposits (“ICDs”) and Bank Loans) and Long Term debt (comprising Non-Convertible Debentures (“NCDs”) and Bank Loans).

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During FY 2017-18, the Company issued NCDs on a private placement basis, under the following categories:

Category	Amount (Rs. in crore)
Secured Redeemable NCDs	6,075.80
Unsecured NCDs	800.00
Unsecured NCDs by way of Perpetual Debt	318.00

The Company securitized some of its receivables aggregating Rs. 414.43 crore.

The aggregate debt outstanding as at March 31, 2018 was Rs. 31, 339 crore (of which, Rs. 18,471 crore was payable within one year). The Debt / Equity ratio as on March 31, 2018 was 6.73 times. The Company has been regular in servicing all its debt obligations.

10. CREDIT RATING

During the year under review, Rating Agencies reaffirmed / issued ratings to the Company, as under:

RATING AGENCY	RATING	NATURE OF SECURITIES
ICRA	ICRA A1+ CRISIL A1+ (Short Term)	Commercial Paper
ICRA	ICRA A1+ (Short Term)	Bank Loan
ICRA	ICRA AA+ (Long Term)	Secured NCDs on a private placement basis, Secured NCDs issued to Public, NCDs by way of Subordinated Debt and Bank Loan
ICRA	ICRA AA	Unsecured NCDs by way of Perpetual Debt
CARE	CARE AA+	Secured NCDs on a private placement basis, Secured NCDs issued to Public and NCDs by way of Subordinated Debt and Bank Loan
CARE	CARE AA	Unsecured NCDs by way of Perpetual Debt
CRISIL	CRISIL AA+	Secured NCDs on private placement basis and Unsecured NCDs on private placement basis
CRISIL	CRISIL AA	Unsecured NCDs by way of Perpetual Debt (Upgraded from AA- to AA)

11. RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy with focus on building risk management culture across the organisation. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. The Risk Management process is governed by the Comprehensive

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Enterprise Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring as an ongoing process that is supported by a robust risk reporting framework. It entails establishment of robust systems and processes within the Enterprise Risk Management Framework to mitigate risks effectively. Risk Management at the Company covers Credit Risk, Market Risk, Operational Risk, Fraud Risk and other risks. The Risk Management Practices of Tata Capital are compliant with ISO 31000:2009, which is the International Standard for Risk Management that lays down Principles, Guidelines and Framework for Risk Management in an organisation. TCFSL successfully underwent ISO 9001:2015 surveillance audit for the operations of its assets businesses, without any major non-conformity.

The Risk Management Committee (“RMC”) of the Board assists the Board in its oversight of various risks mentioned above. The RMC reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyses risk exposures related to specific issues and provides oversight of risk across the organisation.

The Credit Risk management structure includes separate credit policies and procedures for various businesses. The risk policies define prudential limits, portfolio criteria, exceptional approval metrics, etc. and cover Risk assessment for new product offerings. Concentration Risk is managed by analysing counter-party, industry sector, geographical region, single borrower and borrower group. While Credit Committees approve counter-party credit exposure in line with the Delegation of Power and Authority assigned by the Board of Directors, the Credit Monitoring Committee primarily focuses on post sanction monitoring. Retail Finance credit approval is based on product / programs and monitoring is primarily done at the portfolio level across products and programs. Periodic scenario analysis of the credit portfolio is conducted and necessary corrective measures are implemented.

Management of Liquidity (Asset Liability and Interest Rate) and Market Risk is carried out using quantitative techniques such as sensitivity and stress testing. The Finance and Asset Liability Supervisory Committee reviews liquidity risk and the interest rate risk profile of the organization, on a regular basis.

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 organisation.

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.

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12. INTERNAL CONTROL SYSTEMS

The Company'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.

The Company's internal control system is commensurate with the size, nature and operations of the Company.

13. INTERNAL FINANCIAL CONTROLS

The Management had reviewed the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). Entity Level Control framework document based on COSO 2013 framework has been documented. The documentation of process maps, key controls, standard operating procedures and risk registers has been completed for all businesses and functions. Further, during FY 2017-18, 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, 2018. Based on the above, the Board believes that adequate Internal Financial Controls exist and are effective.

14. INFORMATION TECHNOLOGY SUPPORT

Information Technology ("IT"), after having achieved stability in the core systems and close to total automation of all the business processes, is now moving to a Transformation and Leadership phase.

The focus will be on the use of data analytics and digitalization as strategic levers for achieving business objectives.

Some key projects that had been initiated would be completed this year and would transform the IT landscape. The Company would be moving its data centre and key software assets to the cloud to achieve scalability and elasticity to support its business growth at optimum costs. The Company will also enhance its Digital platform for both the Retail and the Corporate businesses, covering all aspects of Social, Mobility, Analytics and Cloud. Use of Artificial Intelligence ("AI") and Machine Learning ("ML") will also be a key focus area to drive business growth, automate processes, improve productivity and enhance customer experience.

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During FY 2017-18, the RBI had issued the 'Master Direction – Information Technology Framework for the NBFC Sector' ("Master Directions") on June 8, 2017 and all NBFCs were required to comply with these Master Directions by June 30, 2018. Accordingly, for adequate IT Governance, the Company, *inter alia*, adopted an Information Technology Policy, Information Security Policy and Cyber Security Policy.

15. DIGITAL PLATFORM

The Company has continued to evolve on its digital journey – and has, over the last year, invested in building a comprehensive set of products and a slew of new-to-market processes to improve efficiency, deliver best-in-class solutions to its customers and enhance productivity.

The Company strongly believes that analytics, backed by top-of-the-line technology is core to the Company's business strategy. It plays a key role in customer acquisition, developing predictive models to help while creating a more personalised and seamless customer experience across all platforms and building superior underwriting capabilities. It has leveraged this through various initiatives launched in the year, including developing a scoring model using alternate data sources for acquisition, instituting a scorecard for small ticket Business Loans and through tie-ups with Industry experts, co-created score cards for credit risk assessment for smaller ticket commercial finance loans.

With new-age solutions emerging at every corner, the Company has adapted by creating a robust and scalable set of solutions for all its retail and institutional customers. 'TatkalCEQ loans', which is an industry first web application for CEQ Finance; the 'Digital Lending Platform' for corporate customers, which makes borrowing a very convenient and transparent process for customers; implementation of a superior CRM platform for improving internal process efficiencies and the introduction of Biometric eKYC to enable faster on-boarding of customers are some of the solutions that have been developed. Working with FinTechs has also helped the company tap new segments like Online Consumer Durable Loans and other End Use Loans.

It has also enhanced the experience across current products and processes, including the Online Chatbot - which has moved beyond the realm of a simple service to a sales engagement channel and stimulating the customer at every step through an assisted contact centre.

In the current year, FY 2018-19, Tata Capital will continue to build platforms for sales and service, create seamless product journeys and enhance self-service solutions while partnering with FinTechs to create more robust ecosystems.

16. HUMAN RESOURCES

The Company recognises people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset.

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The Company had 2,612 permanent employees on the rolls of the Company as at March 31, 2018.

Tata Capital's mission of creating a high performance culture has been further strengthened through areas such as building a capability model (identification of critical competencies), nurturing talent through interventions such as coaching, competency based training programs and cross functional projects.

Tata Capital's third Cultural Survey, based on the ten identified attributes and conducted by the Gallup Organisation in 2017, has given it a very healthy and positive score of 4.31 on a scale of 5 (4.25 in 2015).

Tata Capital's focus on Employee Engagement has resulted in its overall Employee Engagement Scores (Q12) climbing steadily from 3.52 in 2009 to 4.14 in 2016, in surveys, conducted by the Gallup Organisation.

As part of the journey to becoming a benchmark organisation in HR practices, Tata Capital has achieved its People Capability Maturity Model ("P-CMM") Level 3 Certification and further assessed at Level 4 (SCAMPI B equivalent assessment) and has now embarked on the journey of achieving Level 5 Certification. In addition, during the 8th CII HR Excellence Award process – 2017-18, Tata Capital was recognized with the "Significant Achievement in HR Excellence Award."

Tata Capital's Learning & Development ("L&D") initiatives are focused on enhancing the functional and behavioural competencies of its employees through L&D interventions, such as Executive Development Programs, e-learning and various classroom based training programs. Tata Capital was awarded the Kamikaze B2B Employee Engagement Awards for Best Use of Training in Employee Engagement and Best use of Voice of the Employee award for FY 2017-18. It was also awarded the Best Blended Learning Program at the TISS - Leapvault CLO Awards 2017.

Tata Capital also achieved key milestones in FY 2017-18, wherein some of the key HR processes were digitized and made fully operational, supporting the fast pace of our growing manpower and thus achieving an objective of improved employee experience, better employee insight and moving towards a paperless environment.

Tata Capital is committed to maintain the highest standards of health, safety and security for its employees and business associates and to operate in a healthy and safe environment.

17. BUSINESS DEVELOPMENT

During the year, the Business Development Group ("BDG") enabled opportunities and relationships within and outside the Tata Group, to the benefit of various businesses of the Company. The BDG also enhanced its interactions with domestic industry and trade bodies and with other entities, with a view to promoting the Tata Capital brand and laying the groundwork for future business.

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18. CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is deeply rooted in the Tata Group's business philosophy. The Group companies have a sense of responsibility towards making use of its existing resources and knowledge to not only make profits but also solve social and environmental issues.

The Company shares 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 defined a Corporate Social Responsibility ("CSR") policy which outlines the thrust areas of development, viz. Livelihood and Employability, Health, Education and Environment, as adopted by the CSR Committee and the Board of Directors of the Company, which is available on the Company's website, www.tatacapital.com.

For FY 2017-18, the CSR budget of the Company was Rs. 10.12 crore, this being 2 percent of the average net profit of the Company, in the three immediately preceding financial years, calculated as per Section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. In addition to the approved CSR budget, the Company contributed Rs. 0.02 crore towards a charity engaged in cancer treatment. The aggregate CSR expenditure for FY 2017-18 was Rs. 10.14 crore.

The budget was spent towards projects and programmes, covered under Schedule VII to the Act, as approved by the CSR Committee of the Board. To conceptualise and implement the projects, the Company 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 & evaluation mechanisms. This helps to bring the desired positive and measurable results for the target beneficiaries. More details on the CSR activities is annexed herewith as Annexure 'A'.

Additionally, the Company adheres to the Tata Group's Tata Affirmative Action Programme based on the framework defined by Confederation of Indian Industries. The framework focusses 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, the Company also adheres to 'Essentials' as another category to provide for basic services like shelter, water and electricity.

19. COMPLIANCE

The Company has complied with all the applicable regulations of RBI during FY 2017-18. With respect to provisioning of non-performing assets, the Company follows stricter norms than those prescribed by RBI. The Capital to Risk Assets Ratio of the Company is 16.70% as on March 31, 2018, which is more than the prescribed minimum of 15%.

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The Company has adopted a Compliance Risk Management Charter for monitoring and supervising the compliance requirements.

20. 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.

21. DETAILS OF LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company, since the Company is an NBFC.

At the Extraordinary General Meeting of the Company held on March 30, 2015, the Members had approved a limit of Rs. 3,500 crore for making investment in securities of other companies. Details of investments made which are covered under the provisions of Section 186 of the Act, are given in Note No. 13 to the Financial Statements.

22. DIRECTORS

Based on the recommendation of the Nomination and Remuneration Committee ("NRC") of the Company, the Board of Directors approved the appointments of the following Directors, during FY 2017-18:

- (i) Re-appointment of Mr. Praveen P Kadle (DIN: 00016814) as the Managing Director & CEO of the Company, with effect from September 18, 2017 up to March 31, 2018. Mr. Kadle was also re-appointed as the Managing Director & CEO of TCL, the holding company, for the same period, his appointment in TCFSL being co-terminus with his appointment as Managing Director & CEO of TCL;
- (ii) Appointment of Mr. Rajiv Sabharwal (DIN: 00057333) as an Additional Director and Non-Executive Director of the Company, with effect from April 1, 2018. The said appointment was approved by the RBI vide its letter dated March 28, 2018. Mr. Sabharwal holds office up to the ensuing Annual General Meeting ("AGM") and is eligible for appointment as a Director; and
- (iii) Appointment of Mr. Kusal Roy (DIN: 02268654), as the Managing Director of the Company for a period of five years, with effect from April 1, 2018. The said appointment was approved by the RBI vide its letter dated March 28, 2018. Mr. Roy holds office up to the ensuing AGM and is eligible for appointment as a Director.

Further, based on the recommendation of the NRC, Mr. Rajiv Sabharwal was appointed as the Chairman of the Company, with effect from April 1, 2018.

Apart from the above, during the year, Mr. Janki Ballabh (DIN: 00011206) retired as an Independent Director of the Company, with effect from end of day on

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October 23, 2017, in accordance with the Governance Guidelines on Board Effectiveness adopted by the Company and Mr. Praveen P. Kadle (DIN: 00016814) retired as the Founding Managing Director & CEO of Company, with effect from the end of day on March 31, 2018.

The Directors place on record their appreciation for the valuable contribution made by Mr. Ballabh and Mr. Kadle, during their tenure as Directors of the Company.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Devadas Mallya Mangalore (“Mr. M. D. Mallya”) (DIN: 01804955), 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 of the Company, for the brief Resumes of Mr. Mallya, Mr. Sabharwal and Mr. Roy.

Pursuant to the ‘Fit and Proper’ Policy adopted by the Company under the RBI Master Directions for NBFCs, the Company has received the ‘Fit and Proper’ declarations from Mr. Mallya, Mr. Sabharwal and Mr. Roy for their respective re-appointment / 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. Mr. Mukund S. Dharmadhikari (DIN: 05003224) and Ms. Anuradha Thakur (DIN: 06702919), stating that they meet the criteria of independence as provided in Section 149(6) of the Act.

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

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance and of the individual Directors (including the Chairman) as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the 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 the Securities and Exchange Board of India (“SEBI”) had encouraged companies which were not covered under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“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 Chairperson. The criteria for evaluation of the Board as a whole, *inter alia*, covered parameters such as Structure of the Board, Meetings of the Board and Functions of the Board. The criteria for evaluation of Individual Directors covered parameters such as details of professional qualifications and prior experience relevant to the Company, 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.

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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 Management and the Board was taken into consideration by the Board in carrying out the performance evaluation.

24. 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 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 familiarised 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. The Remuneration Policy for Directors, Key Managerial Personnel 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, Key Managerial Personnel and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company. The Policy on Board Diversity and Director Attributes as also the Remuneration Policy of the Company, are attached as Annexures 'B' and 'C', respectively.

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 Master Directions for NBFCs. The Company has received the 'Fit and Proper' declarations from all the Directors of the Company in April 2018, which have been taken on record by the NRC.

25. KEY MANAGERIAL PERSONNEL

Mr. Praveen P. Kadle, Managing Director & CEO, Mr. Puneet Sharma, Chief Financial Officer and Ms. Avan Doomasia, Company Secretary, were the Key Managerial Personnel ("KMP") of the Company as also the KMPs of TCL, the holding company, for FY 2017-18. During FY 2017-18, Mr. Praveen P. Kadle retired as the Founding Managing Director & CEO and TCL, with effect from end of day on March 31, 2018 and consequently ceased to be a Key Managerial Personnel of the Company.

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Mr. Kusal Roy has been appointed as the Managing Director and Key Managerial Personnel of the Company, with effect from April 1, 2018.

Accordingly, Mr. Kusal Roy, Managing Director, Mr. Puneet Sharma, Chief Financial Officer and Ms. Avan Doomasia, Company Secretary, are the KMPs of the Company, of which, Mr. Sharma and Ms. Doomasia are also the KMPs of TCL.

26. 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 2017-18.

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

- a) in the preparation of the annual accounts, the applicable accounting standards and guidance provided by The Institute of Chartered Accountants of India had been followed and that there are no material departures thereof;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and cash flows of the Company for the year;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the annual accounts on a going concern basis;
- e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were 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.

27. CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, Government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting best practices.

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The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India with a global footprint, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to Tata companies.

The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence, the Key Performance Metrics methodology 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 said TCOC. In addition, the Company has adopted Governance Guidelines on Board Effectiveness, a Code of Conduct for Prevention of Insider Trading, a Code of Corporate Disclosure Practices, a Vigil Mechanism, a Fair Practices Code, an Affirmative Action Policy, a Policy against Sexual Harassment in 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, Internal Guidelines on Corporate Governance, an Occupational Health and Safety Management System and an Anti-Bribery and Anti-Corruption (“ABAC”) Policy.

TCL has signed the Tata Brand Equity and Business Promotion (“BEBP”) Agreement with Tata Sons Limited on behalf of its subsidiaries, including TCFSL, for subscribing to the TATA BEBP Scheme. The Company abides by the TCOC and the norms for using the Tata Brand identity.

a. Board of Directors

The Board of Directors, alongwith the Committees of the Board, provides leadership and guidance to the Company’s Management and directs, supervises and controls the activities of the Company.

The size of the Board is commensurate with the size and business of the Company. As on March 31, 2018, the Board comprised five Directors, viz. Mr. F. N. Subedar, Mr. M. D. Mallya, Mr. Mukund S. Dharmadhikari, Ms. Anuradha E. Thakur and Mr. Praveen P. Kadle.

Mr. Praveen P. Kadle was re-appointed as the Managing Director & CEO of the Company, for a period commencing from September 18, 2017 and ending on March 31, 2018. Mr. Kadle retired as the Managing Director & CEO of the Company, with effect from the end of the day on March 31, 2018. Mr. Janki Ballabh ceased to be an Independent Director of the Company, with effect from the end of day on October 23, 2017, consequent upon his retirement in terms of the Governance Guidelines on Board Effectiveness adopted by the Company. Mr. Rajiv Sabharwal was appointed as a Non-Executive Director and the Chairman of the Board of Directors of the Company, with effect from April 1, 2018. Mr. Kusal Roy, who was appointed as the Managing Director, Designate, with effect from March 1,

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2018, was appointed as the Managing Director of the Company, with effect from April 1, 2018.

Mr. Dharmadhikari and Ms. Thakur are the Independent Directors (“ID”) while Mr. Sabharwal, Mr. Subedar and Mr. Mallya are the Non-Executive Directors (“NED”), of the Company.

The Meetings of the Board held in FY 2017-18 were generally chaired by Mr. Ballabh upto October 23, 2017 and thereafter, by Mr. Subedar.

During FY 2017-18, ten Meetings of the Board of Directors were held on the following dates: April 28, 2017, May 10, 2017; July 26, 2017; September 18, 2017; September 27, 2017; November 2, 2017; January 29, 2018; February 23, 2018; February 28, 2018 and March 20, 2018. The details of Directors, their attendance at Board Meetings and at the previous AGM of the Company are, given below:

Name of Director	Director Identification Number	Category	Board Meetings		Whether present at previous AGM held on August 21, 2017
			Held	Attended	
Mr. Janki Ballabh ¹	00011206	Independent	10	5	Yes
Mr. F. N. Subedar	00028428	Non – Executive	10	8	No
Mr. M. D. Mallya ²	01804955	Non – Executive	10	6	No
Mr. Mukund S. Dharmadhikari	05003224	Independent	10	8	Yes
Ms. Anuradha E. Thakur	06702919	Independent	10	10	Yes
Mr. Praveen P. Kadle ³	00016814	Managing Director & CEO	10	10	Yes

Notes:

1. Mr. Janki Ballabh retired as an Independent Director of the Company, with effect from end of day on October 23, 2017.
2. Mr. M. D. Mallya was appointed as a Non-Executive Director of the Company, with effect from July 17, 2017.
3. Mr. Praveen P. Kadle retired as the Managing Director & CEO, with effect from end of day March 31, 2018.

- Mr. Janki Ballabh, Chairman of the Audit Committee and the NRC, had attended the last AGM of the Company. Mr. F. N. Subedar, Chairman of the Stakeholders Relationship Committee, had authorised Mr. Praveen P. Kadle, a Member of the Stakeholders Relationship Committee, to attend the last AGM on his behalf.

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- The Company paid Sitting Fees to the NEDs and IDs for attending meetings of the Board and the Committees of the Board and will pay Commission for FY 2017-18, within the maximum prescribed limits, to the NEDs and IDs who were Directors of the Company during FY 2017-18, as recommended by the NRC and approved by the Board at their meetings held on April 30, 2018.

Details of Sitting Fees and Commission are, given below:

Name of Director(s)	Sitting Fees paid for attending Board and Committee Meetings during FY 2017-18	Commission paid for FY 2016-17	Commission to be paid for FY 2017-18
Mr. Janki Ballabh ¹	Rs. 6,90,000	Rs. 25,00,000	Rs. 15,00,000
Mr. F. N. Subedar	Rs. 4,00,000	Rs. 25,00,000	Nil
Mr. M. D. Mallya ²	Rs. 6,90,000	Nil	Rs. 19,00,000
Mr. Mukund S. Dharmadhikari	Rs. 9,30,000	Rs. 25,00,000	Rs. 25,00,000
Ms. Anuradha E. Thakur	Rs. 12,60,000	Rs. 25,00,000	Rs. 25,00,000

Notes:

- Mr. Janki Ballabh retired as an Independent Director of the Company, with effect from end of day on October 23, 2017, and hence, Commission will be paid only for part of FY 2017-18.
 - Mr. M. D. Mallya was appointed as a NED of the Company, with effect from July 17, 2017, and hence, Commission will be paid only for part of FY 2017-18.
- None of the NEDs and IDs had any pecuniary relationships or transactions with the Company during the year under review.

b. Committees of the Board

The Board has constituted Committees with specific terms of reference / scope to focus effectively on issues and ensure expedient resolution of diverse matters. These are the Audit Committee, Investment Credit Committee ("ICC"), Finance and Asset Liability Supervisory Committee ("ALCO"), Risk Management Committee ("RMC"), Stakeholders Relationship Committee ("SRC"), NRC, CSR Committee, and the Committee for Review of Policies ("RoP"). 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 of the meetings of all Committees of the Board are circulated to the Board of Directors, for their noting.

i) Audit Committee

The Audit Committee of TCFSL as on March 31, 2018, comprised Mr. Mukund S. Dharmadhikari, as Chairman, Mr. F. N. Subedar and Ms. Anuradha E. Thakur.

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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.

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 and Guidelines issued by the RBI. The Charter is reviewed from time to time and is available on the website, www.tatacapital.com. Given below, *inter alia*, is a gist of the responsibilities of the Audit Committee:

- Recommend the appointment and removal of the Auditors and their remuneration, nature and scope of audit
- Ensure adequacy of internal controls and compliances and recommend remedial measures
- Review adequacy of the Internal Audit function
- Review and monitor the Auditors' independence and performance and effectiveness of the audit process
- Oversee financial reporting process and disclosure of financial information
- Examine the financial statements and the Auditors' Report thereon
- Evaluate internal financial controls and the risk management systems
- Act as a link between the Statutory Auditors, Internal Auditors and the Board of Directors
- Review accounting policies
- Monitor compliance with TCOC
- Approve any transactions of the Company with related parties or any subsequent modifications thereof
- Scrutinise inter-corporate loans and investments
- Evaluate the valuation of undertakings or assets of the Company, if necessary
- Monitoring the end use of funds raised through public offers and related matters
- Review findings of internal investigations, frauds, irregularities, etc.
- Carry out additional functions as contained in the Listing Agreement or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee
- Carry out the responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

During FY 2017–18, nine Meetings of the Audit Committee were held on the following dates: April 28, 2017, June 28, 2017, July 26, 2017, September 8, 2017, November 2, 2017, November 29, 2017, January 29, 2018, February 27, 2018 and March 20, 2018. The composition of the Audit Committee and the attendance of its Members at its Meetings held during FY 2017-18 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Janki Ballabh	Independent	9	4
Mr. F. N. Subedar	Non – Executive	9	6
Mr. Mukund S. Dharmadhikari	Independent	9	9
Ms. Anuradha E. Thakur	Independent	9	8

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Notes:

1. Mr. Janki Ballabh ceased to be the Chairman, with effect from end of day on October 23, 2017; and
2. Mr. F. N. Subedar was appointed as the Chairman, with effect from November 2, 2017.

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 Head - Internal Audit. Further, Meetings of the Audit Committee for consideration of Financials are also attended by the other Directors, as Invitees. The Internal Audit function is headed by the Head of Internal Audit of the Company, who reports to the Chairman of the Audit Committee to ensure independence of operations.

ii) Other Committees

The composition of other Committees, as at March 31, 2018 is, as under:

Director	NRC	RMC	ALCO	SRC	RoP	CSR	ICC
Mr. F. N. Subedar (Non-Executive Director)	-	-	✓ CH	✓ CH	-	✓	-
Mr. M. D. Mallya (Non-Executive Director)	✓ CH	✓	✓	-	✓	-	✓ CH
Mr. Mukund Dharmadhikari (Independent Director)	✓	✓ CH	✓	✓	-	✓	-
Ms. Anuradha E. Thakur (Independent Director)	✓	✓	-	-	✓ CH	✓ CH	✓
Mr. Praveen P. Kadle (Managing Director & CEO)	-	✓	✓	✓	✓	✓	✓

CH – Chairperson

Notes:

1. Consequent to the retirement of Mr. Praveen P. Kadle as the Managing Director & CEO of the Company, he ceased to be the Member of all the Committees in which he was a Member, with effect from end of day on March 31, 2018.
2. The Committees of the Board have been reconstituted as under, with effect from April 1, 2018:
 - a. Mr. Rajiv Sabharwal was inducted as a Member of NRC, ICC, RMC and ALCO.
 - b. Mr. Kusal Roy was inducted as a Member of ICC, RMC, ALCO, RoP, CSR Committee and SRC.
 - c. Mr. Dharmadhikari ceased to be a Member and Chairman and Mr. M. D. Mallya was appointed as Chairman of the RMC.
 - d. Mr. F. N. Subedar ceased to be a Member and Chairman and Mr. Mallya was appointed as the Chairman of ALCO.
 - e. Ms. Anuradha Thakur ceased to be a Member and Chairperson and Mr. Subedar was appointed as the Chairman of the CSR Committee.

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c. 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 .

d. Registered Office

The Registered Office of the Company has shifted from One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai 400 001 to 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013, with effect from April 1, 2018.

e. Means of Communication

The 'Investors' 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, etc. The debenture holders can also send in their queries / complaints at the designated email address: compliance.ncd@tatacapital.com.

f. General Information for Members and Debenture holders

The half-yearly Financial Results of the Company are submitted to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are published in a leading English daily newspaper and also communicated to the Debenture holders every six months through a half-yearly communiqué. Official news releases, including the half-yearly results, are also posted on the Company's website, www.tatacapital.com. The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs ("MCA") is U67100MH2010PLC210201. The Company's NCDs issued to the public, are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Company has Debentures issued to the public and on a private placement basis listed on the Wholesale Debt Market segment of the NSE. Refer Note No. 5 in Financial Statements for details.

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

Debenture Trustees
Vistra ITCL (India) Limited (formerly known as IL & FS Trust Company Limited) The IL&FS Financial Centre, Plot C - 22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. Website: www.itclindia.com Tel: +91 22 2659 3082, Fax: +91 22 2653 3297. e-mail: Sandesh.Vaidya@vistra.com

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IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Website: www.idbitrustee.com Tel: +91 22 4080 7000, Fax: +91 22 6631 1776. e-mail: itsl@idbitrustee.com
Registrar and Transfer Agents
Non – Convertible Debentures issued to the Public
Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Website: www.karvycomputershare.com Tel: +91 40-67161500, Fax: +91 40 2342 0814. e-mail: madhu.c@karvy.com
Non – Convertible Debentures issued on a Private Placement basis
TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011. Website: www.tsrdarashaw.com Tel: +91 22 6656 8484, Fax: +91 22 6656 8494. e-mail: nnair@tsrdarashaw.com

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the unclaimed interest on matured debentures as well as the unclaimed principal amount of the matured debentures would be transferred to the Investor Education and Protection Fund (“IEPF”) after completion of seven years from the date it becomes due for payment. During FY 2017-18, no amount was required to be transferred to the IEPF.

The debenture holders are requested to claim the interest on matured debentures and the amount of matured debentures on the Public NCDs at the earliest, by contacting the Company or the Registrars.

Pursuant to Section 125 of the Act, any person claiming to be entitled to the amount which has been transferred to IEPF, can apply to the concerned authority, for the payment of the money claimed.

28. 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 Ethics mechanism under the TCOC and the Anti-Bribery and Anti-Corruption (“ABAC”) Policy, and it provides for adequate safeguards against victimization of persons who use it.

The Vigil Mechanism provides for access to Tata Capital’s Ethics Committee for reporting concerns and grievances. It also provides access to the Compliance Officer under the ABAC Policy and to the Chairperson of the Company’s Audit Committee /

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the Chief Ethics Counsellor under the Company's Whistle Blower Policy. Information regarding the mechanism and the channels for reporting concerns (including a third-party reporting channel) are communicated to the relevant stakeholders. The Vigil Mechanism, the Whistle Blower Policy, the TCOC and ABAC Policy are available on the website of the Company, www.tatacapital.com.

29. 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' ("POSH") Policy ("Policy"), which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, is in place.

During FY 2017-18, the Company received two complaints under the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', which were duly enquired and closed as per the Policy.

30. STATUTORY AUDITORS

At the Seventh AGM of the Company held on August 21, 2017, B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) ("BSR"), were appointed as the Statutory Auditors of the Company, for a term of five years, to hold office from the conclusion of the Seventh AGM till the conclusion of the Twelfth AGM of the Company to be held in 2022, subject to the ratification of their appointment by the Members at every AGM, if required under the Act.

The Board recommends the ratification of the appointment of BSR as Statutory Auditors of the Company from the conclusion of the ensuing Eighth AGM upto the conclusion of the Ninth AGM of the Company, to the Members.

31. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 and other relevant provisions of the Act, as applicable. Further, the Company follows the RBI Master Directions for NBFCs. The Financial Statements have been prepared on an accrual basis under the historical cost convention. The Accounting Policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.

32. EXPLANATION ON STATUTORY AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by B S R & Co. LLP, Statutory Auditors, in their Report dated April 30, 2018, on the Financial Statements of the Company for FY 2017-18.

TATA CAPITAL FINANCIAL SERVICES LIMITED

33. 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 2017-18. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed as Annexure 'D'.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Parikh & Associates in their Secretarial Audit Report dated April 30, 2018, on the Secretarial and other related records of the Company, for FY 2017-18.

34. 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, 2018 and April 30, 2018, being the date of this Report.

35. RELATED PARTY TRANSACTIONS

The Company has adopted a Policy and a Framework on Related Party Transactions for the purpose of identification, monitoring and approving of such transactions. The said Policy is attached as Annexure 'E'.

A Statement containing details of material contracts or arrangements or transactions with Related Parties on an arm's length basis with respect to transactions as required under Section 188(1) of the Act, in the prescribed Form No. AOC-2, is attached as Annexure 'F'. Further, details of Related Party Transactions, as required to be disclosed by Accounting Standard – 18 on "Related Party Disclosures" specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

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

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

(A) Conservation of energy:

i. Steps taken / impact on conservation of energy:

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

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

TATA CAPITAL FINANCIAL SERVICES LIMITED

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

iii. Capital investment on energy conservation equipments:

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

(B) Technology absorption:

- i. The efforts made towards technology absorption;
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution;
- iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):
 - (a) The details of technology imported;
 - (b) The year of import;
 - (c) Whether the technology been fully absorbed;
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. The expenditure incurred on Research and Development.

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

(C) Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of actual inflows during the year under review was Nil and the Foreign Exchange Outgo during the year under review in terms of actual outflows, was Rs. 13.13 crore.

37. EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, in the prescribed Form No. MGT- 9, is attached as Annexure 'G'.

38. 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, 2018, is attached as Annexure 'H'.

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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, 2018, are provided in a separate Annexure forming part of this Report. In terms of the first proviso to Section 136 of the Act, the Report and the Accounts are being sent to the Members, excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary, at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

39. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is attached as Annexure 'I'.

40. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from RBI, SEBI, Registrar of Companies and other government and regulatory agencies and to convey their appreciation to TCL, the holding company, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation for the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

For and on behalf of the Board of Directors

Mumbai
April 30, 2018

Rajiv Sabharwal
Chairman

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”)
ACTIVITIES

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

Vision: To ensure sustainability by doing what is right, through the adoption of sustainable business practices, employee policies and technologies.

Purpose: To protect the interests of all the stakeholders of the Company and contribute to society at large, by making a measurable and positive difference through the four causes the Company supports viz. Livelihood & Employability, Health, Education and Environment.

Sectors and Issues: To focus on art and culture, education, sports, health, employability, entrepreneurship, environment, volunteering, disaster relief and Tata Group efforts.

For details of the CSR Policy, along with projects and programs, kindly refer to, <http://www.tatacapital.com>.

2. The composition of the CSR Committee:

The Board of Directors have constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Companies Act, 2013 (“Act”). The composition of the Committee as at March 31, 2018 was, as under:

- a) Ms. Anuradha Thakur, Independent Director (Chairperson)
- b) Mr. F. N. Subedar, Non – Executive Director
- c) Mr. Mukund. S. Dharmadhikari, Independent Director
- d) Mr. Praveen P. Kadle, Managing Director & CEO

It may be noted that Mr. Praveen P. Kadle ceased to be a Member of the CSR Committee, with effect from end of day on March 31, 2018, consequent upon his retirement as the Managing Director & CEO of the Company. Accordingly, Mr. Kusal Roy, Managing Director of the Company, was inducted as a Member in place of Mr. Kadle, with effect from April 1, 2018.

3. Average Net Profit of the Company for last 3 Financial Years:

(in Rs.)

Financial Year	Net Profit*
FY 2014-15	4,08,63,00,000/-
FY 2015-16	5,46,89,00,000/-
FY 2016-17	5,62,08,00,000/-
Average Net Profit	5,05,86,66,667/-

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

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

The prescribed CSR expenditure for FY 2017-18 was Rs. 10,11,73,333/-, rounded off to Rs. 10,12,00,000/-. However, the aggregate CSR expenditure for FY 2017-18 was Rs. 10,14,40,400/-.

5. Details of CSR spend during FY 2017-18:

- a. Total prescribed amount to be spent: Rs. 10,12,00,000/-.
- b. Amount unspent, if any: Nil
- c. Manner in which the amount was spent during FY 2017-18 is detailed below:

Sr. No	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the state and District where the projects or programs was undertaken	Amount outlay (Budget) project or Program wise (Rs.)	Amount spent on the projects or Programs Sub heads:		Cumulative expenditure upto the reporting period (Rs.)	Amount Spent	
					Direct Expenditure on projects or Programs (Rs.)	Overheads		Direct	Implementing Agency
1	Cluster Development	Promoting Education	Vikramgad, Palghar, Maharashtra	24,96,305	24,96,305	-	24,96,305		Dnyan Prabodhini Shaikshanik Sanstha
				3,54,280	3,54,280	-	3,54,280		Navneet Education Limited
				1,78,252	1,78,252	-	1,78,252		Pragati Pratishtan
				43,54,155	40,09,095	3,45,060	43,54,155		Pratham Education Foundation
				31,97,718	30,11,463	1,86,255	31,97,718		Magic Bus India Foundation
2	CRY - Dooars Jagaron	Promoting Education	Jalpaiguri, West Bengal	10,31,688	8,59,740	1,71,948	10,31,688		CRY – Child Rights and You
3	Pankh Scholarships and FAEA	Promoting Education	Mumbai, Maharashtra and PAN India	31,18,339	31,18,339	-	31,18,339	PANKH, TCFSL	Pankh Scholarships
		Promoting Education	Mumbai, Maharashtra and PAN India	3,50,000	3,50,000	-	3,50,000		Foundation for Academic Excellence & Access (FAEA)
4	Financial Literacy for children and adults	Enhancing Skills and promoting education	PAN India	20,08,385	19,06,921	1,01,464	20,08,385		Centre for Environmental Research and Education
5	Education Sudhagad	Promoting Education	Sudhagad Pali, Raigad, Maharashtra	4,00,000	4,00,000	-	4,00,000		Sudhagad Taluka Rahivasi Seva Sangha Thane
		Promoting Education	Ahmednagar, Maharashtra	5,10,918	5,10,918	-	5,10,918		Daffodil Industries
6	Social Centre	Promoting Education	Ahmednagar, Maharashtra	4,00,000	4,00,000	-	4,00,000		Social Centre
7	MARG	Promoting education	PAN India	5,00,000	5,00,000	-	5,00,000		The Marg Foundation
8	Skill Development	Enhancing vocational skills as livelihood enhancement projects	PAN India	45,00,000	45,00,000	-	45,00,000		Pratham Education Foundation
				42,56,500	42,56,500	-	42,56,500		Don Bosco Vyawasaik Prashikshan Kendra
				2,47,500	2,47,500	-	2,47,500		BoscoNet
				4,00,000	4,00,000	-	4,00,000		Dooars Jagaron
				2,19,08,127	1,99,11,924	19,96,203	2,19,08,127		Tata Community Initiatives Trust (Tata STRIVE)

				2,86,115	-	2,86,115	2,86,115		Teamlease Education Foundation
				72,00,000	72,00,000	-	72,00,000		Aash Foundation
				27,61,462	27,61,462	-	27,61,462		GRAS Academy NIDAN
				6,00,000	6,00,000	-	6,00,000		TMI e2E Academy Pvt. Ltd (with NIDAN NGO)
				6,00,000	6,00,000	-	6,00,000		Maharashtra Ex-servicemen Corporation Ltd.
9	Promoting arts, sports and culture	Promoting arts and culture	PAN India	17,00,000	17,00,000	-	17,00,000		Shakhri Begum Memorial Trust
				10,00,000	10,00,000	-	10,00,000		Sanjog Charitable Trust
				25,00,000	25,00,000	-	25,00,000		Maharashtra Lalit Kala Nidhi
				17,00,000	17,00,000	-	17,00,000		Vrindaban Trust
				5,00,000	5,00,000	-	5,00,000		The Suburban Music Circle
				20,00,000	20,00,000	-	20,00,000		Shankar Mahadevan Academy
				10,00,000	10,00,000	-	10,00,000		Vasanttrao Deshpande Pratishthan
				3,00,000	3,00,000	-	3,00,000		Wakankar Bharati Sanskruti Anveshan Nyas
10	Promoting athletic talent	Promoting Sports	Bengaluru	47,50,000	47,50,000	-	47,50,000		Prakash Padukone Badminton Academy
				60,000	60,000	-	60,000		All India Sports Council of Deaf
11	Support for hearing impaired individuals	Promoting healthcare	PAN India	96,52,324	96,52,324	-	96,52,324		AURED
12	Aditya Jyot	Promoting Healthcare	Maharashtra	10,21,349	10,21,349	-	10,21,349		Aditya Jyot
13	Entrepreneurship trainings	Livelihood enhancement projects	Aurangabad, Maharashtra Dhamtari, Chattisgarh	5,08,402	5,08,402	-	5,08,402		International Resources for Fairer Trade
14	Project Garima	Promoting Healthcare	Mumbai, Maharashtra	40,00,000	37,00,000	3,00,000	40,00,000		Tata Education and Development Trust Swasth Foundation
15	Disaster Relief	Promoting Healthcare	Gujarat and Bihar	25,00,000	25,00,000	-	25,00,000		Tata Chemicals Society for Rural Development
				7,00,000	7,00,000	-	7,00,000		Tata Power Community Development Trust
16	Impact Assessment	Enhancing vocational skills as livelihood enhancement	PAN India	19,02,189	19,02,189	-	19,02,189		Samhita Social Ventures

		projects, Entrepreneurship							
		Enhancing vocational skills as livelihood enhancement projects, Entrepreneurship	PAN India	10,48,384	10,48,384	-	10,48,384		IDOBRO
17	Admin expenses*	Capacity Building, including expenditure on administrative overheads	PAN India	32,97,608	32,97,608		32,97,608	TCFSL	
18	Promoting Healthcare	Promoting Healthcare	PAN India	0	2,40,400		2,40,400		The dividend paid amount from the HDFC Charity Fund for Cancer Cure – Debt Plan is donated to Indian Cancer Society
TOTAL				10,12,00,000	9,80,53,355	33,87,045	10,14,40,400		
<i>* The Admin Expenses included Rs. 8.13 lakh spent on volunteering activities</i>									

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

Not Applicable, as the amounts have been spent.

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

We hereby confirm that implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR Policy of the Company.

F. N. Subedar
Chairman – CSR Committee
(Non-Executive Director)

Mukund S. Dharmadhikari
Member – CSR Committee
(Independent Director)

Kusal Roy
Member – CSR Committee
(Managing Director)

Mumbai
April 30, 2018

POLICY ON BOARD DIVERSITY AND DIRECTOR ATTRIBUTES

1. PURPOSE

In terms of Section 178 of the Companies Act, 2013 (“Act”) and the Governance Guidelines on Board Effectiveness issued by Tata Sons Limited and adopted by the Board of Directors, the Nomination and Remuneration Committee (“NRC”) of the Board is, *inter alia*, required to formulate a Policy on Board Diversity and lay down the criteria for determining qualifications, positive attributes and independence of a director.

Diversity in the composition of the Board of Directors has become essential in view of the expansion of business, greater social responsibility, increasing emphasis on Corporate Governance, need for addressing concerns of diverse stakeholders and the necessity for managing risks in the business effectively. A Board composed of appropriately qualified and skilled people, with a broad range of experience relevant to the business, is important for effective corporate governance and sustained commercial success of a company.

In view of the above, Tata Capital Financial Services Limited (“TCFSL” or “Company”) has framed this Policy on Board Diversity and Director Attributes (“Policy”) that encourages diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Policy sets out the approach to diversity in the Board of Directors of the Company so as to ensure that the Board has an appropriate blend of functional and industry expertise.

This Policy has been adopted by the Board of Directors of the Company, based on the recommendations of the NRC.

2. OBJECTIVES OF THE POLICY

The Objectives of the Policy include:

- i. Board to drive diversity and have an appropriate blend of functional and industry expertise;
- ii. While recommending the appointment of a director to, *inter alia*, consider the manner in which the function and domain expertise of the individual contributes to the overall skill domain mix of the Board;
- iii. To help the Company build a better Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;
- iv. To achieve an optimum and balanced Board, with a wide range of attributes;
- v. To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations; and
- vi. To have an optimum mix of Executive, Non-Executive and Independent Directors, including Women Directors.

3. POLICY STATEMENT

To meet the above Objectives:

- i. The Board of TCFSL will ensure that a transparent Board nomination process is in place that encourages diversity of thought, experience, skills, knowledge, perspective, age, nationality, gender, cultural and educational background;
- ii. It will be ensured that the Board has an appropriate blend of functional and industry expertise and skills;
- iii. The consideration and selection of candidates for appointment to the Board will be based on merit which shall include a review of any candidate's integrity, experience, educational background, industry or related experience and more general experience;
- iv. Candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience and having the ability to devote sufficient time to the affairs of the Company, should be considered for appointment to the Board; and
- v. While recommending the appointment of a Director, the NRC will consider the criteria as laid down under the Act and applicable Regulations/Guidelines issued by Statutory and Regulatory authorities, as also those issued by Tata Sons Limited, from time to time, and the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

4. MEASURABLE OBJECTIVES

The NRC will largely rely on the regulatory provisions of the Act and the Regulations/Guidelines issued by the RBI (as applicable to a Non-Banking Financial Companies) as also the Guidelines circulated by Tata Sons Limited and review the measurable objectives for achieving diversity against these provisions and recommend the same to the Board for adoption. At any given point of time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

5. MONITORING AND REPORTING

The NRC will review the Policy periodically, which will include an assessment of the effectiveness of the Policy. The NRC will discuss any revision that may be required and recommend the same to the Board for approval.

Remuneration Policy

1. COMPENSATION PHILOSOPHY

Tata Capital Financial Services Limited (“Company”) has adopted a Remuneration Policy based on a defined formal compensation philosophy of Tata Capital Limited, the holding company. In order to build a high performance culture, aligned to the Company’s Vision and Goals, the Compensation Philosophy aims at providing a significant differential to superior performers and also segregating increments and performance payouts, based on the actual performance of various business verticals.

The aforementioned Compensation philosophy helps the Company to manage long term fixed cost, keep up with market compensation and attract the right talent to help drive its growth plans.

The performance of the Company and its Business Units / Functions is measured against annual budgets / targets, set as per the Balanced Score Card (“BSC”). Performance of individuals is measured against Key Result Areas (“KRAs”) set at beginning of year and after considering any revision of target during the year. The Annual Performance Rating would be considered for calculating the Performance Pay. Rating would be on a 5 point scale.

Consistent with the principle of differential influence that an employee may have on the overall performance of the Company, different weights are assigned for the Company’s performance, the performance of Business Units / Functions and the performance of individuals. Thus, employees in entry level / junior management have greater weightage for individual performance, while employees in senior leadership roles have maximum weightage for Company and Business Unit Performance.

2. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The philosophy for remuneration of Directors, Senior Leadership Team, Key Managerial Personnel (“KMP”) and all other employees of the Company is based on the commitment to fostering a culture of leadership with trust. The Remuneration Policy is aligned to this philosophy.

This Remuneration Policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”). In case of any inconsistency between the provisions of law and this Remuneration Policy, the provisions of law shall prevail and the Company shall abide by the applicable law. In case there are any changes in the law, the Company shall comply with the applicable amended provisions. While formulating this Remuneration Policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act which are, as under:

- (a) *the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;*
- (b) *relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and*
- (c) *remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.*

The key principles governing this Remuneration Policy are, as follows:

2.1 Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- (i) Independent Directors (“ID”) and Non-Independent Non-Executive Directors (“NED”) may be paid Sitting Fees (for attending the meetings of the Board and of Committees of the Board of which they may be Members) and Commission within regulatory limits.
- (ii) Within the parameters prescribed by law, the payment of Sitting Fees and Commission will be recommended by the NRC for the approval of the Board.
- (iii) Overall remuneration (Sitting Fees and Commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration, the challenges faced by the Company and its future growth imperatives).
- (iv) Overall remuneration should be reflective of the size of the Company, complexity of the sector / industry / Company’s operations and the Company’s capacity to pay the remuneration.
- (v) Overall remuneration practices should be consistent with recognized best practices.
- (vi) Quantum of Sitting Fees may be subject to review on a periodic basis, as required.
- (vii) The aggregate Commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters, as may be decided by the Board.
- (viii) The NRC will recommend to the Board, the quantum of Commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent at Board and Committee meetings, individual contribution at the meetings and contributions made by Directors, other than at Board and Committee meetings.
- (ix) In addition to the Sitting Fees and Commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his / her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board / Board Committee meetings, General Meetings, court convened meetings, meetings with Shareholders / Creditors / Management, site visits, induction and training (arranged by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his / her duties as a Director.

2.2 Remuneration for Managing Director (“MD”) / Executive Directors (“ED”) / KMP / rest of the employees ^(Note 1)

- (i) The extent of overall remuneration to the MD / ED / KMPs / rest of the employees should be sufficient to attract and retain talented and qualified individuals suitable for their roles.

Hence, remuneration should be:

- market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent);
- driven by the role played by the individual;
- reflective of the size of the company, complexity of the sector / industry / Company’s operations and the Company’s capacity to pay;
- consistent with recognized best practices; and
- aligned to any regulatory requirements.

- (ii) In terms of remuneration mix or composition:
 - the remuneration mix for the MD / EDs should be as per the contract approved by

the Shareholders. In case of any change which is beyond the remuneration approved by the Shareholders, the same would require the approval of the Shareholders.

- basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- in addition to the basic / fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imburements or insurance cover and accidental death and dismemberment through personal accident insurance.
- the Company provides retirement benefits, as applicable.
- in addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the Company may provide MD / EDs such remuneration by way of Commission, calculated with reference to the Net Profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on the performance of the MD / EDs as evaluated by the Board or the NRC and approved by the Board.

OR

- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company may provide to its MD / ED, such remuneration by way of an annual incentive remuneration / performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate, from time to time, by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
 - Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time
 - Industry benchmarks of remuneration
 - Performance of the individual
- The Company will provide the rest of the employees, a performance linked incentive pay. The performance linked pay would be driven by the outcome of the performance appraisal process and the performance of the Company.

2.3 Remuneration payable to Director for services rendered in other capacity

No remuneration will be payable to the Directors for services rendered by such Director in any other capacity unless:

- a) The services rendered are of a professional nature;
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession; and
- c) Approval of the Central Government has been received, if required, for paying the same.

2.4 Loans to employees

The Company may grant loans to its employees on such terms and conditions as may be

determined by the Board or any Committee of the Board, from time to time, in accordance with applicable laws.

2.5 Policy implementation

The NRC is responsible for recommending the Remuneration Policy to the Board. The Board is responsible for approving and overseeing implementation of the Remuneration Policy.

Note 1 Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

(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 FINANCIAL SERVICES LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the audit period);

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
 - (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, 2009 and amendments from time to time (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 Act 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, 1998 (Not applicable to the Company during the audit period).

- (vi) Other laws specifically applicable to the Company, namely:
 - (a) All the Rules, Regulations, Directions, Guidelines and Circulars issued by the Reserve Bank of India applicable to Non-Deposit Accepting Non-Banking Financial Companies which are specifically applicable to the Company
 - (b) Credit Information Companies (Regulation) Act, 2005 and Rules
 - (c) Securities and Exchange Board of India ("SEBI") Circulars and Guidelines for Mutual Funds as applicable to a Mutual Fund Distributor
 - (d) Guidelines with respect to SEBI KYC registration agency (KRA) Regulations, 2011
 - (e) SEBI (Investment Advisers) Regulations, 2013
 - (f) SEBI (Research Analysts) Regulations, 2014
 - (g) The Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Registration of Corporate Agents) Regulations, 2015
 - (h) The Prevention of Money-Laundering Act, 2002 and The Prevention of Money Laundering (Maintenance of Records, etc) Rules, 2005
 - (i) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited with respect to Non-Convertible Debentures issued by

the Company 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.

Majority decision is carried through while the dissenting Members' views are captured and recorded as part of the Minutes of the Meetings.

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, standards, guidelines etc.

- A. During the year, the Company had issued and redeemed the following Non-Convertible Debentures:
- (i) Issued 60,608 Secured Redeemable Non-Convertible Debentures for an aggregate amount of Rs. 6,060.80 crore.
 - (ii) Issued 8,000 Unsecured Redeemable Non-Convertible Debentures for an aggregate amount of Rs. 800 crore
 - (iii) Issued 3,180 Unsecured Redeemable Non-Convertible Debentures in the nature of Perpetual Debt for an aggregate amount of Rs. 318 crore
 - (iv) Redeemed 71,038 Secured Redeemable Non-Convertible Debentures for an aggregate amount of Rs. 7,103.80 crore
 - (v) Redeemed 1,500 Unsecured Redeemable Non-Convertible Debentures for an aggregate amount of Rs. 150 crore.

- B. The Company had issued and allotted 57,50,00,000 Compulsorily Convertible Cumulative Preference Shares of Rs. 10 each aggregating Rs. 575 crore, on a rights basis.
- C. During the year, the shareholding of the Company in its associate company, i.e. International Asset Reconstruction Company Private Limited had reduced below 20% and thereby IARCL had ceased to be the associate of the Company.

For **Parikh & Associates**
Company Secretaries

Mumbai
April 30, 2018

Signature
Jigyasa Ved
Partner
FCS No: 6488 CP No: 6018

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.

To,
The Members
TATA CAPITAL FINANCIAL SERVICES 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. Where ever 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

Signature
Jigyasa Ved
Partner

Mumbai
April 30, 2018

FCS No: 6488 CP No: 6018

POLICY ON RELATED PARTY TRANSACTIONS

1. Executive Summary

This Policy is being framed with the objective of ensuring compliance with the provisions pertaining to Related Party Transactions in the Companies Act, 2013 (“Act”).

Related Party Transactions referred to throughout this Policy shall mean contracts / arrangements / transactions with a Related Party (as defined under the Act). Accordingly, Related Party Transactions may be entered into by the Company only in accordance with this Policy as amended from time to time.

The Policy covers following sections:-

Objective:- Lays down the intent and requirement for drafting this Policy.

Scope:- To give an overview of the legal provisions applicable to Related Party Transactions and lay down the processes for identifying Related Parties and the Related Party Transaction approval.

Definition:- Specifies the key definitions stated in the Act.

Key Principles:-

- (a) Identification, Review of Related Party Transactions
- (b) Broad Parameters to Assess: Ordinary Course of Business
- (c) Broad Parameters to Assess: Arm’s Length
- (d) Materiality Thresholds for Related Party Transactions

Going forward, the Audit Committee would review and recommend amendments to the Policy, as and when required, subject to the approval of the Board.

2. Objective

Section 188 of the Act and the Rules made thereunder require the approval of the Board and the Shareholders of a company for certain transactions entered into by a company with its Related Parties.

Related Party Transactions can present potential or actual conflicts of interest and may raise questions whether such transactions are in the best interest of the Company and its Shareholders. Therefore, this Policy has been adopted by the Company’s Board of Directors, to ensure high standards of Corporate Governance while dealing with Related Parties and sets forth the procedures under which the Related Party Transactions must be reviewed, approved or ratified and reported.

This Policy has been drafted with an objective of ensuring compliance with the provisions pertaining to Related Party Transactions under the Act.

3. Scope

Accordingly, this Policy has been adopted to:

- (a) give an overview of the legal provisions applicable to Related Party Transactions;
- (b) lay down the process for identifying Related Parties;
- (c) identify factors for determining whether a transaction with a Related Party is:
 - on an Arm's Length basis
 - in the Ordinary Course of Business
- (d) for approval / noting of Related Party Transactions.

Note 1:- This Policy is for the purpose of identifying Related Party Transactions and the relevant approval methodology for compliance with the Act and the Rules framed thereunder.

Note 2:- Provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

4. Definition

All capitalised terms used in this Policy document but not defined herein shall have the meaning ascribed to such term in the Act and the Rules framed thereunder, as amended from time to time.

5. Identification and Monitoring of Related Parties

The Secretarial Team shall update the Reference List on the basis of intimations received from the Directors / KMPs or changes in corporate or investment structure, as informed from time to time.

The names / details of all Related Parties identified shall be consolidated, as a Reference List and this Reference List shall be updated on a regular basis by the Secretarial Team.

This Reference List and subsequent updates, as prepared by the Secretarial Team, shall be progressively shared by the Controllership Team with all Business Heads (Division Heads or higher) / Functional Heads, for compliance at their end.

All Related Party Transactions for the period shall be reported to the Company Secretary who shall place the same for approval / noting / ratification by the Audit Committee, in accordance with this Policy.

To review a Related Party Transaction, the Board / Audit Committee will be provided with all the relevant information pertaining to the Related Party Transaction, including the name of the related party, the nature of the relationship, nature of the transaction, whether the transaction is in the 'Ordinary Course of Business', whether the transaction is at 'Arm's Length' and any other matter, as may be required.

The process and controls with respect to identification monitoring of Related Parties and execution of Related Party Transactions would be vis-à-vis an appropriate Framework, as approved by the Board, Audit Committee and Management, instituted for compliance with this Policy.

For assessing whether the transaction is in the Ordinary Course of Business and Arm's Length, Clause 6 of this Policy shall be referred to.

6. Key Principles

A. Broad Parameters to assess - Ordinary Course of Business

The phrase Ordinary Course of Business is not defined under the Act or Rules made thereunder. The Company shall adopt a reasonable approach / methodology to demonstrate 'Ordinary Course of Business' which shall, *inter alia*, include the Nature of the transaction, the frequency / regularity / length of time the company is engaged such transaction, such transaction / action is consistent with the past practices and was taken in the ordinary course of the normal day-to-day operations of such company, common commercial practice i.e. customarily taken, in the ordinary course of the normal day-to-day operations of other companies that is in the same / similar line of business.

The Company shall adopt an appropriate framework to assess whether transactions with related parties are done in the Ordinary Course of Business and Company adopts generally accepted practices and principles in determining whether the transaction is in the 'Ordinary Course of Business'.

B. Broad Parameters to assess – Arm's Length

For transactions between two related parties to be considered to be at Arm's Length Pricing, the transaction should be conducted between the two parties as if the parties were unrelated, so that there is no conflict of interest i.e. Arm's Length Pricing is the condition or the fact that the two related parties transact as independent (un-related) parties and on an equal footing from one or more of the following aspects viz. nature of goods / services, risk assumed, assets / resources employed, key terms / covenants.

In the absence of any guidelines on Arm's Length Pricing in the Act, the Company shall adopt reasonable approach / methodology to demonstrate Arm's Length Pricing for the specified Related Party Transactions identified, which shall, *inter alia*, include, the nature of the transaction, description of functions to be performed, risks to be assumed and assets to be employed, key terms / special terms in the arrangement forming part of a composite transaction;

The Company shall adopt an appropriate framework to assess whether transactions with related parties are done at an Arm's Length and Company adopts generally accepted practices and principles in determining whether the transaction is at "Arm's Length".

C. **Materiality Thresholds for Related Party Transactions**

- (a) The transactions with Related Parties in the Ordinary Course of Business and at Arm's Length within the monetary threshold ("**de minimis threshold**") as approved by the Audit Committee / Board, from time to time, will be placed before the Audit Committee for noting, on a half-yearly basis.
- (b) The Board has stipulated that transactions with Related Parties in the Ordinary Course of Business and at Arm's Length that cross the *de minimis* threshold would require prior approval of the Audit Committee.
- (c) The Company follows Materiality Thresholds for Related Party Transactions as per the Companies Act, 2013 and the applicable Rules framed thereunder for transactions with Related Parties which are not in the Ordinary Course of Business and / or not at Arm's Length basis.

The Company shall institute appropriate framework to provide for approvals / noting of all Related Party Transactions to be in compliance with this Policy.

7. **Disclosure**

The Policy shall be published on the Company's website <http://www.tatacapital.com>.

Form No. AOC - 2

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements / transactions	Amount (Rs in lakh)	Duration of the contracts / arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1.	Tata Capital Limited ("TCL")	Holding Company	a) Issue of Compulsorily Convertible Cumulative Preference Shares ("CCCPS") as Tier-I Capital	57,500	9 years	Compulsorily Convertible into Equity Shares after completion of 9 years from the date of allotment or voluntary conversion at the option of the CCCPS holder; Rate of Dividend being 8.5% p.a.	—
			b) Inter Corporate Deposits ("ICD") accepted during the year	4,63,617	Tenor up to 1 year	Cost of Funds at market borrowing rate	—
			c) ICDs repaid during the year	4,74,662	Tenor up to 1 year	Not Applicable	—
			d) Interest expense on ICDs during the year	6,747	Tenor up to 1 year	Cost of Funds at market borrowing rate	—
			e) ICDs Outstanding - Payable	33,784	Tenor up to 1 year	Cost of Funds at market borrowing rate	—
			f) Dividend paid during the year – Equity Shares	4,541	Not Applicable	Interim Dividend paid for FY 2017-18 during FY 2017-18, at the rate of Rs. 0.35 per Equity Share of Rs. 10 each of the Company.	—
			g) Dividend paid during the year – Preference Shares	8,726	Not Applicable	Interim Dividend paid for FY 2017-18 during FY 2017-18, at the rate of 9% / 8.5% p.a, as applicable.	—
			h) Security Deposit – Refund received	4,667	Tenor upto 5 years	As per the Agreement entered into between the Company and TCL	—
			i) Security Deposit – Given	5,849	Tenor upto 5 years	As per the Agreement entered into between the Company and TCL	—
			j) Security Deposit – Outstanding Receivable	5,847	Tenor upto 5 years	As per the Agreement entered into between the Company and TCL	—
			k) Issue Perpetual Non-Convertible Debentures as Tier-I Capital	12,500	10 years	Yield @ 8.90% p.a.	—

			l) Perpetual Non-Convertible Debentures as Tier-I Capital - Outstanding - Payable	12,500	10 years	Yield @ 8.90% p.a.	—
2.	Tata Business Support Services Limited ("TBSS")	Fellow Subsidiary	Service Provider Charges	4,374	Tenor upto 5years	Service Level Agreement and Manpower based agreement for Outsourcing services between the Company and TBSS. Key services provided by TBSS mainly includes File processing, Central Operations, Branch Operation, Field Investigation, Collection and Customer Call centre	—
3.	Tata Consultancy Services Limited ("TCS")	Fellow Subsidiary	Service Provider Charges	5,028	Tenor upto 4 years	Service Level Agreement for Information Technology services including Hardware and Software support for payment based on fixed run the business services and variable per assignment services between Company and TCS	—
4.	Automotive Stamping And Assemblies Limited	Fellow Subsidiary	a) Loan given during year	4,900	Tenor upto 1 years	Interest @ 11.20% p.a.	—
			b) Loan repayment received during year	3,500	Tenor upto 1 years	Interest @ 11.20% p.a.	—
			c) Loan repayment received during year	450	Tenor upto 5 years	Interest @ 11.50% p.a.	—
			d) Loan – Outstanding - Payable	1,400	Tenor upto 1 years	Interest @ 11.50% p.a.	—
			e) Loan – Outstanding - Payable	1,184	Tenor upto 5 years	Interest @ 11.50% p.a.	—
5	Taj Air Limited	Fellow Subsidiary	a) Loan – repayment received	2,500	Tenor upto 5 years	Interest @ 11.00% p.a.	—
			b) Loan – repayment received	3,500	Tenor upto 5 years	Interest @ 11.25% p.a.	—

Note:

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

Mumbai
April 30, 2018

Rajiv Sabharwal
Chairman

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on March 31, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN: U67100MH2010PLC210201
- ii) Registration Date (Date of Incorporation): November 19, 2010
- iii) Name of the Company: Tata Capital Financial Services Limited
- iv) a) Category: Company limited by shares
- b) Sub-Category of the Company: Indian Non-Government Company
- v) Address of the Registered Office and contact details:

One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai – 400001, Maharashtra, India.

The Registered Office address has changed to 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013 with effect from April 1, 2018.

Contact details:

Tel: 91 22 6606 9000

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

- vi) Whether listed company: Yes. As per Section 2(52) of the Companies Act, 2013, the Company is considered as a listed company since its debentures are listed on BSE Limited and the National Stock Exchange of India Limited.
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

Non – Convertible Debentures issued to the Public	Non – Convertible Debentures issued on a Private Placement basis
Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: +91 04067161500 Fax: +91 040 23420814 www.karvycomputershare.com e-mail: madhu.c@karvy.com	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400011 Tel: 022 66568484 Fax: 022 66568494 Contact: Ms. Nandini Nair e-mail: nnair@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1.	Financing Activity	64990	91.89%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Tata Capital Limited ¹ One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai – 400 001	U65990MH1991PLC060670	Holding Company	100%	Section 2(46)
2	International Asset Reconstruction Company Private Limited ² 709, 7 th Floor, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi – 110001	U74999DL2002PTC117357	Associate Company	16.57%	Section 2(6)

Note:

- The Registered Office address has changed from One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai – 400001 to 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013, with effect from April 1, 2018.
- During FY 2017 – 18, the shareholding of the Company in International Asset Reconstruction Company Private Limited (“IARC”) reduced from 25.37% to 16.57%. Hence, IARC ceased to be an Associate of the Company with effect from March 9, 2018.

IV. A. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	129,75,50,000	129,75,50,000	100	-	129,75,50,000	129,75,50,000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	129,75,50,000	129,75,50,000	100	-	-	-	-	-

Sub-total (A) (1):-					-	129,75,50,000	129,75,50,000	100	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		129,75,50,000	129,75,50,000	100		129,75,50,000	129,75,50,000	100	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		129,75,50,000	129,75,50,000	100		129,75,50,000	129,75,50,000	100	

(ii) Shareholding of Promoters (Equity Share Capital)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledge d / encumbered to total shares	
1.	Tata Capital Limited	129,75,50,000	100	-	129,75,50,000	100	-	-
	Total	129,75,50,000	100	-	129,75,50,000	100	-	-

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	129,75,50,000	100	129,75,50,000	100
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
3.	At the end of the year	129,75,50,000	100	129,75,50,000	100

There has been no change in the shareholding of the promoters during the year.

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
3.	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

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

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
3.	At the end of the year	-	-	-	-

IV. B. SHARE HOLDING PATTERN (Preference Share Capital Breakup as percentage of Total Preference)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	94,50,00,000	94,50,00,000	100	-	152,00,00,000	152,00,00,000	100	100
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	94,50,00,000	94,50,00,000	100	-	152,00,00,000	152,00,00,000	100	100
(2) Foreign									
a) NRIs - Individuals	-	--	-	-	-	--	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	94,50,00,000	94,50,00,000	100	-	152,00,00,000	152,00,00,000	100	100

B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	94,50,00,000	94,50,00,000	100	-	152,00,00,000	152,00,00,000	100	100

(ii) Shareholding (Preference Share Capital) of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tata Capital Limited	94,50,00,000	100	-	152,00,00,000	100	-	100
	Total	94,50,00,000	100	-	152,00,00,000	100	-	100

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	At the beginning of the year	94,50,00,000	100	-	-	-	-	-
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	December 29, 2017	7,50,00,000	Allotment of Preference Shares on Rights Basis	7,50,00,000	100
		-	-	March 8, 2018	10,00,00,000		17,50,00,000	100
		-	-	March 21, 2018	25,00,00,000		42,50,00,000	100
		-	-	March 31, 2018	15,00,00,000		57,50,00,000	100
3.	At the end of the year	-	-	-	-	-	152,00,00,000	100

(iv) Shareholding Pattern (Preference Share Capital) of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): For each of the Top 10 Shareholders

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
3.	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding (Preference Share Capital) of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
3.	At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

(Rs. in Lakhs)

Particulars	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	16,48,299	10,45,745	45,544	27,39,588
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	72,036	13,368	62	85,466
Total (i+ii+iii)	17,20,335	10,59,113	45,606	28,25,054
Change in Indebtedness during the financial year				
• Addition (Net)	22,16,258	26,14,770	4,70,169	53,01,197
• Reduction	(21,90,770)	(22,36,300)	(4,74,662)	(49,01,732)
Net Change	25,488	3,78,470	(4,493)	3,99,465
Indebtedness at the end of the financial year:				
i) Principal Amount	16,90,952	14,15,345	40,999	31,47,296
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	54,871	22,238	114	77,223
Total (i+ii+iii)	17,45,823	14,37,583	41,113	32,24,519

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Praveen P. Kadle		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under section 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act			2,170

Note:

Mr. Praveen P. Kadle, Managing Director & CEO, was also the Managing Director & CEO of Tata Capital Limited ("TCL"), the holding company and his entire remuneration was borne by TCL. Mr. Kadle retired as the Managing Director & CEO of the Company and of TCL, with effect from end of day on March 31, 2018.

B. Remuneration to other Directors:

(Rs. in lakh)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Janki Ballabh	Mr. Pranab Kumar Choudhury	Mr. Mukund S. Dharmadhikari	
1.	Independent Directors				
	• Fee for attending board / committee meetings	6.90	---	9.30	16.20
	• Commission				
	• Others, please specify	25.00	17.00	25.00	67.00
	Total (1)	31.90	17.00	34.30	83.20
2.	Other Non-Executive Directors	Ms. Anuradha E. Thakur	Mr. M. D. Mallya	Mr. F. N. Subedar	
	• Fee for attending board / committee meetings	12.60	6.90	4.00	23.50
	• Commission				
	• Others, please specify	25.00	-	25.00	50.00
	Total (2)	37.60	6.90	29.00	73.50
		Total (B)=(1+2)			156.70
		Total Managerial Remuneration			156.70
		Overall Ceiling as per the Act			4,774

Notes:

1. The Remuneration details as mentioned above include sitting fees paid in FY 2017-18 and Commission paid for FY 2016-17 in FY 2017-18.
2. Mr. Janki Ballabh ceased to be an Independent Director of the Company, with effect from end of day on October 23, 2017, consequent upon his retirement in terms of the Governance Guidelines on Board Effectiveness adopted by the Company.
3. Mr. M. D. Mallya was appointed as a Non – Executive Director, with effect from July 17, 2017.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(Rs. in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Ms. Avan Doomasia, Company Secretary	Mr. Puneet Sharma, CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under section 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

Notes:

1. Mr. Praveen P. Kadle, Managing Director & CEO, was also the Managing Director & CEO of Tata Capital Limited ("TCL"), the holding company and his entire remuneration was borne by TCL. Mr. Kadle retired as the Managing Director & CEO of the Company and of TCL with effect from end of day on March 31, 2018.
2. Mr. Puneet Sharma, Chief Financial Officer, is also the Chief Financial Officer of TCL, the holding company and his entire remuneration is borne by TCL.
3. Ms. Avan K. Doomasia, Company Secretary, is also the Company Secretary of TCL, the holding company and her entire remuneration is borne by TCL.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

**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 2017-18 is, as under:

Name of Director(s)	Ratio to Median
Mr. Janki Ballabh ¹	4.87 : 1
Mr. F. N. Subedar	4.42 : 1
Mr. M. D. Mallya ²	3.65 : 1
Mr. Mukund S. Dharmadhikari	5.23 : 1
Ms. Anuradha E. Thakur	5.74 : 1
Mr. Praveen P. Kadle ³	Not Applicable

Note:

- Mr. Janki Ballabh ceased to be an Independent Director of the Company, with effect from end of day on October 23, 2017, consequent upon his retirement in terms of the Governance Guidelines on Board Effectiveness adopted by the Company.*
- Mr. M. D. Mallya was appointed as a Non – Executive Director of the Company, with effect from July 17, 2017.*
- Mr. Praveen P. Kadle was the Managing Director & CEO of the Company and of Tata Capital Limited (“TCL”), the holding company. Mr. Kadle did not draw any remuneration from the Company and his entire remuneration was borne by TCL. In view of the above, the ratio of his remuneration to the median remuneration of employees, has not been computed. Mr. Kadle retired as the Managing Director & CEO with effect from end of day on March 31, 2018.*

- 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 in remuneration of the Directors in FY 2017-18 is, given below:

Name of Director(s)	% Increase in Remuneration
Mr. Janki Ballabh ¹	16%
Mr. F. N. Subedar	15.5%
Mr. M. D. Mallya ²	Not Applicable
Mr. Mukund S. Dharmadhikari	4.3%
Ms. Anuradha E. Thakur	20.9%
Mr. Praveen P. Kadle ³	Not Applicable

Note:

1. *Mr. Janki Ballabh ceased to be an Independent Director of the Company, with effect from end of day on October 23, 2017, consequent upon his retirement in terms of the Governance Guidelines on Board Effectiveness adopted by the Company.*
2. *Mr. M. D. Mallya was appointed as a Non – Executive Director of the Company, with effect from July 17, 2017.*
3. *Mr. Praveen P. Kadle was the Managing Director & CEO of the Company and of TCL and did not draw any remuneration from the Company. His entire remuneration was borne by TCL. Mr. Kadle retired as the Managing Director & CEO, with effect from end of day on March 31, 2018.*
4. *Mr. Puneet Sharma is the Chief Financial Officer of the Company and of TCL and does not draw any remuneration from the Company. His entire remuneration is borne by TCL.*
5. *Ms. Avan Doomasia is the Company Secretary of the Company and of TCL and does not draw any remuneration from the Company. Her entire remuneration is borne by TCL.*

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 2017-18 by 23.3% as compared to FY 2016-17.

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, 2018, were 2,612.

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 20.4% as compared to that of the percentage increase in the overall managerial remuneration of 24.6%. While the Key Managerial Personnel did not take any remuneration from the Company in FY 2017-18, the increase in the overall managerial remuneration can be attributed to the increase in Commission and also the Sitting Fees, paid to the Non-Executive Directors, on account of increase in the number of Meetings of the Board and its Committees.

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 REPORT**1. Industry structure and developments**

Please refer to Para 2 of the Board's Report.

2. Opportunities and Threats

The NBFC sector in India is large with significant growth potential and has consistently created value for its shareholders. The NBFC sector has a double digit credit market share and has consistently gained market share from banks over the last 10 years. The growth in the sector appears sustainable as India has a low GDP to credit penetration. Further, many structural factors are supportive of NBFC growth namely weak banks, initiatives of the Reserve Bank of India ("RBI") on policy alignment and latent credit demand in certain segments not catered to by banks. The sector has been delivering on average, approximately 1.5% to 2% better ROEs, as compared to select banks over the last many years. In order for the sector to sustain its advantages, companies in the sector need to grow in a prudent manner while focusing on automation, financial innovation, analytics, digital and adequate risk management systems and procedures.

The RBI constantly issues new regulations and / or modifies existing regulations endeavouring to balance the multiple objectives of financial stability, consumer and depositor protection and regulatory arbitrage concerns. The RBI, however, implements major changes in a structured manner providing companies operating in the sector adequate time to adapt and adjust.

The Company is amongst the few NBFCs that offers a full range of Retail and Corporate products and services. A balance in the mix of the portfolio and leveraging the cross-sell potential enables the Company to emerge as a preferred partner for all financial needs of the customer. The Company believes that its digital assets across social, mobile and web providing reach, operating efficiency and improved customer experience will be an opportunity for us to capitalize on in the coming years.

Asset quality deterioration may not only wipe the profits out of the Company but eat into its Net Worth. The Company, therefore, needs to ensure that it maintains minimal delinquency levels through adequate levels of provisioning. It will be critical to retain talent at the right cost for effectively building a high performance organization, with an engaged and young workforce.

Adequate funding, at the right cost and tenure will be critical to achieve business growth.

Newer regulatory updates pose a constant challenge for smooth operations of the Company. The Company needs to be equipped to quickly adapt to the constant changes in regulations and competitive landscape. With new entities like payment banks, small banks, new universal banks and fin-tech companies entering the market place, the Company needs to maintain its competitive edge through constant adaptation and creating strategies to protect its niche. The implementation of and the IND AS will pose its own set of challenges for the Company and NBFC sector as a whole.

3. Segment-wise or product-wise performance of the Company

Please refer to Para 6 of the Board's Report.

4. Outlook

The Outlook of the Company for the year ahead is to drive profitable growth across all business segments and stabilize its asset quality across its Retail and Rural offerings. The Corporate Finance Division will keenly focus on key customer relationships and the Tata eco-system lending. This Division will look to grow its Supply Chain, Structured Finance and Leasing Business as it has sustainable advantages there. A specialized Remedial team will focus on the recovery and rehabilitation of Non-Performing Assets which have been entirely provided for. The Consumer Finance & Advisory Business will focus on changing its product mix and improving penetration in high yielding segments. The Rural Finance Business will adopt a dual strategy of improving Collection efficiency relating to the Tractor Business and shall increase its geographic presence and focus on marketing retail products in rural areas. The Company, as a whole, will focus on balanced measured growth, asset quality, cross selling opportunities, digital and analytics.

5. Risks and Concerns

Please refer to Para 11 of the Board's Report.

6. Internal control systems and their adequacy

Please refer to Para 12 of the Board's Report

7. Discussion on financial performance with respect to operational performance

Please refer to Para 3 of the Board's Report

8. Material developments in Human Resources / Industrial Relations front, including number of people employed

Please refer to Para 16 of the Board's Report.

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Tata Capital Financial Services Limited

Report on audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Tata Capital Financial Services Limited (hereinafter referred to as the "Holding Company") and its associate, comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "Act") that give a true and fair view of the consolidated state of affairs, consolidated profit and consolidated cash flows of the Holding Company including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Directors of the Holding Company, as aforesaid.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Independent Auditor's Report (*Continued*)

Tata Capital Financial Services Limited

Auditor's Responsibility (*Continued*)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability of the Holding Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and on the other financial information of the associate, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Holding Company and its associate as at 31 March 2018 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other matters

- (a) The consolidated financial statements also include the Holding Company's share of net profit of Rs. 39 lakhs for the year ended 31 March 2018, in respect of an associate, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by management and our opinion on the consolidated financial statements, in so far as it relates to these amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial information.
- (b) The comparative financial information of the Holding Company and its associate for the year ended 31 March 2017 included in these financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information dated 28 April 2017 expressed an unmodified opinion.

Our opinion is not modified in respect of these matters.

Independent Auditor's Report (*Continued*)

Tata Capital Financial Services Limited

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and the consideration of other financial information of the associate, as noted in the 'other matter' 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 by the Holding Company so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to the consolidated financial statements of the Holding Company and its associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Holding Company and its associate has no impact of pending litigations on its financial position in its consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer Note 47(v) to the consolidated financial statements; and
 - iii. there were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company.

Independent Auditor's Report (*Continued*)

Tata Capital Financial Services Limited

Report on Other Legal and Regulatory Requirements

- 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 since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated financial statements for the year ended 31 March 2017 have been disclosed.

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

Chartered Accountants

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

Mumbai
30 April 2018

Partner
Membership No: 046882

Tata Capital Financial Services Limited

Annexure A to the Independent Auditor's Report of even date on the consolidated financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of the Tata Capital Financial Services Limited as of 31 March 2018 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India" (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Tata Capital Financial Services Limited

Annexure – B to the Independent Auditor’s Report of even date on the consolidated financial statements (*Continued*)

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our opinion on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act is not modified in respect of an associate company whose financial statements / financial information is unaudited and is not material to the Group.

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

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

Mumbai
30 April 2018

Manoj Kumar Vijai
Partner
Membership No: 046882

TATA CAPITAL FINANCIAL SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
		Rs in lakh	Rs in lakh
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	3	281,755	224,255
(b) Reserves and Surplus	4	214,963	182,694
		496,718	406,949
2. Non-current liabilities			
(a) Long-term borrowings	5	1,286,761	945,684
(b) Other long-term liabilities	6	841	7,019
(c) Long-term provisions	7	25,795	36,482
		1,313,397	989,185
3. Current liabilities			
(a) Short-term borrowings	8	1,293,081	1,006,630
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises	9(a)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		52,497	44,538
(c) Other current liabilities	10	682,314	897,201
(d) Short-term provisions	11	90,685	106,050
		2,118,577	2,054,419
TOTAL		3,928,692	3,450,553
II. ASSETS			
1. Non-Current assets			
(a) Property, plant and equipment	12		
(i) Tangible assets		69,000	77,052
(ii) Intangible assets		2,314	1,109
(iii) Capital work-in-progress		101	518
(iv) Intangible assets under development		39	655
		71,454	79,334
(b) Non-current investments	13	31,180	26,650
(c) Deferred tax assets (net)	14	37,568	43,483
(d) Long-term Loans and advances - financing activity	15	1,712,458	1,515,844
(e) Long-term Loans and advances - others	16	31,226	21,511
(f) Other non-current assets	17	7,436	7,078
		1,819,868	1,614,566
2. Current assets			
(a) Current investments	13	170	794
(b) Trade receivables	18	6,246	2,049
(c) Cash and bank balances	19	12,534	7,340
(d) Short-term Loans and advances - financing activity	15	1,978,866	1,704,903
(e) Short-term Loans and advances - others	20	23,953	26,603
(f) Other current assets	21	15,601	14,964
		2,037,370	1,756,653
TOTAL		3,928,692	3,450,553
Summary of significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-45		

In terms of our report of even date

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firms Registration No – 101248W/W-100022

Mukund S. Dharmadhikari
(Director)
(DIN No. : 05003224)

Anuradha E. Thakur
(Director)
(DIN No. : 06702919)

F.N. Subedar
(Director)
(DIN No. : 00028428)

Manoj Kumar Vijai
Partner
Membership No: 046882

M. D. Mallya
(Director)
(DIN No. : 01804955)

Rajiv Sabharwal
(Director)
(DIN No. : 00057333)

Kusal Roy
(Managing Director)
(DIN No. : 02268654)

TATA CAPITAL FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
		Rs in lakh	Rs in lakh
I Revenue from operations	22	420,701	384,660
II Investment income	23	249	5,548
III Other income	24	34,587	28,996
IV Total Revenue (I + II + III)		455,537	419,204
V Expenses :			
Finance costs	25	223,074	221,162
Employee benefit expenses	26	39,721	35,258
Other operating expenses	27	94,327	114,715
Depreciation and amortisation	12	23,637	14,273
Amortisation of expenses	21(a)	598	549
Total expenses		381,357	385,957
VI Profit before tax (IV - V)		74,180	33,247
VII Tax expense			
(1) Current tax		20,007	19,618
(2) Deferred tax		5,915	(7,969)
Net tax expense		25,922	11,649
VIII Profit after tax before share of associates & minority interest (VI-VII)		48,258	21,598
IX Share of profit of associates		39	204
X Profit for the year (VIII + IX)		48,297	21,802
XI Earnings per equity share:			
(1) Basic (in Rupees)		2.91	1.29
(2) Diluted (in Rupees)		2.91	1.29
Face Value per share (in Rupees)		10	10
Summary of significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-45		

In terms of our report of even date

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firms Registration No – 101248W/W-100022

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(DIN No. : 00057333)

Kusal Roy
(Managing Director)
(DIN No. : 02268654)

Place: Mumbai
Date : April 30, 2018

Puneet Sharma
(Chief Financial Officer)

Avan Doomasia
(Company Secretary)

TATA CAPITAL FINANCIAL SERVICES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	For the Year Ended	For the Year Ended
		March 31, 2018	March 31, 2017
		Rs in lakh	Rs in lakh
1 CASH FLOW USED IN OPERATING ACTIVITIES			
Profit before tax		74,180	33,247
Adjustments for :			
Amortisation of share/debenture issue expenses/loan processing expenses		598	549
Depreciation and amortisation		23,637	14,273
Loss/(profit) on sale of fixed assets (net)		(1,059)	3,288
Interest expenses		180,425	172,902
Discounting charges on commercial paper		42,201	46,723
Discounting charges on Collateralised Borrowings and Lending Obligations (CBLO)		-	1,130
Discounting charges on debentures		448	407
Interest income		(383,858)	(352,966)
Income from investments		(249)	(5,548)
Interest income on fixed deposits		(30)	-
Loss on sale of Non-current Investments		-	1,248
Loss on sale of Current Investments (Net)		60	-
Amortisation of premium of forward foreign exchange cover		128	-
Provision for leave encashment		79	257
Reversal of provision for diminution in value of investments (net)		954	(72)
Provision against trade receivables		230	-
Contingent provision against standard assets		3,664	3,008
Reversal of contingent provision against restructured advances (net)		(1,409)	(827)
Provision against assets held for sale		1,405	1,378
Provision for doubtful loans (net)		26,844	56,686
Operating Loss before working capital changes and adjustments for interest received, interest paid and dividend received		(31,752)	(24,317)
Adjustments for :			
Increase in trade receivables		(2,587)	(578)
Increase in Loans and advances - financing activity		(523,552)	(388,089)
Increase in Loans and advances - others		(8,775)	(5,932)
Increase in other liabilities and provisions		18,443	20,065
Cash used in operations before adjustments for interest received, interest paid and dividend received		(548,223)	(398,851)
Interest paid		(231,553)	(210,790)
Interest received		384,342	351,686
Dividend received		249	137
Cash used in operations		(395,185)	(257,819)
Taxes paid		(18,915)	(17,868)
NET CASH USED IN OPERATING ACTIVITIES		(414,100)	(275,686)
2 CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets (including capital advances)		(30,835)	(32,456)
Proceeds from sale of fixed assets		7,302	2,023
Purchase of long-term investments		(4,334)	(1,075)
Purchase of mutual fund units		(389,500)	(1,714,480)
Proceeds from redemption of mutual fund units		389,572	1,713,989
Proceeds from sale of long-term investments		404	57,115
Fixed deposits with banks having maturity over 3 months		(4,404)	-
NET CASH (USED IN) / FROM INVESTING ACTIVITIES		(31,795)	25,116
3 CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Compulsory Convertible Cumulative Preference share capital		57,500	78,500
Share issue / debenture issue / loan processing expenses		(539)	(984)
Interim dividend paid on equity and preference shares (including dividend distribution tax)		(15,968)	(12,119)
Proceeds from short-term borrowings with maturity period greater than three months		1,049,412	596,289
Repayment of short-term borrowings with maturity period greater than three months		(722,347)	(567,611)
Net proceeds from short-term borrowings with maturity period less than or equal to three months		(39,955)	3,265
Proceeds from long-term borrowings		1,044,462	763,200
Repayment of long-term borrowings		(925,880)	(607,130)
NET CASH FROM FINANCING ACTIVITIES		446,685	253,410

Cash flow statement continued....			
Particulars	Note No.	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
		Rs in lakh	Rs in lakh
NET INCREASE IN CASH AND CASH EQUIVALENTS		790	2,840
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		7,284	4,444
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		8,074	7,284
Reconciliation of cash and cash equivalents as above with cash and bank balances			
Cash and Cash equivalents at the end of the year as per above		8,074	7,284
Add : Restricted Cash [Refer note 19(iii)]		53	53
Add: Fixed deposits with original maturity over 3 months		4,407	3
CASH AND BANK BALANCES AS AT THE END OF THE YEAR [REFER NOTE 19]		12,534	7,340
Summary of significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-45		

In terms of our report of even date For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Mukund S. Dharmadhikari
(Director)
(DIN No. : 05003224)

Anuradha E. Thakur
(Director)
(DIN No. : 06702919)

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Partner
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(Director)
(DIN No. : 00057333)

Kusal Roy
(Managing Director)
(DIN No. : 02268654)

Place: Mumbai
Date : April 30, 2018

Puneet Sharma
(Chief Financial Officer)

Avan Doomasia
(Company Secretary)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Tata Capital Financial Services Limited (the "Company") is a wholly owned subsidiary of Tata Capital Limited and a Systemically Important Non Deposit Accepting Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated November 4, 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

i. **Basis of accounting and preparation of the consolidated financial statements**

The consolidated financial statements of Tata Financial Services Capital Limited (the "Company" / "Group") have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

Current assets do not include elements which are not expected to be realised within one year and current liabilities do not include items which are due after one year.

ii. **Principles of Consolidation**

The consolidated financial statements relate to Tata Capital Financial Services Limited (the "Company") and the Company's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2018 or upto the date on which it ceased to be an associate of the Company whichever is earlier.

b) The consolidated financial statements include the share of profit/ (loss) of associate company, which have been accounted for using the equity method as per AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements). Accordingly, the share of profit/ (loss) of the associate company (the loss being restricted to the cost of the investment) has been added/deducted to the costs of investments.

c) 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.

iii. **Use of Estimates**

The preparation of financial statements require the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. Example of such estimates includes provision for non - performing loans, provision for employee benefit plans and provision for income taxes.

iv. **Revenue recognition**

a. **Income on Loan transactions**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable, except that no income is recognised on non-performing assets as per the prudential norms for income recognition issued by the RBI for NBFCs. Interest income on such assets is recognised on receipt basis.

Upfront / processing fees collected from the customer for processing loans are primarily towards documentation charges. These are accounted as income when the amount becomes due provided recovery thereof is reasonably certain.

Dealer subvention income and service charges are collected at the time of inception of the contract. These are accounted over the tenure of the loan in the proportion of interest earned to total interest receivable during the tenure of loans.

b. **Income from Non-current and Current Investments**

Income from dividend on shares of corporate bodies and units of mutual funds is accounted on accrual basis when the Company's right to receive dividend is established.

Interest income on bonds and debentures is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Premium / Discount on investments, which is the difference between the acquisition cost and face value of debt instrument is recognised as interest income over the tenor of the instruments.

Redemption premium on investments (except on preference shares) is recognised as income over the tenor of the investment.

c. **Income from Services**

Fees for financial advisory services are accounted based on stage of completion of assignments, when there is reasonable certainty of its ultimate realisation.

d. **Income from distribution of financial products**

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 taxes and sub-brokerage.

Sourcing income is recognised on accrual basis when there is a reasonable certainty of its ultimate realisation.

e. Lease income

Assets given on operating lease are capitalised at cost. Rentals received or receivable by the Company are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, provided recovery is certain

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.

v. Provisions for Standard/Non-Performing Assets and Doubtful Debts

The Company provides an allowance for loan receivables and debentures/bonds in the nature of advance based on the prudential norms issued by the Reserve Bank of India ('RBI') relating to income recognition, asset classification and provisioning for non-performing assets. The provision for standard assets is made as per prudential norms prescribed by RBI, through master directions or notifications as amended. In addition to the abovementioned provisioning norms as prescribed by RBI, the Company also fully provides for/ writes off the entire receivables as per the Guidelines approved by the Board of Directors from time to time, where any of the installments are overdue :

- for a period exceeding 27 months for loan against property
- for a period exceeding 11 months for construction equipments, auto and commercial vehicles
- for a period exceeding 10 months for two wheeler and personal loan and
- for a period exceeding 6 months for consumer durables

In addition, the Company provides for Restructured Assets (Standard Assets and Non-performing) as required by the directions issued by the RBI from time to time.

vi. Investments

Investments are classified into non-current and current investments.

a. Non-current investments

Non-current investments are investments intended to be held for a period of more than a year. Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

b. Current investments

Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost and market value, determined on an individual investment basis.

vii. Property, plant and equipment

a. Tangible:

Tangible property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes any cost attributable for bringing asset to its working condition, which comprises of purchase consideration, other directly attributable costs of bringing the assets to their working condition for their intended use and attributable interest.

The Company has adopted the provisions of para 46 / 46A of AS 11 (The Effects of Changes in Foreign Exchange Rates), accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable property, plant and equipment are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets

b. Intangible:

Acquired intangible assets other than Goodwill are measured at cost less amortisation.

Goodwill is stated at cost. Goodwill comprises the portion of a purchase price for an acquisition that exceeds the market value of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the year in which such costs are incurred.

c. Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

d. Intangible assets under development:

Expenditure on development eligible for capitalisation is carried as Intangible assets under development where such assets are not yet ready for their intended use.

viii. Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets 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 networking assets, electrical installation and equipments 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.

Purchased software / licenses are amortised over the period the benefits are expected to accrue, while Goodwill is tested for impairment at each Balance Sheet date. An impairment loss is recognised if the carrying amount of Goodwill exceeds its recoverable amount.

All capital assets with individual value less than Rs 5,000 are depreciated fully in the year in which they are purchased.

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life	As per Schedule II
Leasehold Improvements	As per lease period	As per lease period
Construction Equipment	2 to 13.5 years	15 years
Furniture and Fixtures	Owned : 10 years	10 years
	Leased : 3 to 7 years	
Computer Equipment	Owned : 3 to 4 years	3 years
	Leased: 2 to 4 years	
Office Equipment	Owned : 5 years	5 years
	Leased : 3 to 5 years	
Vehicles	Owned : 4 years	6 years
	Leased : 1 to 5 years	
Software Licenses	Owned : 1 to 10 years	10 Years
	Leased : 1 to 3 years	
Buildings	25 years	60 years
Plant & Machinery	Owned : 10 years	15 years
	Leased : 2 to 15 years	
Railway Wagons	Leased : 6 years	15 years
Electrical Installation & Equipments	Leased : 3 to 6 years	10 years
Networking Assets	Leased : 2 to 4 years	6 years

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 of the risks and rewards of ownership are effectively retained by the lessee are classified as finance lease.

x. Assets held for sale

An asset is classified as held for sale if its carrying amount will be recovered or settled principally through a sale transaction rather than through continuing use. Assets classified as held for sale are measured at the lower of carrying amount and fair value. In the event an asset held for sale is acquired in settlement of an existing claim or existing asset, it is initially recorded in the books at its fair value or value of the asset given up, whichever is better determined. Impairment losses on initial classification as held for sale and losses on subsequent re-measurements are charged to the Statement of Profit and Loss. No depreciation is charged on assets classified as held for sale.

xi. Borrowing costs

Ancillary costs in the nature of loan processing charges and debenture issue expenses are amortised on straight line method over the tenor of the loan/debenture from the month in which the Company has incurred the expenditure.

xii. Loan sourcing costs

Sourcing costs are amortised over the average tenor of the loan which varies based on products financed.

xiii. Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account are expensed in the Statement of Profit and Loss.

xiv. Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the employee provident scheme, 1952 is recognised as an expense in the year in which it is determined.

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

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become 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 year 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.

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.

xv. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has present obligations, as result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but disclosed in the financial statements. A Contingent asset is neither recognised nor disclosed in the financial statements.

xvi. Impairment of Assets

At each Balance Sheet date, the Company reviews, whether there is any indication of impairment of an asset. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

Recoverable amount of the asset is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flow expected from continuing use of the asset and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the asset. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased above the lower of recoverable amount and the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

xvii. Foreign currency transactions and translations

Accounting of forward contracts :-

Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

Initial recognition :-

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date :-

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

xviii. Taxation

Income Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a year different from when they were recognised in the financial statements.

Deferred tax is recognised on the timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward losses and items relating to capital losses, Deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and Deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

xix. Goods and Services tax input credit

Goods & Service tax input credit is accounted for in the books in the year in which the underlying goods or service are received and paid and there is reasonable certainty in availing / utilizing the credits

xx. Operating Cycle

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

xxi. Business segment

The Company's reportable segments consist of "Financing Activity", "Investment Activity" and "Others". 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 reportable 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 unallocable expenses.

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

xxii. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xxiii. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

xxiv. Securitised/Assignment Loans and Securitisation/Assignment Liabilities

Securitised/ Assigned assets are derecognised, if and only if, the Company loses control of the contractual rights that comprise the corresponding pools or mortgages transferred. Transfers of pools of mortgages under the current programs involve transfer of proportionate shares in the pools of mortgages. Such transfers result in de-recognition only of that proportion of the mortgages that meet the de-recognition criteria. The portion retained by the Company continues to be accounted for as loans as described above. As stated in the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India, on de-recognition, the difference between the book value of the securitised/ assigned asset and consideration received is recognised as gain arising on securitization/ assignment in the Statement of Profit and Loss over the balance maturity period of the pool transferred. Losses, if any, arising from such transactions, are recognised immediately in the Statement of Profit and Loss.

xxv. Dividend (including dividend distribution tax)

Interim dividend declared to equity and / or preference shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final proposed dividend declared to equity and / or preference shareholders, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

3. SHARE CAPITAL

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
AUTHORISED		
2,500,000,000 (as at March 31, 2017: 2,500,000,000 shares) Equity shares of Rs.10 each	250,000	250,000
3,000,000,000 (as at March 31, 2017: 3,000,000,000 shares) Preference shares of Rs.10 each	300,000	300,000
	550,000	550,000
ISSUED, SUBSCRIBED & PAID UP		
1,297,550,000 (as at March 31, 2017: 1,297,550,000 shares) Equity shares of Rs.10 each fully paid up	129,755	129,755
945,000,000 (as at March 31, 2017: 945,000,000 shares) 9% Compulsorily Convertible Cumulative Preference shares of Rs.10 each fully paid up	94,500	94,500
575,000,000 (as at March 31, 2017: NIL) 8.5% Compulsorily Convertible Cumulative Preference shares of Rs.10 each fully paid up	57,500	-
Total	281,755	224,255

3. (a). Reconciliation of number of shares outstanding

Particulars	No. of shares	Rs in lakh
Equity Shares		
Opening balance as on April 01, 2016	1,297,550,000	129,755
Additions during the year	-	-
Closing Balance as on March 31, 2017	1,297,550,000	129,755
Additions during the year	-	-
Closing Balance as on March 31, 2018	1,297,550,000	129,755
Preference Shares		
Opening balance as on April 01, 2016	160,000,000	16,000
Additions during the year	785,000,000	78,500
Closing Balance as on March 31, 2017	945,000,000	94,500
Additions during the year	575,000,000	57,500
Closing Balance as on March 31, 2018	1,520,000,000	152,000

3. (b). Rights, preferences and restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a face 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 in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. Tata Sons Limited is the ultimate holding company.

During the year ended March 31, 2018, the Company has issued 57,50,00,000, 8.50% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of face value Rs. 10/- each aggregating Rs. 575 crore, which are convertible into equity shares after the completion of 9 years from the date of allotment. However, CCCPS holders have an option to convert all or any part of the holding, into equity shares at any time, prior to the completion of 9 years. Conversion of CCCPS into equity shares will be based on the fair value to be determined by an independent valuer closer to the conversion date. The CCCPS holders have a right to receive dividend, prior to the Equity Shareholders. The dividend proposed by the Board of Directors on the CCCPS is subject to the approval of the shareholders at an Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding.

Tranche-wise due date details for Compulsorily Convertible Cumulative Preference Shares ("CCCPS")

Date of Allotment	Date of Conversion	No. of Units	Rs in lakh
31-Mar-18	31-Mar-27	150,000,000	15,000
21-Mar-18	21-Mar-27	250,000,000	25,000
8-Mar-18	8-Mar-27	100,000,000	10,000
29-Dec-17	29-Dec-26	75,000,000	7,500
31-Mar-17	31-Mar-26	100,000,000	10,000
28-Feb-17	28-Feb-26	200,000,000	20,000
29-Dec-16	29-Dec-25	100,000,000	10,000
28-Sep-16	28-Sep-25	100,000,000	10,000
28-Jun-16	28-Jun-25	285,000,000	28,500
23-Mar-16	23-Mar-25	125,000,000	12,500
29-Sep-15	29-Sep-24	35,000,000	3,500
Total		1,520,000,000	152,000

The CCCPS holders may, at any time prior to the aforesaid period of conversion, requesting the conversion of all or any part of its holding into Equity Shares.

3. (c). Investment by Tata Capital Limited (Holding company). The entire share capital is held by Tata Capital Limited and its nominees.

Name of company	Particulars of issue	No. of shares	Rs in lakh
Tata Capital Limited (Holding Company) Equity Shares	Opening Balance as on April 1, 2016	1,297,550,000	129,755
	Closing Balance as on March 31, 2017	1,297,550,000	129,755
	Closing Balance as on March 31, 2018	1,297,550,000	129,755
Preference Shares	Opening Balance as on April 1, 2016	160,000,000	16,000
	"Rights" issue during the FY 2016-17	785,000,000	78,500
	Closing Balance as on March 31, 2017	945,000,000	94,500
	"Rights" issue during the FY 2017-18	575,000,000	57,500
	Closing Balance as on March 31, 2018	1,520,000,000	152,000

4. RESERVES AND SURPLUS

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Rs in lakh		Rs in lakh	
(a) Securities Premium Account				
Opening Balance		88,865		129,500
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 38)	-		(54,260)	
Add : Adjustment of Tax pursuant to Reduction of Share Capital (Refer note 38)	-		13,702	
Less : Share issue expenses written-off (Refer note 39)	(60)	(60)	(77)	(40,635)
Closing Balance		88,805		88,865
(b) Debenture Redemption Reserve		30,000		30,000
(c) Special Reserve Account				
Opening Balance		25,750		21,431
Add: Transfer from Surplus in the Statement of Profit and Loss (Refer note (a) below)		9,659		4,319
Closing Balance		35,409		25,750
(d) Surplus in Statement of Profit and Loss				
Opening Balance		38,079		32,715
Add: Profit for the year		48,297		21,802
Amount available for Appropriations		86,376		54,517
Less : Appropriations				
- Transfer to Special Reserve Account	(9,659)		(4,319)	
- Interim Dividend on equity shares (Refer note (e) below)	(4,541)		(5,839)	
- Dividend on preference shares (Refer notes (b), (c) and (d) below)	(8,726)		(4,230)	
- Tax on Interim Dividend	(2,701)	(25,627)	(2,050)	(16,438)
Closing Balance		60,749		38,079
TOTAL - RESERVES AND SURPLUS (a + b + c + d)		214,963		182,694

Notes:

The amounts appropriated out of the surplus in the Statement of Profit and Loss are as under:

- Rs. 9,652 lakh (Previous Year: Rs. 4,319 lakh) to Special Reserve as prescribed by section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the profit after taxes for the year ended March 31, 2018.
- During the year ended March 31, 2018, the Company has declared and paid on July 27, 2017, an interim dividend for financial year 2017-18 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 2,120 lakh and dividend distribution tax thereon of Rs. 431 lakh.
- During the year ended March 31, 2018, the Company has declared and paid on August 22, 2017, a final dividend for financial year 2016-17 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 3 lakh and dividend distribution tax thereon of Rs. 1 lakh.
- During the year ended March 31, 2018, the Company has declared on March 20, 2018 and paid on March 21, 2018, an interim dividend for financial year 2017-18 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 6,603 lakh (Previous Year : 4,230 lakh) and dividend distribution tax thereon of Rs. 1,344 lakh (Previous Year : 861 lakh).
- During the year ended March 31, 2018, the Company has declared on March 20, 2018 and paid on March 21, 2018, an interim dividend on equity shares of Re. 0.35 per share (Previous Year : Re. 0.45 per share) aggregating to Rs. 4,541 lakh (Previous Year : Rs. 5,839 lakh) and dividend distribution tax thereon of Rs. 925 lakh (Previous Year : Rs. 1,189 lakh).

5. LONG-TERM BORROWINGS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Debentures		
Secured		
Privately Placed Non-Convertible Debentures (Refer notes 5.1 and 5.5 below) [Net of unamortised premium of Rs. 57 lakh (as at March 31, 2017 : Nil)]	684,267	446,120
Public issue of Non-Convertible Debentures (Refer notes 5.2 and 5.7 below)	-	28,818
Unsecured		
Non-Convertible Subordinated Debentures (Refer note 5.8 and 5.11 below) [Net of unamortised discount of Rs. 851 lakh (as at March 31, 2017 : Rs. 1,299 lakh)]	181,194	180,746
Non-Convertible Perpetual Debentures (Refer note 5.9 below)	91,800	60,000
Privately Placed Non-Convertible Debentures (Refer note 5.10 below)	80,000	70,000
(b) Term loans		
Secured		
From Banks (Refer notes 5.3 and 5.4 below)	104,500	30,000
Unsecured		
From Banks (Refer note 5.4 below)	145,000	130,000
Total	1,286,761	945,684

Notes

- 5.1.** 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 Company.
- 5.2.** 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 Company.
- 5.3.** Loans and advances from banks are secured by pari passu charge on the receivables of the Company through Security Trustee.

Terms of repayment of term loans and rate of interest:

- 5.4** As per terms of agreements loan from banks classified under long-term borrowing, short-term borrowing and current liabilities aggregating Rs. 427,000 lakh (Previous Year: Rs. 216,000 lakh) are repayable at maturity ranging between 5 and 48 months from the date of respective loan. Rate of interest payable on term loans varies between 7.45 % to 8.40% (Previous Year : 7.95 % to 9.15%.)

5. 5. Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2018

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2018*		As at March 31, 2017*	
			Number of NCDs	Rs in lakh	Number of NCDs	Rs in lakh
TCFSL NCD AF FY 2014-15-Option-I	8-Dec-14	6-Dec-24	600	6,000	600	6,000
TCFSL NCD AF FY 2014-15-Option-I	8-Dec-14	6-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 "P" FY 2017-18	22-Jan-18	20-Jan-23	480	4,800	-	-
TCFSL NCD "AH" FY 2012-13	5-Sep-12	5-Sep-22	500	5,000	500	5,000
TCFSL NCD "AL" FY 2016-17	31-Mar-17	31-Mar-22	400	4,000	400	4,000
TCFSL NCD "T" FY 2017-18	20-Jul-17	28-Feb-22	750	7,500	-	-
TCFSL NCD "K" FY 2017-18	16-Aug-17	14-Jan-22	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 "G" FY 2016-17	30-May-16	28-May-21	500	3,500	500	2,000
TCFSL NCD "R" FY 2017-18	23-Mar-18	23-Mar-21	2,500	25,000	-	-
TCFSL NCD "AB" FY 2015-16	21-Mar-16	19-Mar-21	100	1,000	100	1,000
TCFSL NCD "AA" FY 2015-16	16-Mar-16	16-Mar-21	70	700	70	700
TCFSL NCD "O" FY 2017-18	12-Jan-18	22-Jan-21	750	7,500	-	-
TCFSL NCD "X" FY 2015-16	16-Dec-15	16-Dec-20	100	1,000	100	1,000
TCFSL NCD "E" FY 2017-18	6-Jul-17	6-Aug-20	500	5,000	-	-
TCFSL NCD "G" FY 2017-18	12-Jul-17	10-Jul-20	250	2,500	-	-
TCFSL NCD "U" FY 2016-17	26-Aug-16	1-Jul-20	150	1,500	150	1,500
TCFSL NCD "D" FY 2017-18	9-Jun-17	9-Jun-20	10,150	101,500	-	-
TCFSL NCD "E" FY 2015-16	5-May-15	5-May-20	3,300	33,000	3,300	33,000
TCFSL NCD "AJ" FY 2016-17	1-Mar-17	28-Feb-20	250	2,500	250	2,500
TCFSL NCD "Q" FY 2017-18	24-Jan-18	24-Jan-20	7,000	70,000	-	-
TCFSL NCD "I" FY 2016-17 Option - II	10-Jun-16	23-Dec-19	130	1,300	130	1,300
TCFSL NCD "AE" FY 2016-17	16-Nov-16	16-Dec-19	750	7,500	750	7,500
TCFSL NCD "AD" FY 2016-17	10-Nov-16	10-Dec-19	230	2,300	230	2,300
TCFSL NCD "AC" FY 2016-17	27-Oct-16	25-Oct-19	350	3,500	350	3,500
TCFSL NCD "L" FY 2017-18	29-Sep-17	27-Sep-19	2,000	20,000	-	-
TCFSL NCD "V" FY 2016-17 - Option II	31-Aug-16	30-Aug-19	250	2,500	250	2,500
TCFSL NCD "T" FY 2016-17	25-Aug-16	23-Aug-19	250	2,500	250	2,500
TCFSL NCD "J" FY 2017-18	7-Aug-17	7-Aug-19	5,500	55,000	-	-
TCFSL NCD "J" FY 2017-18 Further Issuance	1-Sep-17	7-Aug-19	2,478	24,837	-	-
TCFSL NCD "P" FY 2016-17	29-Jul-16	29-Jul-19	100	1,000	100	1,000
TCFSL NCD "O" FY 2016-17	19-Jul-16	19-Jul-19	250	2,500	250	2,500
TCFSL NCD "H" FY 2017-18	18-Jul-17	18-Jul-19	5,000	50,000	-	-
TCFSL NCD "N" FY 2016-17	12-Jul-16	12-Jul-19	2,000	20,000	2,000	20,000
TCFSL NCD "F" FY 2017-18	10-Jul-17	10-Jul-19	1,000	10,000	-	-
TCFSL NCD C FY 2014-15 - Option-II	9-Jul-14	9-Jul-19	350	3,500	350	3,500
TCFSL NCD "I" FY 2016-17- Option I	10-Jun-16	24-Jun-19	250	2,500	250	2,500
TCFSL NCD "B" FY 2017-18	30-May-17	30-May-19	2,250	22,500	-	-
TCFSL NCD "N" FY 2017-18	29-Nov-17	29-May-19	500	5,000	-	-
TCFSL NCD "F" FY 2016-17	24-May-16	24-May-19	250	2,500	250	2,500
TCFSL NCD "Z" FY 2015-16	5-Feb-16	3-May-19	1,000	10,000	1,000	10,000
TCFSL NCD "D" FY 2016-17	20-Apr-16	19-Apr-19	100	1,000	100	1,000
TCFSL NCD "AC" FY 2015-16	31-Mar-16	18-Apr-19	213	2,130	213	2,130
TCFSL NCD "A" FY 2017-18	10-Apr-17	10-Apr-19	10,250	102,500	-	-
TCFSL NCD "B" FY 2016-17	7-Apr-16	8-Apr-19	200	2,000	200	2,000
TCFSL NCD "M" FY 2017-18	16-Nov-17	28-Mar-19	7,500	75,000	-	-
TCFSL NCD "AK" FY 2016-17	27-Mar-17	27-Mar-19	190	1,900	190	1,900
TCFSL NCD "AA" FY 2016-17	6-Oct-16	18-Mar-19	500	5,000	500	5,000
TCFSL NCD "X" FY 2016-17	8-Sep-16	8-Mar-19	2,500	25,000	2,500	25,000
TCFSL NCD "AI" FY 2016-17	8-Feb-17	4-Mar-19	1,000	10,000	1,000	10,000
TCFSL NCD "AH" FY 2016-17	6-Feb-17	6-Feb-19	1,500	15,000	1,500	15,000
TCFSL NCD "Y" FY 2015-16	8-Jan-16	8-Jan-19	250	2,500	250	2,500
TCFSL NCD "C" FY 2017-18	2-Jun-17	30-Nov-18	1,000	10,000	-	-
TCFSL NCD "AF" FY 2016-17	29-Nov-16	29-Nov-18	3,000	30,000	3,000	30,000
TCFSL NCD AA FY 2011-12	21-Oct-11	21-Oct-18	150	1,500	150	1,500
TCFSL NCD "AB" FY 2016-17	14-Oct-16	12-Oct-18	5,450	54,500	5,450	54,500
TCFSL NCD R FY 2011-12	23-Sep-11	23-Sep-18	100	1,000	100	1,000
TCFSL NCD "W" FY 2016-17	6-Sep-16	6-Sep-18	2,500	25,000	2,500	25,000
TCFSL NCD "V" FY 2016-17 - Option I	31-Aug-16	31-Aug-18	300	3,000	300	3,000
TCFSL NCD "S" FY 2015-16	26-Aug-15	24-Aug-18	250	2,500	250	2,500
TCFSL NCD O FY 2013-14	20-Aug-13	20-Aug-18	430	4,300	430	4,300
TCFSL NCD M FY 2011-12	17-Aug-11	17-Aug-18	40	400	40	400

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2018*		As at March 31, 2017*	
			Number of NCDs	Rs in lakh	Number of NCDs	Rs in lakh
TCFSL NCD "S" FY 2016-17	16-Aug-16	16-Aug-18	750	7,500	750	7,500
TCFSL NCD "R" FY 2016-17	12-Aug-16	13-Aug-18	250	2,500	250	2,500
TCFSL NCD "Q" FY 2016-17	2-Aug-16	2-Aug-18	1,500	15,000	1,500	15,000
TCFSL NCD 'Q' FY 2015-16 Option I	13-Jul-15	13-Jul-18	50	500	50	500
TCFSL NCD "L" FY 2015-16	22-Jun-15	22-Jun-18	3,800	38,000	3,800	38,000
TCFSL NCD G FY 2013-14	22-May-13	22-May-18	2,000	20,000	2,000	20,000
TCFSL NCD H FY 2013-14	22-May-13	22-May-18	250	2,500	250	2,500
TCFSL NCD D FY 2013-14	7-May-13	7-May-18	200	2,000	200	2,000
TCFSL NCD E FY 2013-14	7-May-13	7-May-18	500	5,000	500	5,000
TCFSL NCD A FY 2013-14 - Option-I	23-Apr-13	23-Apr-18	850	8,500	850	8,500
TCFSL NCD AK FY 2014-15-Option-II	15-Jan-15	5-Apr-18	59	590	59	590
TCFSL NCD AX FY 2014-15-Option-II	20-Mar-15	3-Apr-18	80	800	80	800
TCFSL NCD BF FY 2012-13	26-Mar-13	26-Mar-18	-	-	50	500
TCFSL NCD "J" FY 2016-17- Option I	15-Jun-16	26-Mar-18	-	-	300	3,000
TCFSL NCD "Y" FY 2016-17	30-Sep-16	26-Mar-18	-	-	1,500	15,000
TCFSL NCD "Z" FY 2016-17	4-Oct-16	26-Mar-18	-	-	3,500	35,000
TCFSL NCD "AY" FY 2014-15-Option-I	24-Mar-15	23-Mar-18	-	-	150	1,500
TCFSL NCD "A" FY 2016-17	5-Apr-16	20-Mar-18	-	-	1,250	12,500
TCFSL NCD "E" FY 2016-17	22-Apr-16	20-Mar-18	-	-	700	7,000
TCFSL NCD "C" FY 2016-17	13-Apr-16	15-Mar-18	-	-	2,500	25,000
TCFSL NCD AV FY 2014-15 - Option-II	10-Mar-15	9-Mar-18	-	-	500	5,000
TCFSL NCD AT FY 2014-15 - Option-I	2-Mar-15	2-Mar-18	-	-	650	6,500
TCFSL NCD AQ FY 2014-15	20-Feb-15	12-Feb-18	-	-	60	600
TCFSL NCD AP FY 2014-15-Option-I	4-Feb-15	2-Feb-18	-	-	500	5,000
TCFSL NCD AN FY 2014-15	29-Jan-15	29-Jan-18	-	-	3,000	30,000
TCFSL NCD AL FY 2014-15	20-Jan-15	24-Jan-18	-	-	210	2,100
TCFSL NCD AY FY 2012-13	22-Jan-13	22-Jan-18	-	-	2,000	20,000
TCFSL NCD BA FY 2012-13	22-Jan-13	22-Jan-18	-	-	250	2,500
TCFSL NCD 'AZ' FY 2012-13	22-Jan-13	22-Jan-18	-	-	3,000	30,000
TCFSL NCD AX FY 2012-13	16-Jan-13	16-Jan-18	-	-	650	6,500
TCFSL NCD AK FY 2014-15-Option-I	15-Jan-15	15-Jan-18	-	-	97	970
TCFSL NCD AJ FY 2014-15	14-Jan-15	10-Jan-18	-	-	162	1,620
TCFSL NCD "L" FY 2016-17	7-Jul-16	8-Jan-18	-	-	250	2,500
TCFSL NCD AH FY 2014-15-Option-III	16-Dec-14	4-Jan-18	-	-	90	900
TCFSL NCD "K" FY 2016-17	24-Jun-16	26-Dec-17	-	-	250	2,500
TCFSL NCD "J" FY 2016-17- Option II	15-Jun-16	15-Dec-17	-	-	250	2,500
TCFSL NCD AF FY 2014-15-Option-III	8-Dec-14	8-Dec-17	-	-	50	500
TCFSL NCD AS FY 2012-13	5-Dec-12	5-Dec-17	-	-	250	2,500
TCFSL NCD AB FY 2014-15-Option-III	21-Nov-14	29-Nov-17	-	-	150	1,500
TCFSL NCD AB FY 2014-15-Option-II	21-Nov-14	27-Nov-17	-	-	200	2,000
TCFSL NCD X FY 2014-15 - Option -II	14-Nov-14	24-Nov-17	-	-	150	1,500
TCFSL NCD Y FY 2014-15	18-Nov-14	20-Nov-17	-	-	100	1,000
TCFSL NCD AB FY 2014-15-Option-I	21-Nov-14	20-Nov-17	-	-	380	3,800
TCFSL NCD Z FY 2014-15	19-Nov-14	15-Nov-17	-	-	740	7,400
TCFSL NCD AQ FY 2012-13	12-Nov-12	10-Nov-17	-	-	300	3,000
TCFSL NCD "W" FY 2015-16	10-Nov-15	10-Nov-17	-	-	200	2,000
TCFSL NCD AJ FY 2012-13	9-Nov-12	9-Nov-17	-	-	5,000	50,000
TCFSL NCD U FY 2014-15	21-Oct-14	20-Oct-17	-	-	100	1,000
TCFSL NCD "V" FY 2015-16	21-Oct-15	20-Oct-17	-	-	1,000	10,000
TCFSL NCD T FY 2014-15 - Option -III	13-Oct-14	18-Oct-17	-	-	100	1,000
TCFSL NCD S FY 2014-15 - Option -I	9-Oct-14	9-Oct-17	-	-	50	500
TCFSL NCD R FY 2014-15 - Option -III	30-Sep-14	29-Sep-17	-	-	50	500
TCFSL NCD R FY 2014-15 - Option -II	30-Sep-14	28-Sep-17	-	-	100	1,000
TCFSL NCD 'U' FY 2015-16	28-Sep-15	28-Sep-17	-	-	2,000	20,000
TCFSL NCD S FY 2014-15 - Option -V	9-Oct-14	27-Sep-17	-	-	22	220
TCFSL NCD T FY 2014-15 - Option -V	13-Oct-14	26-Sep-17	-	-	250	2,500
TCFSL NCD T FY 2014-15 - Option -I	13-Oct-14	20-Sep-17	-	-	1,500	15,000
TCFSL NCD AG FY 2012-13	10-Sep-12	8-Sep-17	-	-	100	1,000
TCFSL NCD "M" FY 2016-17	8-Jul-16	8-Sep-17	-	-	1,500	15,000
TCFSL NCD M FY 2014-15	4-Sep-14	4-Sep-17	-	-	500	5,000
TCFSL NCD L FY 2014-15 - Option- I	1-Sep-14	1-Sep-17	-	-	4,000	40,000
TCFSL NCD R FY 2013-14	26-Aug-13	25-Aug-17	-	-	300	3,000
TCFSL NCD M FY 2011-12 - Partial Redemption	17-Aug-11	17-Aug-17	-	-	30	300
TCFSL NCD "H" FY 2016-17	7-Jun-16	10-Aug-17	-	-	400	4,000
TCFSL NCD AE FY 2012-13	9-Aug-12	9-Aug-17	-	-	200	2,000
TCFSL NCD 'R' FY 2015-16	31-Jul-15	31-Jul-17	-	-	1,570	15,700

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2018*		As at March 31, 2017*	
			Number of NCDs	Rs in lakh	Number of NCDs	Rs in lakh
TCFSL NCD "H" FY 2015-16 Option - I	15-May-15	17-Jul-17	-	-	1,270	12,700
TCFSL NCD F FY 2014-15	14-Jul-14	14-Jul-17	-	-	100	1,000
TCFSL NCD C FY 2014-15 - Option-I	9-Jul-14	10-Jul-17	-	-	250	2,500
TCFSL NCD 'O' FY 2015-16 Option II	7-Jul-15	7-Jul-17	-	-	250	2,500
TCFSL NCD 'P' FY 2015-16	9-Jul-15	7-Jul-17	-	-	2,500	25,000
TCFSL NCD "M" FY 2015-16 - Option I	24-Jun-15	23-Jun-17	-	-	1,000	10,000
TCFSL NCD "M" FY 2015-16 - Option II	24-Jun-15	23-Jun-17	-	-	750	7,500
TCFSL NCD "M" FY 2015-16 - Option III	24-Jun-15	23-Jun-17	-	-	750	7,500
TCFSL NCD 'O' FY 2015-16 Option I	7-Jul-15	23-Jun-17	-	-	2,500	25,000
TCFSL NCD "H" FY 2015-16 Option - V	15-May-15	20-Jun-17	-	-	187	1,870
TCFSL NCD "I" FY 2015-16 Option - V	22-May-15	20-Jun-17	-	-	67	670
TCFSL NCD "K" FY 2015-16	9-Jun-15	9-Jun-17	-	-	5,000	50,000
TCFSL NCD "C" FY 2015-16 OPTION-IV	22-Apr-15	1-Jun-17	-	-	340	3,400
TCFSL NCD "H" FY 2015-16 Option - VI	15-May-15	1-Jun-17	-	-	175	1,750
TCFSL NCD "I" FY 2015-16 Option - I	22-May-15	1-Jun-17	-	-	1,273	12,730
TCFSL NCD "G" FY 2015-16 - Option I	13-May-15	24-May-17	-	-	350	3,500
TCFSL NCD "J" FY 2015-16 - Option II	26-May-15	24-May-17	-	-	5,250	52,500
TCFSL NCD "H" FY 2015-16 Option - IV	15-May-15	24-May-17	-	-	220	2,200
TCFSL NCD "B" FY 2015-16	20-Apr-15	22-May-17	-	-	1,026	10,260
TCFSL NCD "H" FY 2015-16 Option - II	15-May-15	22-May-17	-	-	780	7,800
TCFSL NCD "I" FY 2015-16 Option - II	22-May-15	17-May-17	-	-	200	2,000
TCFSL NCD "H" FY 2015-16 Option - VIII	15-May-15	15-May-17	-	-	100	1,000
TCFSL NCD "H" FY 2015-16 Option - III	15-May-15	12-May-17	-	-	250	2,500
TCFSL NCD AU FY 2014-15-Option-III	5-Mar-15	2-May-17	-	-	110	1,100
TCFSL NCD "G" FY 2015-16 - Option II	13-May-15	27-Apr-17	-	-	90	900
TCFSL NCD "C" FY 2015-16 OPTION-III	22-Apr-15	25-Apr-17	-	-	850	8,500
TCFSL NCD "C" FY 2015-16 OPTION-II	22-Apr-15	20-Apr-17	-	-	70	700
TCFSL NCD "C" FY 2015-16 OPTION-I	22-Apr-15	19-Apr-17	-	-	326	3,260
TCFSL NCD "D" FY 2015-16 OPTION-II	24-Apr-15	18-Apr-17	-	-	88	880
TCFSL NCD "A" FY 2015-16	15-Apr-15	11-Apr-17	-	-	180	1,800
TCFSL NCD "H" FY 2015-16 Option - VII	15-May-15	11-Apr-17	-	-	120	1,200
TCFSL NCD AU FY 2014-15-Option-I	5-Mar-15	10-Apr-17	-	-	115	1,150
TCFSL NCD "D" FY 2015-16 OPTION-IV	24-Apr-15	5-Apr-17	-	-	510	5,100
TCFSL NCD "D" FY 2015-16 OPTION-I	24-Apr-15	3-Apr-17	-	-	640	6,400
TCFSL NCD "D" FY 2015-16 OPTION-III	24-Apr-15	3-Apr-17	-	-	190	1,900
TOTAL				1,053,757		1,156,500
Of which current maturities classified under "Current liabilities" in note 10				(369,490)		(710,380)
TOTAL				684,267		446,120

*Note : Coupon rate of "NCDs" outstanding as on March 31, 2018 varies from 7.50% to 10.40% (Previous Year : 7.58% to 10.75%)

5. 6. Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2018

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL NCD Option I (2009)	March 6, 2009	March 5, 2019	310	310
TCFSL NCD Option II (2009)	March 6, 2009	March 5, 2019	177,875	1,779
TCFSL NCD Option III (2009)	March 6, 2009	March 5, 2019	1,497,029	14,970
TCFSL NCD Option IV (2009)	March 6, 2009	March 5, 2019	1,175,939	11,759
Total				28,818

Note : Coupon rate of above outstanding as on March 31, 2018 varies from 9.75% to 10.50%

5. 7. Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2017

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL NCD Option I (2009)	March 6, 2009	March 5, 2019	310	310
TCFSL NCD Option II (2009)	March 6, 2009	March 5, 2019	177,875	1,779
TCFSL NCD Option III (2009)	March 6, 2009	March 5, 2019	1,497,029	14,970
TCFSL NCD Option IV (2009)	March 6, 2009	March 5, 2019	1,175,939	11,759
Total				28,818

Note : Coupon rate of above outstanding as on March 31, 2017 varies from 9.75% to 10.50%

5. 8. Particulars of unsecured redeemable non-convertible subordinated debentures (Tier II Bonds) outstanding as on March 31, 2018

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh *
TCFSL Tier-II Bond "B" FY 2016-17	26-Oct-16	26-Oct-26	150	1,500
TCFSL Tier-II Bond "A" FY 2016-17	11-Aug-16	11-Aug-26	2,000	20,000
TCFSL Tier II Bond 'B' FY 2015-16	30-Mar-16	30-Mar-26	2,000	20,000
TCFSL Tier II Bond 'A' FY 2015-16	22-Jul-15	22-Jul-25	900	9,000
TCFSL Tier II Bond 'D' FY 2014-15	31-Mar-15	31-Mar-25	2,000	20,000
TCFSL Tier II Bond 'C' FY 2014-15	30-Jan-15	30-Jan-25	750	7,500
TCFSL Tier II Bond 'B' FY 2014-15	7-Jan-15	7-Jan-25	350	3,500
TCFSL Tier II Bond 'A' FY 2014-15	26-Sep-14	26-Sep-24	1,000	10,000
TCL Tier II Bond 'H' FY 2009-10	24-Dec-09	24-Dec-19	1,000	5,000
TCL Tier II Bond 'G' FY 2009-10	18-Dec-09	18-Dec-19	3,000	15,000
TCL Tier II Bond 'E' FY 2009-10	15-Dec-09	15-Dec-19	5,725	28,625
TCL Tier II Bond 'F' FY 2009-10	30-Nov-09	30-Nov-19	1,135	4,824
TCL Tier II Bond 'D' FY 2009-10	28-Oct-09	28-Oct-19	1,479	7,395
TCL Tier II Bond 'C' FY 2009-10	28-Oct-09	28-Oct-19	1,580	7,900
TCL Tier II Bond 'B' FY 2009-10	9-Sep-09	9-Sep-19	1,704	17,040
TCL Tier II Bond 'A' FY 2009-10	4-Aug-09	4-Aug-19	391	3,910
Total				181,194

*Net of unamortised discount of Rs.851 lakh

Note : Coupon rate of above outstanding as on March 31, 2018 varies from 8.45% to 10.50%

Particulars of unsecured redeemable non-convertible subordinated debentures (Tier II Bonds) outstanding as on March 31, 2017

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in Lakh*
TCFSL Tier-II Bond "B" FY 2016-17	26-Oct-16	26-Oct-26	150	1,500
TCFSL Tier-II Bond "A" FY 2016-17	11-Aug-16	11-Aug-26	2,000	20,000
TCFSL Tier II Bond 'B' FY 2015-16	30-Mar-16	30-Mar-26	2,000	20,000
TCFSL Tier II Bond 'A' FY 2015-16	22-Jul-15	22-Jul-25	900	9,000
TCFSL Tier II Bond 'D' FY 2014-15	31-Mar-15	31-Mar-25	2,000	20,000
TCFSL Tier II Bond 'C' FY 2014-15	30-Jan-15	30-Jan-25	750	7,500
TCFSL Tier II Bond 'B' FY 2014-15	7-Jan-15	7-Jan-25	350	3,500
TCFSL Tier II Bond 'A' FY 2014-15	26-Sep-14	26-Sep-24	1,000	10,000
TCL Tier II Bond 'H' FY 2009-10	24-Dec-09	24-Dec-19	1,000	5,000
TCL Tier II Bond 'G' FY 2009-10	18-Dec-09	18-Dec-19	3,000	15,000
TCL Tier II Bond 'E' FY 2009-10	15-Dec-09	15-Dec-19	5,725	28,625
TCL Tier II Bond 'F' FY 2009-10	30-Nov-09	30-Nov-19	1,135	4,376
TCL Tier II Bond 'D' FY 2009-10	28-Oct-09	28-Oct-19	1,479	7,395
TCL Tier II Bond 'C' FY 2009-10	28-Oct-09	28-Oct-19	1,580	7,900
TCL Tier II Bond 'B' FY 2009-10	9-Sep-09	9-Sep-19	1,704	17,040
TCL Tier II Bond 'A' FY 2009-10	4-Aug-09	4-Aug-19	391	3,910
Total				180,746

*Net of unamortised discount of Rs.1,299 lakh

Note : Coupon rate of above outstanding as on March 31, 2017 varies from 8.45% to 10.50%

5. 9. Particulars of unsecured non-convertible perpetual debentures outstanding as on March 31, 2018

Description of NCD	Issue Date	Number of NCDs	Rs in lakh
TCL Perpetual 'A' FY 2010-11	15-Nov-10	15	75
TCL Perpetual 'B' FY 2010-11	14-Jan-11	18	90
TCL Perpetual 'A' FY 2011-12	5-May-11	20	100
TCL Perpetual 'B' FY 2011-12	8-Aug-11	61	305
TCL Perpetual 'C' FY 2011-12	28-Sep-11	10	50
TCL Perpetual 'D' FY 2011-12	7-Nov-11	5	25
TCFSL Perpetual 'A' FY 2013-14	27-Mar-14	1871	9,355
TCFSL Perpetual 'A' FY 2015-16	16-Jul-15	1000	10,000
TCFSL Perpetual 'B' FY 2015-16	6-Jan-16	500	5,000
TCFSL Perpetual 'C' FY 2015-16	2-Feb-16	500	5,000
TCFSL Perpetual 'D' FY 2015-16	9-Feb-16	1000	10,000
TCFSL Perpetual 'E' FY 2015-16	23-Mar-16	1000	10,000
TCFSL Perpetual 'A' FY 2016-17	30-Jun-16	500	5,000
TCFSL Perpetual 'B' FY 2016-17	13-Jan-17	100	1,000
TCFSL Perpetual 'C' FY 2016-17	8-Mar-17	400	4,000
TCFSL Perpetual 'A' FY 2017-18	21-Jun-17	500	5,000
TCFSL Perpetual 'B' FY 2017-18	14-Jul-17	500	5,000
TCFSL Perpetual 'C' FY 2017-18	11-Sep-17	930	9,300
TCFSL Perpetual 'D' FY 2017-18	26-Mar-18	1000	10,000
TCFSL Perpetual 'D' FY 2017-18	26-Mar-18	250	2,500
Total			91,800

Note : Coupon rate of above outstanding as on March 31, 2018 varies from 8.61% to 11.25%

Particulars of unsecured non-convertible perpetual debentures outstanding as on March 31, 2017

Description of NCD	Issue Date	Number of NCDs	Rs in lakh
TCL Perpetual A FY 2010-11	15-Nov-10	15	75
TCL Perpetual B FY 2010-11	14-Jan-11	18	90
TCL Perpetual A FY 2011-12	5-May-11	20	100
TCL Perpetual B FY 2011-12	8-Aug-11	61	305
TCL Perpetual C FY 2011-12	28-Sep-11	10	50
TCL Perpetual D FY 2011-12	7-Nov-11	5	25
TCFSL Perpetual A FY 2013-14	27-Mar-14	1871	9,355
TCFSL Perpetual A FY 2015-16	16-Jul-15	1000	10,000
TCFSL Perpetual B FY 2015-16	6-Jan-16	500	5,000
TCFSL Perpetual C FY 2015-16	2-Feb-16	500	5,000
TCFSL Perpetual D FY 2015-16	9-Feb-16	1000	10,000
TCFSL Perpetual E FY 2015-16	23-Mar-16	1000	10,000
TCFSL Perpetual 'A' FY 2016-17	30-Jun-16	500	5,000
TCFSL Perpetual 'B' FY 2016-17	13-Jan-17	100	1,000
TCFSL Perpetual 'C' FY 2016-17	8-Mar-17	400	4,000
Total			60,000

Note : Coupon rate of above outstanding as on March 31, 2017 varies from 9.00% to 11.25%

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Funds Raised through Perpetual Debt Instruments	31,800	10,000
Amount outstanding at the end of year	91,800	60,000
Percentage of amount of Perpetual Debt Instruments of the amount of Tier I Capital	18.43%	15.07%
Financial year in which interest on Perpetual Debt Instruments is not paid on account of 'Lock-In Clause'.	N.A.	

5. 10. Particulars of Privately Placed unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2018

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL Unsecured NCD A FY 2017-18	27-Jun-17	27-Jun-19	8000	80,000
TCFSL UNSECURED NCD "A" FY 2015-16	12-Aug-15	10-Aug-18	2000	20,000
TCFSL Unsecured NCD B FY 2016-17	27-Apr-16	27-Apr-18	2000	20,000
TCFSL Unsecured NCD A FY 2016-17	25-Apr-16	25-Apr-18	3000	30,000
TOTAL				150,000
Of which current maturities classified under "Current liabilities" in note 10				(70,000)
Total				80,000

Note : Coupon rate of above outstanding as on March 31, 2018 varies from 7.90% to 9.20%

Particulars of Privately Placed unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2017

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL Unsecured NCD A FY 2015-16	12-Aug-15	10-Aug-18	2000	20,000
TCFSL Unsecured NCD A FY 2016-17	25-Apr-16	25-Apr-18	3000	30,000
TCFSL Unsecured NCD B FY 2016-17	27-Apr-16	27-Apr-18	2000	20,000
TCFSL Unsecured NCD B FY 2015-16 Option-I	1-Sep-15	1-Sep-17	1500	15,000
TOTAL				85,000
Of which current maturities classified under "Current liabilities" in note 10				(15,000)
Total				70,000

Note : Coupon rate of above outstanding as on March 31, 2017 varies from 8.80% to 8.91%

5. 11. Unsecured redeemable Non-convertible subordinated debentures includes the debentures issued to Key Management Personnel of Rs. 20 lakh (Previous Year : Rs. 20 lakh).

6. OTHER LONG-TERM LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Interest accrued but not due on borrowings	213	4,317
(b) Income received in advance	173	215
(c) Payable for capital expenditure	205	-
(d) Sundry liabilities account (interest capitalisation)	250	2,487
Total	841	7,019

7. LONG-TERM PROVISIONS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Provision for employee benefits	962	891
(b) Contingent provision against Standard Assets (Refer note 36)	6,732	5,160
(c) Provision for doubtful loans and credit substitutes	17,993	30,361
(d) Provision for restructured standard assets	108	70
Total	25,795	36,482

8. SHORT-TERM BORROWINGS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Loans repayable on demand		
Secured		
From Banks		
(i) Working capital demand loan (Refer notes 5.3 above and 8.2 below)	268,000	75,000
(ii) Bank Overdraft (Refer note 5.3 above)	210,934	301,969
Unsecured		
From Banks		
(i) Working capital demand loan (Refer notes 5.3 above and 8.2 below)	40,000	11,200
(b) Term loans		
Secured		
From Banks (Refer notes 5.3 and 5.4 above)	10,000	6,000
Unsecured		
From Banks (Refer note 5.4 above)	82,500	-
(c) Other loans and advances		
Unsecured		
(i) Commercial paper (Refer note 8.1 below) [Net of unamortised discount of Rs. 12,637 lakh (as at March 31, 2017 : Rs. 9,868 lakh)]	641,363	567,632
(ii) Inter Corporate Deposits from Related Parties (Refer notes 8.3 below and 31)	33,784	44,829
(iii) Inter Corporate Deposits from Others (Refer note 8.3 below)	6,500	-
Total	1,293,081	1,006,630

Notes

8.1. Discount on commercial paper varies between 7.32 % to 8.25% (Previous year : 6.66% to 8.61%)

8.2. Rate of interest payable on WCDL varies between 7.60 % to 8.10% (Previous Year : 7.95 % to 8.70%.)

8.3. Rate of interest payable on Inter-corporate deposits varies between 7.25 % to 8.87% (Previous Year : 8.61 % to 8.87%.)

9. TRADE PAYABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(i) Accrued expenses	18,586	16,170
(ii) Payable to Related Parties	98	28
(iii) Payable to Dealers/Vendors	33,252	27,422
(iv) Others	561	918
Total	52,497	44,538

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 :

9. (a) Total outstanding dues of micro enterprises and small enterprises

PARTICULARS	As at March 31, 2018	As at March 31, 2017
(a) Amounts outstanding but not due as at year end	-	-
(b) Amounts due but unpaid as at year end	-	-
(c) Amounts paid after appointed date during the year	-	-
(d) Amount of interest accrued and unpaid as at year end	-	-
(e) The amount of further interest due and payable even in the succeeding year	-	-
Total	-	-

10. OTHER CURRENT LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Current maturities of long-term debt		
(i) Debentures		
Secured		
Privately Placed Non-Convertible Debentures (Refer notes 5.1 and 5.5 above)	369,490	710,380
Public issue of Non-Convertible Debentures (Refer notes 5.2 and 5.6 above)	28,818	-
Unsecured		
Privately Placed Non-Convertible Debentures (Refer note 5.10 above)	70,000	15,000
(ii) Term Loans		
Secured		
From Banks (Refer notes 5.3 and 5.4 above)	15,000	50,000
Unsecured		
From Banks (Refer note 5.4 above)	70,000	-
(iii) Other loans and advances		
Unsecured		
Inter-Corporate Deposits from Others (Refer note 8.3 above)	715	715
(b) Interest accrued but not due on borrowings	77,010	81,149
(c) Income received in advance	1,573	1,113
(d) Unclaimed matured debentures and accrued interest thereon	53	53
(e) Other payables		
(i) Security deposit	31,719	22,475
(ii) Statutory dues	3,758	1,305
(iii) Payable for capital expenditure	1,637	908
(vi) Advances from customers	1,677	1,402
(v) Sundry liabilities account (interest capitalisation)	450	2,058
(vi) Amounts payable - assigned loans	2,997	5,727
(vii) Accrued employee benefit expense	6,524	4,321
(viii) Others	893	595
Total	682,314	897,201

11. SHORT-TERM PROVISIONS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Provision for employee benefits	157	142
(b) Provision - Others		
(i) Contingent Provision against Standard Assets (Refer note 34)	8,523	6,431
(ii) Provision for tax [Net of advance tax Rs. 9,894 lakh (As at March 31, 2017 Rs. 29,481 lakh)]	10,114	8,575
(iii) Provision for doubtful loans and credit substitutes	71,856	90,861
(iv) Provision for restructured standard assets	35	41
Total	90,685	106,050

12. PROPERTY, PLANT AND EQUIPMENT
(Rs. in lakh)

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2017	Additions/ Adjustments	Deletions	Written off during the year*	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2018	As at March 31, 2018
TANGIBLE ASSETS										
Buildings	4,975	-	-	-	4,975	1,298	200	-	1,498	3,477
	4,975	-	-	-	4,975	1,098	200	-	1,298	3,677
Leasehold Improvements	3,554	365	56	-	3,863	1,853	547	46	2,354	1,509
	4,191	338	975	-	3,554	2,343	424	914	1,853	1,701
Furniture & Fixtures	1,181	132	25	-	1,288	689	101	18	772	516
	1,190	211	220	-	1,181	716	136	163	689	492
Computer Equipment	2,407	982	-	-	3,389	789	604	-	1,393	1,996
	945	1,579	117	-	2,407	614	292	117	789	1,618
Office Equipment	1,760	210	13	-	1,957	1,278	203	11	1,470	487
	1,580	318	138	-	1,760	1,238	155	115	1,278	482
Plant & Machinery	520	4	21	-	503	263	52	16	299	204
	668	-	148	-	520	319	64	120	263	257
Vehicles	934	83	128	-	889	482	181	90	573	316
	1,000	266	332	-	934	575	209	302	482	452
ASSETS GIVEN UNDER OPERATING LEASE/RENTAL										
Construction Equipment	24,047	1,787	7,602	-	18,232	9,748	2,827	3,919	8,656	9,576
	22,843	1,435	231	-	24,047	6,905	2,894	51	9,748	14,299
Vehicles	3,497	1,913	2,210	-	3,200	1,916	897	1,266	1,547	1,653
	4,769	793	2,065	-	3,497	2,797	798	1,679	1,916	1,581
Plant & Machinery	25,966	12,323	1,453	-	36,836	4,347	6,515	322	10,540	26,296
	13,642	12,432	108	-	25,966	2,153	2,214	20	4,347	21,619
Computer Equipment	21,867	3,225	2,431	-	22,661	8,967	7,154	1,894	14,227	8,434
	22,812	7,423	8,368	-	21,867	8,222	4,687	3,942	8,967	12,900
Furniture & Fixtures	1,046	123	-	-	1,169	212	296	-	508	661
	635	411	-	-	1,046	126	86	-	212	834
Office Equipments	2,711	204	229	-	2,686	1,466	792	224	2,034	652
	2,607	299	195	-	2,711	862	769	165	1,466	1,245
Railway Wagons	16,019	124	-	-	16,143	1,186	2,580	-	3,766	12,377
	8,265	7,754	-	-	16,019	223	963	-	1,186	14,833
Electrical Installation & Equipments	1,176	12	-	-	1,188	114	228	-	342	846
	289	887	-	-	1,176	2	112	-	114	1,062
TANGIBLE ASSETS - TOTAL	111,660	21,487	14,168	-	118,979	34,608	23,177	7,806	49,979	69,000
	90,411	34,146	12,897	-	111,660	28,193	14,003	7,588	34,608	77,052

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2017	Additions/ Adjustments	Deletions	Written off during the year*	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2018	As at March 31, 2018
INTANGIBLE ASSETS (other than internally generated)										
Goodwill	- <i>7,804</i>	- -	- -	- <i>7,804</i>	- -	- -	- -	- -	- -	- -
Software	2,228 <i>1,765</i>	1,671 <i>480</i>	50 <i>17</i>	- -	3,849 <i>2,228</i>	1,119 <i>864</i>	460 <i>270</i>	44 <i>15</i>	1,535 <i>1,119</i>	2,314 <i>1,109</i>
INTANGIBLE ASSETS - TOTAL	2,228 <i>9,569</i>	1,671 <i>480</i>	50 <i>17</i>	- <i>7,804</i>	3,849 <i>2,228</i>	1,119 <i>864</i>	460 <i>270</i>	44 <i>15</i>	1,535 <i>1,119</i>	2,314 <i>1,109</i>
Total	113,888 <i>99,980</i>	23,158 <i>34,626</i>	14,218 <i>12,914</i>	- <i>7,804</i>	122,828 <i>113,888</i>	35,727 <i>29,057</i>	23,637 <i>14,273</i>	7,850 <i>7,603</i>	51,514 <i>35,727</i>	71,314 <i>78,161</i>
Capital work-in-progress										101 518
Intangible Assets under Development										39 655
Total										71,454 79,334

Figures in italics relate to previous year

* Written off pursuant to Reduction of Share Capital (Refer note 38)

13. INVESTMENTS

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Non- Current Investment	Current portion of Non-Current Investment	Non- Current Investment	Current portion of Non-Current Investment
	Rs in lakh	Rs in lakh	Rs in lakh	Rs in lakh
LONG-TERM INVESTMENTS (at cost)				
Investment in Associates				
Unquoted :				
Investment in Equity Shares	-	-	3,854	-
Investment in Security Receipts	-	-	748	-
Investment in Others				
Quoted :				
Investment in Equity Shares	20,916	-	16,582	-
Investment in Mutual Fund	50	-	50	-
Unquoted :				
Investment in Equity Shares	13,642	-	9,749	-
Investment in Mutual Fund	980	-	980	-
Investment in Security Receipts	395	-	-	-
Investment in Preference Shares	-	-	-	90
Sub-total	35,983	-	31,963	90
Less: Provision for diminution in value of investments	(4,803)	-	(5,313)	(90)
Total Long-Term Investments	31,180	-	26,650	-

PARTICULARS	As at March 31, 2018	As at March 31, 2017
CURRENT INVESTMENTS (At lower of cost and fair value, unless otherwise stated)		
Quoted :		
Investment in Equity Shares	170	794
Unquoted :		
Investment in Equity Shares*	0	0
Total Current Investments	170	794

TOTAL INVESTMENTS	As at March 31, 2018		As at March 31, 2017	
	Non- Current Investment	Current Investment	Non- Current Investment	Current Investment
	Rs in lakh	Rs in lakh	Rs in lakh	Rs in lakh
Total Investments	31,180	170	26,650	794
Book value of Quoted investments (net)	17,776	170	11,833	794
Market value of Quoted investments	14,717	1,362	10,814	802
Book value of Unquoted investments (net)	13,404	-	14,817	-

* Amount less than Rs. 50,000.

Scrip-wise details of Investments:

PARTICULARS	Face value Per Unit (in Rs)	As at March 31, 2018			As at March 31, 2017		
		No. of Units	Non- Current Investments	Current portion of Non-Current Investments	No. of Units	Non- Current Investments	Current portion of Non-Current Investments
			Rs in lakh	Rs in lakh		Rs in lakh	Rs in lakh
LONG-TERM INVESTMENTS							
Investments in Associates							
Unquoted							
Investment in Equity Shares (Non-Trade)							
International Asset Reconstruction Company Private Limited (Refer note 31)	10	-	-	-	13,946,295	3,854	-
			-	-		3,854	-
Investment in Security Receipts							
International Asset Reconstruction Company Private Limited	1,000	-	-	-	104,135	748	-
			-	-		748	-
Investments in Others							
Quoted :							
Investment in Equity Shares (Non-Trade)							
Hindustan Unilever Limited	1	2,000	5	-	2,000	5	-
Praj Industries Limited	2	13,422,400	16,577	-	13,422,400	16,577	-
The New India Assurance company Limited	5	541,688	4,334	-	-	-	-
			20,916	-		16,582	-
Investment in units of Mutual Funds							
HDFC Debt Fund For Cancer Cure	10	500,000	50	-	500,000	50	-
			50	-		50	-
Unquoted :							
Investment in Equity Shares (Non-Trade unless otherwise stated)							
Adithya Automotives Private Limited	10	1,396,500	140	-	1,396,500	140	-
Aricent Technologies Holdings Limited *	10	8	0	-	8	0	-
Fincare Business Services Limited	10	235,992	660	-	235,992	660	-
International Asset Reconstruction Company Private Limited	10	13,946,295	3,893	-	-	-	-
Shriram Properties Private Limited	10	2,223,569	3,935	-	2,223,569	3,935	-
TVS Logistics Services Limited	10	217,325	1,465	-	217,325	1,465	-
SKS Ispat & Power Limited	10	33,931,831	1,028	-	33,931,831	1,028	-
Varroc Engineering Private Limited	10	155,024	2,521	-	155,024	2,521	-
			13,642	-		9,749	-
Investment in Security Receipts							
International Asset Reconstruction Company Private Limited	1,000	104,135	395	-	-	-	-
			395	-		-	-
Investment in Preference Shares (Non-Trade)							
0.001% Share Microfin Limited Optionally Cumulative Convertible Redeemable Preference Shares	10	-	-	-	900,000	-	90
			-	-		-	90
Investment in units of Mutual Funds							
Tata Money Market Fund	1,000	39,412	980	-	39,412	980	-
			980	-		980	-
Less: Provision for diminution in value of investments			(4,803)	-		(5,313)	(90)
Total Long Term Investments			31,180	-		26,650	-

PARTICULARS	Face value Per Unit (in Rs)	As at March 31, 2018			As at March 31, 2017		
		No. of Units	Rs in lakh	Rs in lakh	No. of Units	Rs in lakh	Rs in lakh
CURRENT INVESTMENTS							
Quoted :							
Investment in Equity Shares (Non-Trade)							
3i Infotech Limited	10	23,280,000	1,013		-	-	
Consolidated Construction Consortium Limited	2	416,472	8		-	-	
Diamond Power Infra Limited	10	1,631,881	674		1,631,881	674	
Gol Offshore Limited	10	644,609	282		644,609	282	
IVRCL Limited	2	1,594,857	246	2,223	2,776,522	428	1,384
Less: MTM Provision on Current Investments				(2,053)			(590)
				170			794
Unquoted :							
Investment in Equity Shares (Non-Trade)							
Coastal Projects Limited	10	4,101,806	410		4,101,806	410	
Tata Tele Services Limited * (Refer note 38)	10	62,250,000	0	410	62,250,000	0	410
Less: Provision for diminution on Current Investment				(410)			(410)
				0			0
Total Current Investments				170			794
PARTICULARS		As at March 31, 2018			As at March 31, 2017		
		Non- Current Investment	Current Investments		Non- Current Investment	Current Investments	
		Rs in lakh	Rs in lakh		Rs in lakh	Rs in lakh	
TOTAL INVESTMENTS		31,180	170		26,650	794	
Book value of Quoted investments (net)		17,776	170		11,833	794	
Market value of Quoted investments		14,717	1,362		10,814	802	
Book value of Unquoted investments (net)		13,404	-		14,817	-	

* Amount less than Rs. 50,000.

14. DEFERRED TAX ASSET

Particulars	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in Lakh
Deferred Tax Asset (net)	37,568	43,483

The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

Particulars	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in Lakh
Deferred Tax Assets :-		
(a) Deferred tax assets on account of provisions for non-performing assets	30,035	41,006
(b) Provision for restructured advances	49	38
(c) Provision for standard assets	5,279	4,011
(d) Employee benefits	331	303
(e) Other deferred tax assets	2,123	1,061
(f) Depreciation on fixed assets	229	-
Deferred Tax Liabilities :-		
(a) Debenture issue expenses	(478)	(518)
(b) Depreciation on fixed assets	-	(2,418)
Net Deferred Tax Asset	37,568	43,483

15. LOANS AND ADVANCES - FINANCING ACTIVITY

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
NON-CURRENT		
(a) Secured Loans		
(i) Considered good	1,403,892	1,251,907
(ii) Considered doubtful	16,465	26,877
(iii) Retained portion of assigned loans	4,975	6,321
	1,425,332	1,285,105
(b) Secured Credit Substitutes (Refer note 15(c) below)		
(i) Considered good	8,568	8,136
(ii) Considered doubtful	-	2,752
	8,568	10,888
(c) Unsecured Loans		
(i) Considered good	260,800	209,196
(ii) Considered doubtful	1,528	731
	262,328	209,927
(d) Unsecured Credit Substitutes (Refer note 15(c) below)		
(i) Considered good	16,230	9,924
(ii) Considered doubtful	-	-
	16,230	9,924
Total	1,712,458	1,515,844
CURRENT		
(a) Secured Loans		
(i) Considered good	695,248	601,580
(ii) Considered doubtful	44,837	65,123
(iii) Retained portion of assigned loans	592	697
	740,677	667,400
(b) Secured Credit Substitutes (Refer note 15(c) below)		
(i) Considered good	890	4,617
(ii) Considered doubtful	13,623	14,554
	14,513	19,171
(c) Unsecured Loans		
(i) Considered good	1,123,535	940,985
(ii) Considered doubtful	13,381	11,184
	1,136,916	952,169
(d) Unsecured Credit Substitutes (Refer note 15(c) below)		
(i) Considered good	77,446	54,863
(ii) Considered doubtful	14	-
	77,460	54,863
(e) Unsecured Inter-Corporate Deposits		
(i) Considered good	9,300	11,300
(ii) Considered doubtful	-	-
	9,300	11,300
Total	1,978,866	1,704,903
TOTAL - LOANS AND ADVANCES FINANCING ACTIVITY	3,691,324	3,220,747

15. a. Out of the above, loans given to Related Parties: Secured Rs. 2,935 lakh (Previous Year: Rs. 10,672 lakh and Unsecured Rs. 2,307 lakh (Previous Year: Rs. 1,300 lakh).

15. b. The details of Gross investments and unearned finance income in respect of assets given under finance lease are as under:

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
Gross Investments:		
- Within one year	16,385	10,925
- Later than one year and not later than five years	30,283	21,389
- Later than five years	533	228
Total	47,201	32,542
Unearned Finance Income:		
- Within one year	4,138	2,780
- Later than one year and not later than five years	4,601	3,394
- Later than five years	100	76
Total	8,839	6,250
Present Value of Rentals *:		
- Within one year	12,247	8,145
- Later than one year and not later than five years	25,682	17,995
- Later than five years	433	152
Total	38,362	26,292

* Present Value of Rentals represent the Current Future Outstanding Principal.

15.c. Scrip-wise details of Credit Substitutes:

PARTICULARS	Face value Per Unit Rs	As at Mar 31, 2018			As at Mar 31, 2017		
		No. of Units	Non- Current	Current	No. of Units	Non- Current	Current
			Rs in Lakh	Rs in Lakh		Rs in Lakh	Rs in Lakh
Secured Quoted :							
Investment in Bonds and Debentures (Trade)							
12.75% Diamond Power Infra limited	100,000	-	-	-	1,700	1,027	-
12.90% Cholamandalam Investment & Finance Company Limited	500,000	1	5	-	1	-	5
10.50% Tulip Telecom Limited	1,000,000	1,623	-	-	1,623	-	-
12.65% Consolidated Construction Consortium Limited	1,000,000	-	-	-	200	1,840	139
12.90% Godawari Power and Ispat Limited	1,000,000	225	1,363	79	150	-	1,500
9.40% JM Financial Asset Reconstruction Company	1,000,000	-	-	-	400	4,000	-
9.36% JM Finance CSL NCD	1,000,000	400	4,000	-	-	-	-
10.50% Sattva Realtors Limited	1,000,000	400	3,200	800	-	-	-
			8,568	879		6,867	1,644
Secured Unquoted :							
Investment in Debentures (Trade)							
9% East Coast Constructions and Industries Limited	1,000	-	-	-	-	-	15
11.80% Elder Pharmaceuticals Limited	1,000,000	-	-	878	-	-	851
13.65% Metropolitan Infrahousing Private Limited	-	75	-	7,651	75	-	7,577
5.64% Mandava Holding Private Limited	-	-	-	1	-	-	1
8% JL Power Ventures Private Limited	10,000,000	-	-	-	40	2,800	1,200
14.50% Arohi Infrastructure Private Limited	100	-	-	5,092	-	-	2,871
				13,622		2,800	12,515
Investment in Pass Through Certificates							
Jindal ITF Limited - Series A to E	-	-	-	-	-	-	2,742
							2,742
Add: Interest accrued but not due				12		1,221	2,271
Total Secured			8,568	14,513		10,888	19,172
Unsecured Quoted :							
Investment in Bonds and Debentures (Trade)							
10.45% IDBI Bank Limited	1,000,000	-	-	-	50	507	-
10% Indian Overseas Bank Limited	1,000,000	400	4,000	-	400	4,000	-
11.50% TVS Credit Services Limited PDI	500,000	1,647	8,235	-	-	-	-
			12,235	-		4,507	-
Unsecured Unquoted :							
Investment in Preference Shares (Non-Trade)							
Kiri Industries Limited	10	4,333,500	-	433	4,333,500	-	433
McNally Bharath Engineering Co Limited	100	311,743	1,995	-	533,898	3,417	9
			1,995	433		3,417	442
Investment in Debentures (Trade)							
10.90% Tata Motor Finance Limited	500,000	400	2,000	-	400	2,000	-
			2,000	-		2,000	-
Investment in Pass Through Certificates							
Capital DRL Trust NOV B			-	-		-	1,048
Capital DRL Trust DEC B 2016			-	-		-	4,453
Capital DRL Trust DEC B 2016			-	-		-	197
Capital DRL Trust JAN B 2017			-	-		-	529
Capital DRL Trust JAN B 2017			-	-		-	5,729
Capital DRL Trust FEB B 2017			-	-		-	4,022
Capital DRL Trust FEB B 2017			-	-		-	6,811
Capital DRL Trust MARCH C 2017			-	-		-	434
Capital DRL Trust MARCH B 2017			-	-		-	2,206
Capital DRL Trust MARCH B 2017			-	-		-	4,832
Capital DRL Trust MARCH B 2017 TRANCH 2			-	-		-	1,108
Capital DRL Trust MARCH B 2017 TRANCH 2			-	-		-	7,147
Capital DRL Trust MARCH B 2017 TRANCH 2			-	-		-	13,894
Capital DRL Trust MARCH C 2017 TRANCHE 2			-	-		-	1,883
Capital DRL Trust 003 PTCD 30-03-2018 A			-	69		-	-
Capital DRL Trust 004 PTCD 30-03-2018 A			-	583		-	-
Capital DRL Trust 006 PTCD 29-04-2018 A			-	818		-	-
Capital DRL Trust 1C PTCD 29-04-2018			-	1,515		-	-
Capital DRL Trust JULY B TRANCH 2 2017 PTCD 27-01-2018 A			-	146		-	-
Capital DRL Trust JULY C 2017 PTCD 28-11-2017 A			-	143		-	-
Capital DRL Trust SEPTEMBER END 2017 B PTCD			-	403		-	-
Capital DRL Trust 007 PTCD 17-03-2018 B			-	514		-	-
Capital DRL Trust 007 PTCD 31-05-2018 A			-	1,391		-	-
Capital DRL Trust 2C PTCD 31-05-2018 A			-	1,034		-	-
Capital DRL Trust 008 PTCD 31-03-2018 A			-	13,822		-	-
Capital DRL Trust 010 PTCD 30-05-2018 A			-	41,238		-	-
Capital DRL Trust 009 PTCD 25-05-2018 A			-	14,915		-	-
				76,591		-	54,293
Add: Interest accrued but not due				436		-	127
Total Unsecured			16,230	77,460		9,924	54,862
Grand Total			24,798	91,973		20,812	74,034

16. LONG-TERM LOANS AND ADVANCES - OTHERS (UNSECURED - CONSIDERED GOOD)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Capital advances	17,452	7,806
(b) Loans and advances to related parties	-	249
(c) Security deposits	52	47
(d) Advance payment of Income tax [Net of provision for tax Rs. 92,845 lakh (As at March 31, 2017 Rs. 54,789 lakh)]	6,265	5,818
(e) Others		
(i) Loan to TCL Employee Welfare Trust	7,302	7,302
(ii) Prepaid Expenses	155	289
Total	31,226	21,511

17. OTHER NON-CURRENT ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer note 21(a))	963	1,087
(b) Unamortised loan sourcing costs	6,399	5,752
(c) Gratuity Asset (Net)	49	239
(d) Fixed deposit with maturity more than 12 months	25	-
Total	7,436	7,078

18. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Over six months (from the date due for payment)		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	243	86
(iii) Doubtful	230	-
	473	86
Less: Provision for trade receivables	230	-
	243	86
(b) Others		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	6,003	1,963
(iii) Doubtful	-	-
	6,003	1,963
Less: Provision for trade receivables	-	-
	6,003	1,963
Total	6,246	2,049

19. CASH AND BANK BALANCES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Cash on Hand	102	573
(b) Cheques on Hand	1,213	1,577
(c) Balances with banks		
(i) In current accounts	6,812	5,187
(ii) In deposit accounts (Refer note (ii) below)	4,407	3
Total	12,534	7,340

Note:

- Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is Rs. 8,071 lakh (as at March 31, 2017 Rs. 7,284 lakh)
- Balance in deposit accounts with Banks have an original maturity exceeding 3 months but balance maturity of under 12 months from the Balance Sheet date.
- Balance in current accounts includes Rs. 56 lakh (as at March 31, 2017 Rs.53 lakh) towards unclaimed debenture application money and interest accrued thereon.
- The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 08/11/2016 to 30/12/2016 have not been made since they do not pertain to the financial year ended 31 March 2018.
- The details of the Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below (as per MCA Notification G.S.R. 307 (E) dated 30th March 2017 :

PARTICULARS	SBNs	Other Denomination Notes	Total
Opening Cash in hand as on 08/11/2016	1,168	1	1,169
(+) Permitted receipts	-	870	870
(-) Permitted payments	-	-	-
(-) Amounts deposited in Banks (deposited before 11/11/2016)	1,168	801	1,969
Closing cash in hand as on 30/12/2016	-	70	70

20. SHORT-TERM LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Loans and advances to related parties	330	556
(b) Security deposits	8,073	6,983
(c) Others		
(i) Pass Through Certificate application money (refundable)	7,919	16,249
(ii) Loan and advances to employees	686	104
(iii) Other advances	381	244
(d) Prepaid expenses	1,696	1,036
(e) Balances with government authorities	4,868	1,431
Total	23,953	26,603

21. OTHER CURRENT ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer note 21(a))	462	457
(b) Receivable on sale/redemption of investment	173	83
Less : Provision for receivable on sale/redemption of investment	(173)	(83)
Net receivable on sale/redemption of investment	-	-
(c) Unamortised loan sourcing costs	9,095	8,333
(d) Interest accrued but not due on fixed deposits	30	-
(e) Income accrued but not due	3,494	2,245
(f) Assets held for sale	4,398	5,248
Less :Provision for assets held for sale	(3,072)	(1,667)
Carrying Value of Assets held for sale	1,326	3,581
(g) Other receivables	1,194	348
Total	15,601	14,964

21 (a). Deferred Revenue Expenditure (to the extent not written off or adjusted)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Unamortised share issue expenses		
Opening balance	-	1
Add: Expenses incurred during the year	-	-
Less: written off through securities premium (Refer note 39)	-	1
Less: written off during the year	-	-
Closing balance	-	-
(b) Unamortised debenture issue expenses		
Opening balance	1,498	1,170
Add: Expenses incurred during the year	374	754
Less: written off during the year	490	426
Closing balance	1,382	1,498
(c) Unamortised loan processing charges		
Opening balance	46	16
Add: Expenses incurred during the year	105	153
Less: written off during the year	108	123
Closing balance	43	46
Total	1,425	1,544

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Non-Current	Current	Non-Current	Current
	Rs in lakh	Rs in lakh	Rs in lakh	Rs in lakh
(a) Unamortised debenture issue expenses	963	419	1,087	411
(b) Unamortised loan processing charges	-	43	-	46
Total	963	462	1,087	457
Grand Total		1,425		1,544

22. REVENUE FROM OPERATIONS

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
(a) Interest Income		
(i) From secured loans and credit substitutes	250,278	234,127
(ii) From unsecured loans and credit substitutes	129,748	113,911
(b) Income from Bill Discounting	3,832	4,928
(c) Others	36,843	31,694
Total	420,701	384,660

23. INVESTMENT INCOME

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
(a) Dividend from Non-current Investments	247	134
(b) Dividend from Current Investments	2	3
(c) Profit on sale of Non-current Investments	-	3,278
(d) Profit on sale of Current Investments	-	489
(e) Interest on Non-current Investments	-	1,644
Total	249	5,548

24. OTHER INCOME

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
(a) Income from operating leases	25,555	24,165
(b) Interest Income on Fixed Deposits	30	-
(c) Advertisement income	1,787	555
(d) Income from distribution of financial products	3,745	3,930
(e) Profit on sale of Assets	2,222	68
(f) Interest on Income Tax Refund	307	-
(g) Miscellaneous Income	941	278
Total	34,587	28,996

25. FINANCE COSTS

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
(a) Interest expense	180,425	172,902
(b) Discounting Charges		
(i) On commercial paper	42,201	46,723
(ii) On Collateralised Borrowings and Lending Obligations (CBLO)	-	1,130
(iii) On debentures	448	407
Total	223,074	221,162

26. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
(a) Salaries, wages and bonus	36,037	31,349
(b) Contribution to provident and other fund (Refer note 30)	1,684	2,233
(c) Staff welfare expenses	2,000	1,676
Total	39,721	35,258

27. OTHER OPERATING EXPENSES

PARTICULARS	For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
	Rs in Lakh	Rs in Lakh	Rs in lakh	Rs in lakh
(a) Advertisements and publicity		2,005		2,186
(b) Brand Equity and Business Promotion		1,243		1,171
(c) Corporate social responsibility cost [Refer note 27(c) below]		1,014		910
(d) Donations		4		3
(e) Equipment hire charges		348		316
(f) Incentive / commission/ brokerage		17,517		13,380
(g) Information technology expenses		8,045		6,544
(h) Insurance charges		744		616
(i) Legal and professional fees		3,867		3,312
(j) Loan processing fees		2,199		1,837
(k) Printing and stationery		783		615
(l) Provision for doubtful loans (net of recoveries)	32,575		88,475	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 38)	-		(31,789)	
Less : Delinquency Support	(5,731)	26,844	-	56,686
(m) Write off - Loans and advances	62,501		34,552	
Less : Provision reversal on write off	(62,501)	-	(34,552)	-
(n) Provision against assets held for sale		1,405		1,378
(o) Contingent provision against Standard Assets (Refer note 36)		3,664		3,008
(p) Provision against Restructured Advances		(1,409)		(827)
(q) Provision for diminution in value of investments (net of reversals)		(509)		(455)
(r) Provision on Current Investment	1463		732	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 38)	-	1,463	(349)	383
(s) Write-off - Investments	-		14,318	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 38)	-	-	(14,318)	-
(t) Write-off - Goodwill	-		7,804	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 38)	-	-	(7,804)	-
(u) Provision for Trade receivables		230		-
(v) Power and fuel		905		838
(w) Repairs and maintenance				
(i) Buildings	129		66	
(ii) Annual maintenance charges	99		239	
(iii) Others	174	402	129	434
(x) Rent		2,134		1,910
(y) Rates and taxes		119		133
(z) Stamp charges		502		541
(aa) Service providers' charges		14,045		10,814
(ab) Training and recruitment		510		597
(ac) Telephone, telex and leased line		767		653
(ad) Travelling and conveyance		2,630		2,214
(ae) Loss on sale of Non-current Investments		-		1,248
(af) Loss on sale of Current Investments (Net)		60		-
(ag) Amortisation of premium of forward foreign exchange cover		128		-
(ah) Directors remuneration		221		232
(ai) Loss on sale of assets		1,188		3,355
(aj) Other expenses [Refer note 27(a) below]		1,259		683
Total		94,327		114,715

27. (a) Auditors' Remuneration (excluding taxes):

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
Audit Fees	106	110
Tax Audit Fees	4	5
Other Services	20	22
Out of Pocket Expenses	1	1
	131	138

(Auditors' remuneration is included in Other expenses)

27. (b) Expenditure in Foreign Currency

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
Legal and professional fees	137	366
Commission paid	79	214
Information Technology Expenses	1,084	74
Training and recruitment	6	28
Other expenses	7	3
	1,313	685

27. (c) Corporate social responsibility expenses

(i) Gross amount required to be spent by the company during the year was Rs. 1,014 lakh (PY. 910 lakh).

(ii) Amount spent during the year on:

Particulars	Paid	Yet to be paid	Total
	Rs in lakh	Rs in lakh	Rs in lakh
Construction/acquisition of any asset	-	-	-
On purposes other than above	1,014	-	1,014

28. Contingent Liabilities and Commitments:

(i) Contingent Liabilities :-

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 :

(Rs. in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Income Tax (Pending before Appellate authorities)	1,916	1,786
VAT (Pending before Appellate authorities)	71	420

(ii) Commitments :-

(a) Undrawn Commitment given to Borrowers

As on March 31, 2018 Rs. 212,864 lakh (Previous Year: Rs. 211,584 lakh)

Less than 1 Year: Rs. 165,763 lakh (Previous Year: Rs. 178,908 lakh)

More than 1 Year: Rs. 47,101 lakh (Previous Year: Rs. 32,676 lakh)

(b) Letter of Credit, Buyers Credit and Other Guarantees Rs. 44,200 lakh (Previous Year : Rs. 29,048 lakh)

(c) Leases entered but not executed Rs. 89,148 lakh (Previous Year : Rs. 66,473 lakh)

(d) Unamortised Forward Contract exposure Rs. 98 lakh (Previous Year : Rs. Nil lakh)

(e) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.1,310 lakh (as at March 31, 2017: Rs. 2,276 lakh).

- Tangible: Rs. 1,111 lakh (Previous year : Rs. 817 lakh)

- Intangible: Rs. 199 lakh (Previous year : Rs. 1,459 lakh)

29. Employee Stock Purchase/Option Scheme

Employees of the Company may be entitled to Stock Purchase / Stock Options Scheme offered by Tata Capital Limited.

30. Employee benefits

Defined Contribution Plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a Trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employee Provident Scheme, 1952 is recognised as an expense in the year in which it is determined.

The provident fund set up as a Trust by the Company manages the contributions from the Company and other participating subsidiaries. As of March 31, 2018, the accumulated members' corpus of the Company is Rs. 13,085 lakh whereas the total fair value of the assets of the fund and the total accumulated members' corpus is Rs. 21,026 lakh and Rs. 20,658 lakh respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.55%. The actuarial assumptions include discount rate of 7.70%.

The Company recognised a charge of Rs. 1,189 lakh (Previous year Rs. 1,089 lakh) for provident fund and family pension fund contribution and Rs. 89 lakh (Previous year Rs. 97 lakh) for contribution towards the superannuation fund in the Statement of Profit and Loss.

Defined Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) (included as part of Contribution to provident and other fund in note 26 Employee Benefit Expenses). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before separation). The gratuity scheme covers 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 charged to the Statement of Profit and Loss.

Reconciliation of Benefit Obligations and Plan Assets

(Rs in lakh)

Particulars	2017-18	2016-17
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	2,926	1,887
Current Service Cost	509	335
Interest Cost	211	148
Acquisitions Cost / (Credit)	(25)	(106)
Actuarial Losses / (Gain)	(77)	816
Benefits Paid	(219)	(154)
Closing Defined Benefit Obligation	3,326	2,926
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	3,165	1,580
Transfer in	(25)	(106)
Expected Return on Plan Assets	253	184
Contributions by Employer	-	1,433
Actuarial Gains / (Losses)	(19)	74
Benefits paid	-	-
Closing Fair Value of Plan Assets	3,374	3,165
Insurer managed funds:		
Government Bonds	44%	33%
Equity of listed entities	12%	16%
Bonds / Debentures	43%	41%
Cash (including Special Deposits)	1%	10%
Total	100%	100%

Particulars	2017-18	2016-17
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the year	3,374	3,165
Present value of the defined obligations at the end of the year	3,326	2,926
Funded status Surplus	49	239
Net Asset recognised in the Balance Sheet	49	239
Net Gratuity cost for the year ended March 31, 2018		
Service Cost	509	335
Interest on Defined benefit Obligation	211	148
Expected return on plan assets	(253)	(184)
Net actuarial loss recognised in the year	(58)	742
Net Gratuity Cost	409	1,041
Actual contribution and benefit payments for the year		
Actual benefit payments	(219)	(154)
Actual contributions	-	1,433

Categorization of plan assets is as follows

Investment Pattern	2017-18	2016-17
Assumptions		
Discount Rate	7.70%	7.50%
Expected Rate of Return on Plan Assets	8.00% p.a	8.00% p.a
Salary Escalation Rate	7.50% p.a for first 5 years and 6% thereafter.	7.50% p.a for first 5 years and 6% thereafter.
Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.	Indian Assured Lives Mortality (2006-08) (modified) Ult.
Withdrawal Rate	0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years & more - 1%	0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years & more - 1%

Experience History	2017-18	2016-17	2015-16	2014-15	2013-14
Present value of Defined Benefit Obligation	(3,326)	(2,926)	(1,887)	(1,571)	(1,026)
Fair value of Plan Assets	3,374	3,165	1,580	1,506	946
Excess of (obligation over plan assets)	49	239	(307)	(65)	(80)
Experience Gain/ (Loss) Adjustment :					
- On Plan Liabilities	34	(313)	(228)	(41)	(96)
- On Plan Assets	(19)	74	(90)	148	16
Actuarial Gain / (Loss) due to change in assumptions	44	(503)	54	(279)	116

The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, and other relevant factors. The above information is certified by the actuary.

The Company expects to contribute approximately Nil (Previous year Rs. 484 lakh) to the gratuity fund for the year 2018-19.

Long Term Service Award :

Long Term Service award is an employee benefit in recognition for their loyalty and continuity of service for five years and above, the same is actuarially valued (unfunded). The Long Term Service awards expense for financial year 2017-18 is Rs. 6 lakh (Previous year Rs. 51 lakh) and the provision as at March 31, 2018 is Rs. 164 lakh (Previous year Rs. 158 lakh).

- 31 The Company has investments in the following associates, which are accounted for on the Equity Method in accordance with the Accounting Standard 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements':

The Particulars of investments in associates as on March 31, 2018 are as follows :

(Rs. in lakh)

Sr No	Name of Associates	Country of Incorporataion	Ownership Interest (%)	Original Cost of Investment	Amount of goodwill/ (Capital Reserve) in original cost	Share of post acquisition Reserves & Surplus	Carrying Amount of Investments
1	International Asset Reconstruction Company Private Limited (Refer footnote below)	India	NA 25.37%	NA 3,313	NA 483	NA 541	NA 3,854

Note:

International Asset Reconstruction Company Private Limited has ceased to be an Associate with effect from March 9th, 2018, figures in italics refer to March 31, 2017.

32 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

Name of the entity	2017-18		2016-17		2017-18		2016-17	
	Net assets, i.e., total assets minus total liabilities		Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of profit or loss	
	As % of consolidated net assets	Rs in lakh	As % of consolidated net assets	Rs in lakh	As % of consolidated profit or loss	Rs in lakh	As % of consolidated profit or loss	Rs in lakh
Parent: Tata Capital Financial Services Limited	100.00%	496,718	99.05%	403,095	99.92%	48,258	99.06%	21,598
Associates (Investment as per the equity method)								
Indian International Asset Reconstruction Company Private Limited (Refer note 31)	0.00%	-	0.95%	3,854	0.08%	39	0.94%	204
Total	100.00%	496,718	100.00%	406,949	100.00%	48,297	100.00%	21,802

33. Disclosure as required by Accounting Standard (AS) – 18 on “Related Party Disclosures”

i. List of related parties and relationship :-

Ultimate Holding Company	Tata Sons Limited
Holding Company	Tata Capital Limited
Fellow Subsidiaries (with which the company had transactions)	Tata Securities Limited Tata Capital Pte. Limited Tata Capital Advisors Pte Limited Tata Capital Markets Pte Limited Tata Capital General Partners LLP Tata Capital Healthcare General Partners LLP Tata Opportunities General Partners LLP Tata Capital Plc Tata Capital Housing Finance Limited TC Travel and Services Limited (ceased to be subsidiary w.e.f. October 30, 2017) Tata Capital Forex Limited (ceased to be subsidiary w.e.f. October 30, 2017) Tata Cleantech Capital Limited
Subsidiaries of ultimate holding company (with which the company had transactions)	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited) (ceased to be subsidiary w.e.f. November 27, 2017) Tata Consultancy Services Limited Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Infiniti Retail Limited Tata Consulting Engineers Limited Tata Housing Development Company Limited Tata Asset Management Limited Calsea Footwear Private Limited Automotive Stamping and Assemblies Limited Taj Air Limited Tata Advanced Systems Limited Tata Industries Limited Tata Lockheed Martin Aerostructures Limited Tata Teleservices Limited Tata Teleservices (Maharashtra) Limited MMP Mobi Wallet Payment Systems Limited Ardent Properties Private Limited Inshaallah Investments Limited Sector 113 Gatevida Developers Private Limited
Associates	International Asset Reconstruction Company Private Limited (ceased to be an associate with effect from 9th March 2018)
Key Management Personnel	Mr. Praveen P Kadle - Managing Director & CEO

ii. Transactions with related parties :

(Rs in lakh)

Sr. No.	Party Name	Nature of transaction	2017-18	2016-17
1	Tata Sons Limited	<p>a) Expenses :</p> <ul style="list-style-type: none"> - Brand Equity and Business Promotion - Rent - Other charges <p>b) Income :</p> <ul style="list-style-type: none"> - Lease Income <p>c) Finance Lease Facility :</p> <ul style="list-style-type: none"> - Facility given during the year - Repaid during year - Outstanding facility <p>d) Asset :</p> <ul style="list-style-type: none"> - Security deposit receivable - Security deposit refund received - Balance receivable <p>e) Liability :</p> <ul style="list-style-type: none"> - Balance Payable 	<p>1,243</p> <p>29</p> <p>51</p> <p>6</p> <p>-</p> <p>8</p> <p>50</p> <p>-</p> <p>12</p> <p>5</p> <p>1,243</p>	<p>1,171</p> <p>26</p> <p>47</p> <p>8</p> <p>65</p> <p>7</p> <p>58</p> <p>12</p> <p>-</p> <p>16</p> <p>1,171</p>
2	Tata Capital Limited	<p>a) Expenses :</p> <ul style="list-style-type: none"> - Interest expenses on Inter-Corporate Deposit - Interest expenses on debentures - Rent - Marketing & managerial service fee - Other Expenses <p>b) Income :</p> <ul style="list-style-type: none"> - Preference share arranger fees - Reimbursement of Rent & Guest house expenses - Fixed Asset transfer* <p>c) Amount raised by issue of Perpetual Non-Convertible debentures</p> <p>d) Amount raised by issue of Compulsory Convertible Cumulative Preference Shares</p> <p>e) Interim dividend paid</p> <ul style="list-style-type: none"> - Equity Shares - Preference Shares <p>f) Inter-Corporate Deposit accepted / repaid during the year</p> <ul style="list-style-type: none"> - Inter-Corporate Deposit received during year - Inter-Corporate Deposit repaid during year <p>g) Security Deposit accepted / repaid during the year</p> <ul style="list-style-type: none"> - Security deposit given - Security deposit received <p>h) Asset :</p> <ul style="list-style-type: none"> - Security Deposit Receivable - Balance Receivable <p>i) Liability :</p> <ul style="list-style-type: none"> - Inter-Corporate Deposit Payable - Borrowings - Perpetual Non-Convertible debentures - Balance Payable 	<p>6,747</p> <p>89</p> <p>1,036</p> <p>2,657</p> <p>111</p> <p>515</p> <p>41</p> <p>0</p> <p>12,500</p> <p>57,500</p> <p>4,541</p> <p>8,726</p> <p>463,617</p> <p>474,662</p> <p>5,849</p> <p>4,667</p> <p>5,847</p> <p>-</p> <p>33,784</p> <p>12,500</p> <p>374</p>	<p>4,622</p> <p>1,124</p> <p>1,203</p> <p>1,445</p> <p>-</p> <p>435</p> <p>42</p> <p>-</p> <p>-</p> <p>78,500</p> <p>5,839</p> <p>4,230</p> <p>693,970</p> <p>699,693</p> <p>-</p> <p>-</p> <p>44,829</p> <p>5,000</p> <p>-</p>
3	Tata Securities Limited	<p>a) Expenses :</p> <ul style="list-style-type: none"> - Reimbursement of expenses - Services Received <p>b) Income :</p> <ul style="list-style-type: none"> - Reimbursement of expenses - Rent & Others <p>c) Transfer of Fixed Assets (Purchase)</p> <p>d) Asset :</p> <ul style="list-style-type: none"> - Balance Receivable 	<p>1</p> <p>20</p> <p>49</p> <p>1</p> <p>1</p>	<p>-</p> <p>7</p> <p>138</p> <p>1</p> <p>28</p>
4	Tata Capital Pte. Limited	<p>a) Income :</p> <ul style="list-style-type: none"> - Income- SLA fees - Reimbursement of expenses <p>b) Asset :</p> <p>Balance Receivable</p>	<p>13</p> <p>10</p> <p>13</p>	<p>13</p> <p>10</p> <p>13</p>
5	Tata Capital Advisors Pte Limited	<p>a) Income :</p> <ul style="list-style-type: none"> - Income- SLA fees - Reimbursement of expenses <p>b) Asset :</p> <p>Balance Receivable</p>	<p>7</p> <p>3</p> <p>7</p>	<p>7</p> <p>3</p> <p>7</p>
6	Tata Capital Markets Pte Limited	<p>a) Income :</p> <ul style="list-style-type: none"> - Income- SLA fees - Reimbursement of expenses <p>b) Asset :</p> <p>Balance Receivable</p>	<p>7</p> <p>3</p> <p>7</p>	<p>7</p> <p>3</p> <p>7</p>

Sr. No.	Party Name	Nature of transaction	2017-18	2016-17
7	Tata Capital General Partners LLP	a) Income : - Income- SLA fees * - Reimbursement of expenses b) Asset : - Balance Receivable *	0 1 0	0 1 0
8	Tata Capital Healthcare General Partners LLP	a) Income : - Income- SLA fees * - Reimbursement of expenses b) Asset : - Balance Receivable *	0 1 0	0 1 0
9	Tata Opportunities General Partners LLP	a) Income : - Income- SLA fees * - Reimbursement of expenses b) Asset : - Balance Receivable *	0 1 0	0 1 0
10	Tata Capital Plc	a) Income : - SLA fees - Reimbursement of expenses b) Asset : - Balance Receivable	7 3 7	7 8 7
11	Tata Capital Housing Finance Limited	a) Expenses : - Sourcing Fee - Rent & others b) Income : - Loan Sourcing Fee - Reimbursement of Rent & Other expenses - Interest income on Tier II investment * c) Fixed Asset : - Fixed Asset Purchased * - Fixed Asset Sold d) Asset : - Balance Receivable	1 31 - 988 - 0 25 121	6 42 43 1,113 0 14 - 235
12	TC Travel and Services Limited	a) Expenses : -Travel related services -Others b) Income : - Reimbursement of Rent & Other expenses c) Asset : - Balance Receivable	492 - 55 -	715 35 106 264
13	Tata Capital Forex Limited	a) Income : - Reimbursement of Rent & Other expenses b) Expenses : - Travel related services c) Asset : - Balance Receivable	63 4 -	124 9 38
14	Tata Cleantech Capital Limited	a) Expenses : - Advisory Fees - Guest house expenses - Management Fee b) Income : - Reimbursement of Rent & Other expenses c) Fixed Asset transfer d) Asset : - Balance Receivable	- 23 - 136 1 6	5 13 - 238 - 16
15	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)	a) Expenses : - Service Provider Charges b) Income : - Lease Income - Processing Fee - Syndication Fee - Reimbursement of Expenses - Interest Income on Loan c) Finance Lease Facility : - Facility given during the year - Repaid during year - Outstanding facility d) Asset : - Loan Outstanding - Loan repaid during the year - Lease Debtors e) Liability : - Security Deposit - Balance Payable	4,374 453 - - 96 14 - - - - - -	6,770 512 2 - 173 122 - 85 924 322 997 2 37 896

Sr. No.	Party Name	Nature of transaction	2017-18	2016-17
16	Tata Consultancy Services Limited	a) Expenses : - Information technology expenses b) Income : - Lease Income - Reimbursement of expenses c) Finance Lease Facility : - Facility given during the year - Repaid during year - Outstanding facility d) Fixed Assets Purchased e) Asset : - Balance Receivable f) Liability : - Balance Payable	5,511 16 - 217 6 211 8 - 1,620	4,721 - 4 - - - 385 4 1,330
17	Tata AIG General Insurance Company Limited	a) Expenses : - Insurance Expenses b) Income : - Insurance related revenue c) Asset : - Balance Receivable	6 541 511	12 445 70
18	Tata AIA Life Insurance Company Limited	a) Expenses : - Insurance Expense for Employees b) Income : - Insurance related revenue c) Asset : - Balance Receivable	36 52 36	33 36 35
19	Infiniti Retail Limited	a) Expenses : - Incentive & others b) Fixed Assets purchased c) Income : - Lease Income - Processing fees d) Liability : - Security deposit payable - Balance payable e) Asset : - Balance Receivable	904 1 210 2 75 11 -	726 4 132 2 74 - 1
20	Tata Consulting Engineers Limited	a) Income : - Interest Income b) Asset : - Inter-Corporate Deposit given during the year - Inter-Corporate Deposit repaid during the year	- - -	93 1,000 2,000
21	Tata Housing Development Company Limited	a) Income : - Referral Fee b) Asset : - Balance Receivable	5 -	25 14
22	International Asset Reconstruction Company Private Limited	a) Redemption of Security Receipts during the year b) Asset : - Balance of Security Receipts	353 -	236 748
23	Tata Asset Management Limited	a) Income : - Portfolio Management Service b) Asset : Balance Receivable	17 -	17 3
24	Calsea Footwear Private Limited	a) Income : - Interest income on Inter-Corporate Deposit b) Asset : - Inter-Corporate Deposit given during the year - Inter-Corporate Deposit repaid during the year - Interest Accrued - Outstanding Inter-Corporate Deposit	141 1,500 1,300 38 1,500	124 1,300 1,100 35 1,300
25	Automotive Stamping And Assemblies Limited	a) Income : - Term Loan - Interest - Lease Rental - Processing Fees b) Asset : - Loan given during the year - Loan repaid during the year - Outstanding loan - Interest receivable c) Liability : - Balance in escrow account	242 62 6 4,900 3,950 2,584 16 35	188 62 - - 240 1,634 2 -

Sr. No.	Party Name	Nature of transaction	2017-18	2016-17
26	Taj Air Limited	a) Income : - Term Loan - Interest b) Asset : - Loan given during the year - Loan repaid during the year - Outstanding loan - Interest receivable	29 - 6,000 - -	517 2,500 - 6,000 39
27	Tata Advanced Systems Limited	a) Income : - Interest Income - Interim Rent * b) Finance Lease Facility : - Facility given during the year - Repaid during year - Outstanding facility c) Asset : - Balance receivable*	7 - 33 16 52 2	3 0 30 4 35 0
28	Tata Industries Limited	a) Income : - Lease Income - Sale of Assets b) Expenses : - Project Expenses c) Finance Lease Facility : - Facility given during the year - Repaid during year - Outstanding facility d) Asset : - Balance Receivable e) Liability : - Balance Payable	1,118 49 22 13 155 216 119 -	1,234 6 47 199 327 358 7 248
29	Tata Lockheed Martin Aerostructures Limited	a) Income : - Lease Income b) Finance Lease Facility : - Facility given during the year - Repaid during year - Interest Receivable* - Outstanding facility	1 - 2 0 4	1 - 9 0 6
30	Tata Teleservices Limited	a) Income : - Lease Income b) Expenses : - Communication Expenses - Rent Expenses c) Finance Lease Facility : - Facility given during the year - Repaid during year - Outstanding facility d) Asset : - Security Deposit Premises - Advances paid to vendors towards lease facility - Balance receivable e) Liability : - Balance payable	748 111 25 145 854 625 8 - - 43	277 31 4 1,235 555 1,333 8 37 1 -
31	Tata Teleservices (Maharashtra) Limited	a) Income : - Lease Income b) Expenses : - Communication Expenses c) Liability : - Balance payable	71 277 10	2 101 -
32	MMP Mobi Wallet Payment Systems Limited	a) Income : - Lease Income b) Asset : - Balance receivable	4 -	- -
33	Ardent Properties Private Limited	a) Income : - Commission received b) Asset : - Balance receivable	- -	8 10
34	Inshaallah Investments Limited	a) Income : - Reimbursement of expenses* b) Asset : - Balance receivable*	0 0	- -
35	Sector 113 Gatevida Developers Private Limited	a) Income : - Commission received	8	-
36	Key Management Personnel	Expenses : Interest on Non – convertible debentures Liability : Outstanding Debentures	2 20	2 20

34. The Company avails from time to time non-cancelable long-term leases for office premises, including office furniture. The total of future minimum lease payments that the Company is committed to make is:

(Rs in lakh)

Lease Payments	As at March 31, 2018	As at March 31, 2017
- Within one year	15	497
- Later than one year and not later than five years	-	157
- Later than five years	-	25

The amount charged towards lease rentals (as part of Rent expenditure) is Rs. 2,134 lakh (Previous year: Rs. 1,910 lakh).

The Company has given assets under non-cancellable operating leases. The total of future minimum lease payments that the company is committed to receive is:

(Rs in lakh)

Lease Payments	As at March 31, 2018	As at March 31, 2017
- Within one year	20,259	17,254
- Later than one year and not later than five years	40,649	42,168
- Later than five years	1,759	403

Accumulated Depreciation on lease assets is Rs. 41,620 lakh (Previous year: Rs. 27,956 lakh).

Accumulated Impairment losses on the leased assets Rs. Nil (Previous year Rs. Nil)

35. **Earnings per Share (EPS):**

Particulars		2017-18	2016-17
Profit after tax	Rs. in lakh	48,297	21,802
Less: Preference dividend (including Dividend distribution tax)	Rs. in lakh	10,583	5,091
Profit after tax for Basic EPS	Rs. in lakh	37,714	16,711
Weighted average number of Equity shares used in computing Basic earnings per share	Nos.	1,297,550,000	1,297,550,000
Face value of equity shares	Rupees	10	10
Basic earnings per share	Rupees	2.91	1.29
Profit after tax for Basic EPS	Rs. in lakh	37,714	16,711
Add: Preference dividend on Compulsorily Convertible Cumulative Preference	Rs. in lakh	10,583	5,091
Profit after tax for diluted EPS	Rs. in lakh	48,297	21,802
Weighted average number of Equity Shares used in computing Basic earnings per share	Nos.	1,297,550,000	1,297,550,000
Add: Potential weighted average number of Equity shares that could arise on conversion of preference shares	Nos.	146,275,056	106,417,804
Weighted average number of shares in computing Diluted earnings per share	Nos.	1,443,825,056	1,403,967,804
Face value of equity shares	Rupees	10	10
Diluted earnings per share	Rupees	2.91	1.29

36. **Movement in Contingent provisions against Standard Assets during the year is as under:**

(Rs in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
Opening Balance	11,591	8,583
Add : Additions during the year	3,664	3,008
Less : Utilised during the year	-	-
Closing Balance	15,255	11,591

37. Segment Reporting

In accordance with Accounting Standard 17 on Segment Reporting, the Company has identified three business segments i.e. Financing Activity, Investment Activity and Others, and one Geographical Segment viz. India, as secondary segment

(Rs in lakh)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
I Segment Revenue		
a) Financing Activity	420,730	384,660
b) Investment Activity	249	5,548
c) Others	34,251	28,996
Total	455,230	419,204
Less : Inter Segment Revenue	-	-
Add : Interest on Income Tax Refund	307	-
Total Income	455,537	419,204
II Segment Results		
a) Financing Activity	82,436	36,167
b) Investment Activity	1,344	4,755
c) Others	4,253	5,084
Total	88,033	46,006
Less : Unallocated Corporate Expenses	13,853	12,759
Profit before taxation	74,180	33,247
Less : Provision for taxation	25,922	11,649
Profit after taxation	48,258	21,598
III Segment Assets		
a) Financing Activity	3,745,609	3,267,819
b) Investment Activity	31,191	26,662
c) Others	88,782	84,118
d) Unallocated	63,110	71,954
Total	3,928,692	3,450,553
IV Segment Liabilities		
a) Financing Activity	3,323,089	2,948,168
b) Investment Activity	-	-
c) Others	90,868	81,377
d) Unallocated	18,017	14,059
Total	3,431,974	3,043,604
V Capital Expenditure (Including Capital Work-In-Progress)		
a) Financing Activity	-	-
b) Investment Activity	-	-
c) Others	27,391	28,479
d) Unallocated	3,444	3,977
Total	30,835	32,456
VI Depreciation and Amortisation		
a) Financing Activity	647	560
b) Investment Activity	-	-
c) Others	21,292	12,523
d) Unallocated	1,698	1,190
Total	23,637	14,273
VII Significant Non-Cash Expenses Other than Depreciation and Amortisation		
a) Financing Activity	33,079	61,177
b) Investment Activity	(1,023)	(455)
c) Others	230	-
Total	32,286	60,722

38. In the previous year ended March 31,2017, the Company had provided/written off certain amounts comprising carrying value of investments acquired in settlement of claim, Goodwill, loans and credit substitutes and investment in the Statement of Profit and Loss.

The Shareholders of the Company at its meeting held on June 24, 2016 approved a Reduction of Share Capital (Securities Premium Account) in accordance with Section 52 of the Companies Act, 2013 read with Sections 100 to 103 of the Companies Act, 1956. The Hon'ble High Court of Judicature at Bombay approved the said arrangement by way of order dated August 5, 2016 which was filed with the Registrar of Companies on August 26, 2016. Pursuant to the order, the Company had credited its Statement of Profit and Loss for the financial year ended March 31, 2017 by appropriating an amount of Rs 40,558 lakh being the aggregate amount of (i) investments acquired in settlement of claim written off Rs. 14,318 lakh, (ii) goodwill written off Rs. 7,804 lakh, (iii) loans and credit substitutes provided Rs. 31,789 lakh and (iv) mark to market loss on current investment provided Rs. 349 lakh (net of taxes as applicable) from the amount standing to the credit of Securities Premium Account.

The aforementioned disclosure is made by the Company pursuant to the Institute of Chartered Accountant of India's guidance on disclosures relating to court order.

39. During the previous year, the Company changed its accounting policy with respect to amortisation of deferred revenue expenditure for share issue expenses. The Company now charges off the share issue expenses against amount standing to the credit of the Securities Premium Account. Prior to this change, the Company amortised the said share issue expenses over a period of 36 months from the month in which the expenses were incurred. The change in accounting policy is in accordance with the provisions of Section 52 of the Companies Act 2013, and it would result in a more appropriate presentation of financial statements of the Company.

On account of the change in the accounting policy, the profit before tax was higher by Rs. 76 lakh (net of taxes, as applicable) for the period year ended March 31, 2017 and deferred revenue expenditure was lower by Rs. 77 lakh (net of taxes, as applicable) as on March 31, 2017.

40. To comply with the RBI Master Direction DNBR - PD 008/03.10.119/2016-17 - RBI/DNBR/2016-17/45 dated September 01, 2016, the company has made an incremental standard asset provision of Rs. 1,531 lakh being 0.05% (CY 17-18 0.40%, PY 16-17 0.35%) of Standard Assets as of March 31, 2017.
41. During the period ended March 31, 2018, the Company has changed its NPA provisioning policy based on the RBI Master Direction DNBR - PD 008/03.10.119/2016-17 - RBI/DNBR/2016-17/45 dated September 01, 2016 pursuant to which loans outstanding for a period exceeding 90 days are classified as sub-standard assets and sub-standard assets for a period exceeding 12 months are classified as doubtful assets. The debit to the Statement of Profit and Loss on account of the change is Rs. 1,358 lakh and Rs. 868 lakh respectively.

During the corresponding period ended March 31, 2017, the Company had changed its NPA provisioning policy based on the above circular, pursuant to which loans outstanding for a period exceeding 120 days were classified as sub-standard assets and sub-standard assets for a period exceeding 14 months were classified as doubtful assets. The debit to the Statement of Profit and Loss on account of the change was Rs. 2,801 lakh and Rs.2,312 lakh respectively.

42. 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 and Advances – Financing Activity (Note 15). In the past these were classified as a part of Investments (Note 13). Management believes that the current period's classification results in a better presentation of the substance of these receivables and is in alignment with regulatory filings.
43. During the year ended March 31, 2018, the Company has re-assessed the useful life of its leased assets and has changed the life of the assets given on operating lease. As a result of the change in the useful life of the asset, depreciation for year ended March 31, 2018 is higher by Rs. 8,145 lakh.

44. The figures for the year ended March 31, 2017 were audited by previous statutory auditors.

45. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Description	31-Mar-18		31-Mar-17		Amount (Rs. in Lakh)	Reason
	Schedule	Schedule	Schedule	Schedule		
Provision for doubtful loans and credit substitutes	Non-current liabilities	Long-term provisions	Non-Current assets	Long-term Loans and advances - financing activity	30,361	Loans and advances and related provisions are presented on Gross basis in line with the requirements of the Master Direction - Non Banking Financial Company-Systemically Important Non-Deposit taking Company Directions, 2016 ("the RBI Directions")
Provision for restructured standard assets	Non-current liabilities	Long-term provisions	Non-Current assets	Long-term Loans and advances - financing activity	70	Loans and advances and related provisions are presented on Gross basis in line with the requirements of the Master Direction - Non Banking Financial Company-Systemically Important Non-Deposit taking Company Directions, 2016 ("the RBI Directions")
Leave encashment Current & Non-Current classification	Non-current liabilities	Long-term provisions	Current liabilities	Short-term provisions	733	Short-term and Long-term Leave encashment has been presented in accordance with the report of the Actuary and as per requirements of Schedule III of the Companies Act, 2013.
Certain receivables netted off in trade payables reclassified	Other current assets	Other current assets	Current liabilities	Trade payables	174	Certain receivables is reclassified to Other current assets instead of netting off from trade payables for better disclosure.
Accrued employee benefit expense	Current liabilities	Other current liabilities	Current liabilities	Trade payables	4,321	Bonus accrual for employees has been presented as a part of Other Current Liabilities instead of Trade payables in accordance with the requirement of Schedule III of the Companies Act, 2013.
Trade receivables regrouped from loans and advances	Current assets	Trade receivables	Current assets	Short-term Loans and advances - financing activity	65	An item is shown as trade receivables instead of loans and advances.
Provision for doubtful loans and credit substitutes	Current liabilities	Short-term provisions	Current assets	Short-term Loans and advances - financing activity	90,861	Loans and advances and related provisions are presented on Gross basis in line with the requirements of the Master Direction - Non Banking Financial Company-Systemically Important Non-Deposit taking Company Directions, 2016 ("the RBI Directions")
Provision for restructured standard assets	Current liabilities	Short-term provisions	Current assets	Short-term Loans and advances - financing activity	41	Loans and advances and related provisions are presented on Gross basis in line with the requirements of the Master Direction - Non Banking Financial Company-Systemically Important Non-Deposit taking Company Directions, 2016 ("the RBI Directions")
Gratuity Asset Reclass to Non-current	Non-Current assets	Other non-current assets	Current assets	Other current assets	239	Gratuity is shown as non-current asset as per the actuarial report and is appropriately reclassified as per Schedule III.

Description	31-Mar-18		31-Mar-17		Amount (Rs. in Lakh)	Reason
	Schedule	Schedule	Schedule	Schedule		
Receivable- Assignment of Loan	Current assets	Other current assets	Current assets	Short-term Loans and advances - others	810	Reclassified to Assets held for sale for better presentation
Provision- Receivable- Assignment of Loan	Current assets	Other current assets	Current assets	Short-term Loans and advances - others	263	Reclassified to Assets held for sale for better presentation
Advertisement income	Income	Other income	Income	Revenue from operations	567	Income earned from advertisements is shown as Other income which helps in better disclosure.

In terms of our report attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firms Registration No –
101248W/W-100022

Mukund S. Dharmadhikari
(Director)
(DIN No. : 05003224)

Anuradha E. Thakur
(Director)
(DIN No. : 06702919)

F.N. Subedar
(Director)
(DIN No. : 00028428)

Manoj Kumar Vijai
Partner
Membership No: 046882

M. D. Mallya
(Director)
(DIN No. : 01804955)

Rajiv Sabharwal
(Director)
(DIN No. : 00057333)

Kusal Roy
(Managing Director)
(DIN No. : 02268654)

Puneet Sharma
(Chief Financial Officer)

Avan Doomasia
(Company Secretary)

Mumbai
Date : April 30, 2018

Standalone Financial Statements

Independent Auditor's Report

To the Members of Tata Capital Financial Services Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Tata Capital Financial Services Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

Independent Auditor's Report (*Continued*)

Tata Capital Financial Services Limited

Auditor's Responsibility (*Continued*)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 as included in these standalone financial statements have been audited by the predecessor auditor who had audited the standalone financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative standalone financial information dated 28 April 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (the 'Order'), issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditor's Report (*Continued*)

Tata Capital Financial Services Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

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

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act;
- (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no impact of pending litigations on its financial position in its standalone financial statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivatives contracts – Refer Note 50 (v) 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 holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited standalone financial statements for the year ended 31 March 2017 have been disclosed.

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

Chartered Accountants

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

Mumbai
30 April 2018

Manoj Kumar Vijai

Partner

Membership No: 046882

Tata Capital Financial Services Limited

Annexure A to the Independent Auditor's Report of even date on the standalone financial statements

- (i)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a program of verification to cover Fixed Assets given on operating lease on an annual basis and all other items of fixed assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all the fixed assets were physically verified by management as at 31 March 2017. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. According 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 fixed assets are held in the name of the Company.
- (ii) The Company is in the business of providing financial services and does not have any inventories. Accordingly, 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 any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (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, the Company has not granted any loans, made investments or provided guarantees under section 185 and 186 of the Act. Accordingly, the provision of clause 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 thereunder apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.
- (vii)
 - a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess, goods and service tax and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities, except for two months, where a delay of one to five days in the deposit of provident fund with the relevant authority was noted. As explained to us the Company did not have any dues on account of sales tax, duty of customs, value added tax or duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, cess, goods and service tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Tata Capital Financial Services Limited

Annexure A to the Independent Auditor's Report of even date on the standalone financial statements (*Continued*)

- b) According to the information and explanations given to us, the Company did not have any dues on account of value added tax, income tax, sales tax, service tax, duty of customs or duty of excise which have not been deposited on account of dispute. Details of dues of Value Added Tax as on 31 March 2018 on account of disputes are given below

Particulars	Period to which the amount relate (Financial Year)	Forum where dispute is pending	Amount in Rupees
Value Added Tax	2012-13	Deputy Commissioner (Commercial Taxes)	63,127
Value Added Tax	2012-13	Assessment Officer (Commercial Taxes)	3,072,876

- (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 borrowing to financial institutions, banks, or debenture holders during the year. During the year, the Company did not have any loans or borrowing from the Government.
- (ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.
- (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, frauds of Rs. 9,881,000 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 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 section 177 and 188 of the Act where applicable and the details have been disclosed in the 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 partly convertible debentures during the year. Accordingly, the provision of clause 3(xiv) of the Order is 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(ii) of the Order is not applicable.

Tata Capital Financial Services Limited

Annexure A to the Independent Auditor's Report of even date on the standalone financial statements (*Continued*)

- (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 4 November 2011.

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

Mumbai
30 April 2018

Manoj Kumar Vijai
Partner
Membership No: 046882

Tata Capital Financial Services Limited

Annexure B to the Independent Auditor's Report of even date on the standalone financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Company as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India" (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Annexure – B to the Independent Auditor’s Report of even date on the standalone financial statements of Tata Capital Financial Services Limited (*Continued*)

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

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

Mumbai
30 April 2018

Manoj Kumar Vijai

Partner

Membership No: 046882

TATA CAPITAL FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
		Rs in lakh	Rs in lakh
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	3	281,755	224,255
(b) Reserves and Surplus	4	214,383	182,153
		496,138	406,408
2. Non-current liabilities			
(a) Long-term borrowings	5	1,286,761	945,684
(b) Other long-term liabilities	6	841	7,019
(c) Long-term provisions	7	25,795	36,482
		1,313,397	989,185
3. Current liabilities			
(a) Short-term borrowings	8	1,293,081	1,006,630
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises	9(a)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		52,497	44,538
(c) Other current liabilities	10	682,314	897,201
(d) Short-term provisions	11	90,685	106,050
		2,118,577	2,054,419
TOTAL		3,928,112	3,450,012
II. ASSETS			
1. Non-Current assets			
(a) Property, plant and equipment	12		
(i) Tangible assets		69,000	77,052
(ii) Intangible assets		2,314	1,109
(iii) Capital work-in-progress		101	518
(iv) Intangible assets under development		39	655
		71,454	79,334
(b) Non-current investments	13	30,600	26,109
(c) Deferred tax assets (net)	14	37,568	43,483
(d) Long-term Loans and advances - financing activity	15	1,712,458	1,515,844
(e) Long-term Loans and advances - others	16	31,226	21,511
(f) Other non-current assets	17	7,436	7,078
		1,819,288	1,614,025
2. Current assets			
(a) Current investments	13	170	794
(b) Trade receivables	18	6,246	2,049
(c) Cash and bank balances	19	12,534	7,340
(d) Short-term Loans and advances - financing activity	15	1,978,866	1,704,903
(e) Short-term Loans and advances - others	20	23,953	26,603
(f) Other current assets	21	15,601	14,964
		2,037,370	1,756,653
TOTAL		3,928,112	3,450,012
Summary of significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-52		

In terms of our report of even date

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firms Registration No – 101248W/W-100022

Mukund S. Dharmadhikari
(Director)
(DIN No. : 05003224)

Anuradha E. Thakur
(Director)
(DIN No. : 06702919)

F.N. Subedar
(Director)
(DIN No. : 00028428)

Manoj Kumar Vijai
Partner
Membership No: 046882

M. D. Mallya
(Director)
(DIN No. : 01804955)

Rajiv Sabharwal
(Director)
(DIN No. : 00057333)

Kusal Roy
(Managing Director)
(DIN No. : 02268654)

TATA CAPITAL FINANCIAL SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
		Rs in lakh	Rs in lakh
I Revenue from operations	22	420,701	384,660
II Investment income	23	249	5,548
III Other income	24	34,587	28,996
IV Total Revenue (I + II + III)		455,537	419,204
V Expenses :			
Finance costs	25	223,074	221,162
Employee benefit expenses	26	39,721	35,258
Other operating expenses	27	94,327	114,715
Depreciation and amortisation	12	23,637	14,273
Amortisation of expenses	21(a)	598	549
Total expenses		381,357	385,957
VI Profit before tax (IV - V)		74,180	33,247
VII Tax expense			
(1) Current tax		20,007	19,618
(2) Deferred tax		5,915	(7,969)
Net tax expense		25,922	11,649
VIII Profit for the year (VI - VII)		48,258	21,598
IX Earnings per equity share:			
(1) Basic (in Rupees)		2.90	1.27
(2) Diluted (in Rupees)		2.90	1.27
Face Value per share (in Rupees)		10	10
Summary of significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-52		

In terms of our report of even date

For and on behalf of the Board of Directors

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

Chartered Accountants

Firms Registration No – 101248W/W-100022

Mukund S. Dharmadhikari

(Director)

(DIN No. : 05003224)

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Rajiv Sabharwal

(Director)

(DIN No. : 00057333)

Kusal Roy

(Managing Director)

(DIN No. : 02268654)

Place: Mumbai

Date : April 30, 2018

Puneet Sharma

(Chief Financial Officer)

Avan Doomasia

(Company Secretary)

TATA CAPITAL FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	For the Year Ended	For the Year Ended
		March 31, 2018	March 31, 2017
		Rs in lakh	Rs in lakh
1 CASH FLOW USED IN OPERATING ACTIVITIES			
Profit before tax		74,180	33,247
Adjustments for :			
Amortisation of share/debenture issue expenses/loan processing expenses		598	549
Depreciation and amortisation		23,637	14,273
Loss/(profit) on sale of fixed assets (net)		(1,059)	3,288
Interest expenses		180,425	172,902
Discounting charges on commercial paper		42,201	46,723
Discounting charges on Collateralised Borrowings and Lending Obligations (CBLO)		-	1,130
Discounting charges on debentures		448	407
Interest income		(383,858)	(352,966)
Income from investments		(249)	(5,548)
Interest income on fixed deposits		(30)	-
Loss on sale of Non-current Investments		-	1,248
Loss on sale of Current Investments (Net)		60	-
Amortisation of premium of forward foreign exchange cover		128	-
Provision for leave encashment		79	257
Reversal of provision for diminution in value of investments (net)		954	(72)
Provision against trade receivables		230	-
Contingent provision against standard assets		3,664	3,008
Reversal of contingent provision against restructured advances (net)		(1,409)	(827)
Provision against assets held for sale		1,405	1,378
Provision for doubtful loans (net)		26,844	56,686
Operating Loss before working capital changes and adjustments for interest received, interest paid and dividend received		(31,752)	(24,317)
Adjustments for :			
Increase in trade receivables		(2,587)	(578)
Increase in Loans and advances - financing activity		(523,552)	(388,089)
Increase in Loans and advances - others		(8,775)	(5,932)
Increase in other liabilities and provisions		18,443	20,065
Cash used in operations before adjustments for interest received, interest paid and dividend received		(548,223)	(398,851)
Interest paid		(231,553)	(210,790)
Interest received		384,342	351,686
Dividend received		249	137
Cash used in operations		(395,185)	(257,819)
Taxes paid		(18,915)	(17,868)
NET CASH USED IN OPERATING ACTIVITIES		(414,100)	(275,686)
2 CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets (including capital advances)		(30,835)	(32,456)
Proceeds from sale of fixed assets		7,302	2,023
Purchase of long-term investments		(4,334)	(1,075)
Purchase of mutual fund units		(389,500)	(1,714,480)
Proceeds from redemption of mutual fund units		389,572	1,713,989
Proceeds from sale of long-term investments		404	57,115
Fixed deposits with banks having maturity over 3 months		(4,404)	-
NET CASH (USED IN) / FROM INVESTING ACTIVITIES		(31,795)	25,116
3 CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Compulsory Convertible Cumulative Preference share capital		57,500	78,500
Share issue / debenture issue / loan processing expenses		(539)	(984)
Interim dividend paid on equity and preference shares (including dividend distribution tax)		(15,968)	(12,119)
Proceeds from short-term borrowings with maturity period greater than three months		1,049,412	596,289
Repayment of short-term borrowings with maturity period greater than three months		(722,347)	(567,611)
Net proceeds from short-term borrowings with maturity period less than or equal to three months		(39,955)	3,265
Proceeds from long-term borrowings		1,044,462	763,200
Repayment of long-term borrowings		(925,880)	(607,130)
NET CASH FROM FINANCING ACTIVITIES		446,685	253,410

Cash flow statement continued....			
Particulars	Note No.	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
		Rs in lakh	Rs in lakh
NET INCREASE IN CASH AND CASH EQUIVALENTS		790	2,840
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		7,284	4,444
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		8,074	7,284
Reconciliation of cash and cash equivalents as above with cash and bank balances			
Cash and Cash equivalents at the end of the year as per above		8,074	7,284
Add : Restricted Cash [Refer note 19(iii)]		53	53
Add: Fixed deposits with original maturity over 3 months		4,407	3
CASH AND BANK BALANCES AS AT THE END OF THE YEAR [REFER NOTE 19]		12,534	7,340
Summary of significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-52		

In terms of our report of even date For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Mukund S. Dharmadhikari
(Director)
(DIN No. : 05003224)

Anuradha E. Thakur
(Director)
(DIN No. : 06702919)

F.N. Subedar
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Partner
Membership No: 046882

M. D. Mallya
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(DIN No. : 01804955)

Rajiv Sabharwal
(Director)
(DIN No. : 00057333)

Kusal Roy
(Managing Director)
(DIN No. : 02268654)

Place: Mumbai
Date : April 30, 2018

Puneet Sharma
(Chief Financial Officer)

Avan Doomasia
(Company Secretary)

TATA CAPITAL FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Tata Capital Financial Services Limited (the "Company") is a wholly owned subsidiary of Tata Capital Limited and a Systemically Important Non Deposit Accepting Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated November 4, 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

i. Basis for preparation of accounts

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act 2013 (the "Act"), as applicable. Further, the Company follows the Reserve Bank of India ("RBI") Directions issued for Non-Banking Financial Companies ("NBFC"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Current assets do not include elements which are not expected to be realised within one year and current liabilities do not include items which are due after one year.

ii. Use of Estimates

The preparation of financial statements require the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. Example of such estimates includes provision for non - performing loans, provision for employee benefit plans and provision for income taxes.

iii. Revenue recognition

a. Income on Loan transactions

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable, except that no income is recognised on non-performing assets as per the prudential norms for income recognition issued by the RBI for NBFCs. Interest income on such assets is recognised on receipt basis.

Upfront / processing fees collected from the customer for processing loans are primarily towards documentation charges. These are accounted as income when the amount becomes due provided recovery thereof is reasonably certain.

Dealer subvention income and service charges are collected at the time of inception of the contract. These are accounted over the tenure of the loan in the proportion of interest earned to total interest receivable during the tenure of loans.

b. Income from Non-current and Current Investments

Income from dividend on shares of corporate bodies and units of mutual funds is accounted on accrual basis when the Company's right to receive dividend is established.

Interest income on bonds and debentures is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Premium / Discount on investments, which is the difference between the acquisition cost and face value of debt instrument is recognised as interest income over the tenor of the instruments.

Redemption premium on investments (except on preference shares) is recognised as income over the tenor of the investment.

c. Income from Services

Fees for financial advisory services are accounted based on stage of completion of assignments, when there is reasonable certainty of its ultimate realisation.

d. Income from distribution of financial products

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 taxes and sub-brokerage.

Sourcing income is recognised on accrual basis when there is a reasonable certainty of its ultimate realisation.

e. Lease income

Assets given on operating lease are capitalised at cost. Rentals received or receivable by the Company are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, provided recovery is certain

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.

iv. Provisions for Standard/Non-Performing Assets and Doubtful Debts

The Company provides an allowance for loan receivables and debentures/bonds in the nature of advance based on the prudential norms issued by the Reserve Bank of India ('RBI') relating to income recognition, asset classification and provisioning for non-performing assets. The provision for standard assets is made as per prudential norms prescribed by RBI, through master directions or notifications as amended. In addition to the abovementioned provisioning norms as prescribed by RBI, the Company also fully provides for/ writes off the entire receivables as per the Guidelines approved by the Board of Directors from time to time, where any of the installments are overdue :

- for a period exceeding 27 months for loan against property
- for a period exceeding 11 months for construction equipments, auto and commercial vehicles
- for a period exceeding 10 months for two wheeler and personal loan and
- for a period exceeding 6 months for consumer durables

In addition, the Company provides for Restructured Assets (Standard Assets and Non-performing) as required by the directions issued by the RBI from time to time.

v. Investments

Investments are classified into non-current and current investments.

a. Non-current investments

Non-current investments are investments intended to be held for a period of more than a year. Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

b. Current investments

Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost and market value, determined on an individual investment basis.

vi. Property, plant and equipment

a. Tangible:

Tangible property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes any cost attributable for bringing asset to its working condition, which comprises of purchase consideration, other directly attributable costs of bringing the assets to their working condition for their intended use and attributable interest.

The Company has adopted the provisions of para 46 / 46A of AS 11 (The Effects of Changes in Foreign Exchange Rates), accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable property, plant and equipment are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets

b. Intangible:

Acquired intangible assets other than Goodwill are measured at cost less amortisation.

Goodwill is stated at cost. Goodwill comprises the portion of a purchase price for an acquisition that exceeds the market value of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the year in which such costs are incurred.

c. Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

d. Intangible assets under development:

Expenditure on development eligible for capitalisation is carried as Intangible assets under development where such assets are not yet ready for their intended use.

vii. Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets 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 networking assets, electrical installation and equipments 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.

Purchased software / licenses are amortised over the period the benefits are expected to accrue, while Goodwill is tested for impairment at each Balance Sheet date. An impairment loss is recognised if the carrying amount of Goodwill exceeds its recoverable amount.

All capital assets with individual value less than Rs 5,000 are depreciated fully in the year in which they are purchased.

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life	As per Schedule II
Leasehold Improvements	As per lease period	As per lease period
Construction Equipment	2 to 13.5 years	15 years
Furniture and Fixtures	Owned : 10 years Leased : 3 to 7 years	10 years
Computer Equipment	Owned : 3 to 4 years Leased: 2 to 4 years	3 years
Office Equipment	Owned : 5 years Leased : 3 to 5 years	5 years
Vehicles	Owned : 4 years Leased : 1 to 5 years	6 years
Software Licenses	Owned : 1 to 10 years Leased : 1 to 3 years	10 Years
Buildings	25 years	60 years
Plant & Machinery	Owned : 10 years Leased : 2 to 15 years	15 years
Railway Wagons	Leased : 6 years	15 years
Electrical Installation & Equipments	Leased : 3 to 6 years	10 years
Networking Assets	Leased : 2 to 4 years	6 years

viii. 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 of the risks and rewards of ownership are effectively retained by the lessee are classified as finance lease.

ix. Assets held for sale

An asset is classified as held for sale if its carrying amount will be recovered or settled principally through a sale transaction rather than through continuing use. Assets classified as held for sale are measured at the lower of carrying amount and fair value. In the event an asset held for sale is acquired in settlement of an existing claim or existing asset, it is initially recorded in the books at its fair value or value of the asset given up, whichever is better determined. Impairment losses on initial classification as held for sale and losses on subsequent re-measurements are charged to the Statement of Profit and Loss. No depreciation is charged on assets classified as held for sale.

x. Borrowing costs

Ancillary costs in the nature of loan processing charges and debenture issue expenses are amortised on straight line method over the tenor of the loan/debenture from the month in which the Company has incurred the expenditure.

xi. Loan sourcing costs

Sourcing costs are amortised over the average tenor of the loan which varies based on products financed.

xii. Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account are expensed in the Statement of Profit and Loss.

xiii. Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the employee provident scheme, 1952 is recognised as an expense in the year in which it is determined.

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

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become 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 year 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.

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.

xiv. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has present obligations, as result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but disclosed in the financial statements. A Contingent asset is neither recognised nor disclosed in the financial statements.

xv. Impairment of Assets

At each Balance Sheet date, the Company reviews, whether there is any indication of impairment of an asset. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

Recoverable amount of the asset is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flow expected from continuing use of the asset and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the asset. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased above the lower of recoverable amount and the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

xvi. Foreign currency transactions and translations

Accounting of forward contracts :-

Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

Initial recognition :-

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date :-

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

xvii. Taxation

Income Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a year different from when they were recognised in the financial statements.

Deferred tax is recognised on the timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward losses and items relating to capital losses, Deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and Deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

xviii. Goods and Services tax input credit

Goods & Service tax input credit is accounted for in the books in the year in which the underlying goods or service are received and paid and there is reasonable certainty in availing / utilizing the credits

xix. Operating Cycle

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

xx. Business segment

The Company's reportable segments consist of "Financing Activity", "Investment Activity" and "Others". 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 reportable 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 unallocable expenses.

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

xxi. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xxii. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

xxiii. Securitised/Assignment Loans and Securitisation/Assignment Liabilities

Securitised/ Assigned assets are derecognised, if and only if, the Company loses control of the contractual rights that comprise the corresponding pools or mortgages transferred. Transfers of pools of mortgages under the current programs involve transfer of proportionate shares in the pools of mortgages. Such transfers result in de-recognition only of that proportion of the mortgages that meet the de-recognition criteria. The portion retained by the Company continues to be accounted for as loans as described above. As stated in the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India, on de-recognition, the difference between the book value of the securitised/ assigned asset and consideration received is recognised as gain arising on securitization/ assignment in the Statement of Profit and Loss over the balance maturity period of the pool transferred. Losses, if any, arising from such transactions, are recognised immediately in the Statement of Profit and Loss.

xxiv. Dividend (including dividend distribution tax)

Interim dividend declared to equity and / or preference shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final proposed dividend declared to equity and / or preference shareholders, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

3. SHARE CAPITAL

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
AUTHORISED		
2,500,000,000 (as at March 31, 2017: 2,500,000,000 shares) Equity shares of Rs.10 each	250,000	250,000
3,000,000,000 (as at March 31, 2017: 3,000,000,000 shares) Preference shares of Rs.10 each	300,000	300,000
	550,000	550,000
ISSUED, SUBSCRIBED & PAID UP		
1,297,550,000 (as at March 31, 2017: 1,297,550,000 shares) Equity shares of Rs.10 each fully paid up	129,755	129,755
945,000,000 (as at March 31, 2017: 945,000,000 shares) 9% Compulsorily Convertible Cumulative Preference shares of Rs.10 each fully paid up	94,500	94,500
575,000,000 (as at March 31, 2017: NIL) 8.5% Compulsorily Convertible Cumulative Preference shares of Rs.10 each fully paid up	57,500	-
Total	281,755	224,255

3. (a). Reconciliation of number of shares outstanding

Particulars	No. of shares	Rs in lakh
Equity Shares		
Opening balance as on April 01, 2016	1,297,550,000	129,755
Additions during the year	-	-
Closing Balance as on March 31, 2017	1,297,550,000	129,755
Additions during the year	-	-
Closing Balance as on March 31, 2018	1,297,550,000	129,755
Preference Shares		
Opening balance as on April 01, 2016	160,000,000	16,000
Additions during the year	785,000,000	78,500
Closing Balance as on March 31, 2017	945,000,000	94,500
Additions during the year	575,000,000	57,500
Closing Balance as on March 31, 2018	1,520,000,000	152,000

3. (b). Rights, preferences and restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a face 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 in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. Tata Sons Limited is the ultimate holding company.

During the year ended March 31, 2018, the Company has issued 57,50,00,000, 8.50% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of face value Rs. 10/- each aggregating Rs. 575 crore, which are convertible into equity shares after the completion of 9 years from the date of allotment. However, CCCPS holders have an option to convert all or any part of the holding, into equity shares at any time, prior to the completion of 9 years. Conversion of CCCPS into equity shares will be based on the fair value to be determined by an independent valuer closer to the conversion date. The CCCPS holders have a right to receive dividend, prior to the Equity Shareholders. The dividend proposed by the Board of Directors on the CCCPS is subject to the approval of the shareholders at an Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding.

Tranche-wise due date details for Compulsorily Convertible Cumulative Preference Shares ("CCCPS")

Date of Allotment	Date of Conversion	No. of Units	Rs in lakh
31-Mar-18	31-Mar-27	150,000,000	15,000
21-Mar-18	21-Mar-27	250,000,000	25,000
8-Mar-18	8-Mar-27	100,000,000	10,000
29-Dec-17	29-Dec-26	75,000,000	7,500
31-Mar-17	31-Mar-26	100,000,000	10,000
28-Feb-17	28-Feb-26	200,000,000	20,000
29-Dec-16	29-Dec-25	100,000,000	10,000
28-Sep-16	28-Sep-25	100,000,000	10,000
28-Jun-16	28-Jun-25	285,000,000	28,500
23-Mar-16	23-Mar-25	125,000,000	12,500
29-Sep-15	29-Sep-24	35,000,000	3,500
Total		1,520,000,000	152,000

The CCCPS holders may, at any time prior to the aforesaid period of conversion, requesting the conversion of all or any part of its holding into Equity Shares.

3. (c). Investment by Tata Capital Limited (Holding company). The entire share capital is held by Tata Capital Limited and its nominees.

Name of company	Particulars of issue	No. of shares	Rs in lakh
Tata Capital Limited (Holding Company) Equity Shares	Opening Balance as on April 1, 2016	1,297,550,000	129,755
	Closing Balance as on March 31, 2017	1,297,550,000	129,755
	Closing Balance as on March 31, 2018	1,297,550,000	129,755
Preference Shares	Opening Balance as on April 1, 2016	160,000,000	16,000
	"Rights" issue during the FY 2016-17	785,000,000	78,500
	Closing Balance as on March 31, 2017	945,000,000	94,500
	"Rights" issue during the FY 2017-18	575,000,000	57,500
	Closing Balance as on March 31, 2018	1,520,000,000	152,000

4. RESERVES AND SURPLUS

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Rs in lakh		Rs in lakh	
(a) Securities Premium Account				
Opening Balance		88,865		129,500
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 40)	-		(54,260)	
Add : Adjustment of Tax pursuant to Reduction of Share Capital (Refer note 40)	-		13,702	
Less : Share issue expenses written-off (Refer note 41)	(60)	(60)	(77)	(40,635)
Closing Balance		88,805		88,865
(b) Debenture Redemption Reserve		30,000		30,000
(c) Special Reserve Account				
Opening Balance		25,750		21,431
Add: Transfer from Surplus in the Statement of Profit and Loss (Refer note (a) below)		9,652		4,319
Closing Balance		35,402		25,750
(d) Surplus in Statement of Profit and Loss				
Opening Balance		37,538		32,378
Add: Profit for the year		48,258		21,598
Amount available for Appropriations		85,796		53,976
Less : Appropriations				
- Transfer to Special Reserve Account	(9,652)		(4,319)	
- Interim Dividend on equity shares (Refer note (e) below)	(4,541)		(5,839)	
- Dividend on preference shares (Refer notes (b), (c) and (d) below)	(8,726)		(4,230)	
- Tax on Interim Dividend	(2,701)	(25,620)	(2,050)	(16,438)
Closing Balance		60,176		37,538
TOTAL - RESERVES AND SURPLUS (a + b + c + d)		214,383		182,153

Notes:

The amounts appropriated out of the surplus in the Statement of Profit and Loss are as under:

- Rs. 9,652 lakh (Previous Year: Rs. 4,319 lakh) to Special Reserve as prescribed by section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the profit after taxes for the year ended March 31, 2018.
- During the year ended March 31, 2018, the Company has declared and paid on July 27, 2017, an interim dividend for financial year 2017-18 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 2,120 lakh and dividend distribution tax thereon of Rs. 431 lakh.
- During the year ended March 31, 2018, the Company has declared and paid on August 22, 2017, a final dividend for financial year 2016-17 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 3 lakh and dividend distribution tax thereon of Rs. 1 lakh.
- During the year ended March 31, 2018, the Company has declared on March 20, 2018 and paid on March 21, 2018, an interim dividend for financial year 2017-18 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 6,603 lakh (Previous Year : 4,230 lakh) and dividend distribution tax thereon of Rs. 1,344 lakh (Previous Year : 861 lakh).
- During the year ended March 31, 2018, the Company has declared on March 20, 2018 and paid on March 21, 2018, an interim dividend on equity shares of Re. 0.35 per share (Previous Year : Re. 0.45 per share) aggregating to Rs. 4,541 lakh (Previous Year : Rs. 5,839 lakh) and dividend distribution tax thereon of Rs. 925 lakh (Previous Year : Rs. 1,189 lakh).

5. LONG-TERM BORROWINGS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Debentures		
Secured		
Privately Placed Non-Convertible Debentures (Refer notes 5.1 and 5.5 below) [Net of unamortised premium of Rs. 57 lakh (as at March 31, 2017 : Nil)]	684,267	446,120
Public issue of Non-Convertible Debentures (Refer notes 5.2 and 5.7 below)	-	28,818
Unsecured		
Non-Convertible Subordinated Debentures (Refer note 5.8 and 5.11 below) [Net of unamortised discount of Rs. 851 lakh (as at March 31, 2017 : Rs. 1,299 lakh)]	181,194	180,746
Non-Convertible Perpetual Debentures (Refer note 5.9 below)	91,800	60,000
Privately Placed Non-Convertible Debentures (Refer note 5.10 below)	80,000	70,000
(b) Term loans		
Secured		
From Banks (Refer notes 5.3 and 5.4 below)	104,500	30,000
Unsecured		
From Banks (Refer note 5.4 below)	145,000	130,000
Total	1,286,761	945,684

Notes

- 5.1.** 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 Company.
- 5.2.** 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 Company.
- 5.3.** Loans and advances from banks are secured by pari passu charge on the receivables of the Company through Security Trustee.

Terms of repayment of term loans and rate of interest:

- 5.4** As per terms of agreements loan from banks classified under long-term borrowing, short-term borrowing and current liabilities aggregating Rs. 427,000 lakh (Previous Year: Rs. 216,000 lakh) are repayable at maturity ranging between 5 and 48 months from the date of respective loan. Rate of interest payable on term loans varies between 7.45 % to 8.40% (Previous Year : 7.95 % to 9.15%.)

5. 5. Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2018

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2018*		As at March 31, 2017*	
			Number of NCDs	Rs in lakh	Number of NCDs	Rs in lakh
TCFSL NCD AF FY 2014-15-Option-I	8-Dec-14	6-Dec-24	600	6,000	600	6,000
TCFSL NCD AF FY 2014-15-Option-I	8-Dec-14	6-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 "P" FY 2017-18	22-Jan-18	20-Jan-23	480	4,800	-	-
TCFSL NCD "AH" FY 2012-13	5-Sep-12	5-Sep-22	500	5,000	500	5,000
TCFSL NCD "AL" FY 2016-17	31-Mar-17	31-Mar-22	400	4,000	400	4,000
TCFSL NCD "T" FY 2017-18	20-Jul-17	28-Feb-22	750	7,500	-	-
TCFSL NCD "K" FY 2017-18	16-Aug-17	14-Jan-22	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 "G" FY 2016-17	30-May-16	28-May-21	500	3,500	500	2,000
TCFSL NCD "R" FY 2017-18	23-Mar-18	23-Mar-21	2,500	25,000	-	-
TCFSL NCD "AB" FY 2015-16	21-Mar-16	19-Mar-21	100	1,000	100	1,000
TCFSL NCD "AA" FY 2015-16	16-Mar-16	16-Mar-21	70	700	70	700
TCFSL NCD "O" FY 2017-18	12-Jan-18	22-Jan-21	750	7,500	-	-
TCFSL NCD "X" FY 2015-16	16-Dec-15	16-Dec-20	100	1,000	100	1,000
TCFSL NCD "E" FY 2017-18	6-Jul-17	6-Aug-20	500	5,000	-	-
TCFSL NCD "G" FY 2017-18	12-Jul-17	10-Jul-20	250	2,500	-	-
TCFSL NCD "U" FY 2016-17	26-Aug-16	1-Jul-20	150	1,500	150	1,500
TCFSL NCD "D" FY 2017-18	9-Jun-17	9-Jun-20	10,150	101,500	-	-
TCFSL NCD "E" FY 2015-16	5-May-15	5-May-20	3,300	33,000	3,300	33,000
TCFSL NCD "AJ" FY 2016-17	1-Mar-17	28-Feb-20	250	2,500	250	2,500
TCFSL NCD "Q" FY 2017-18	24-Jan-18	24-Jan-20	7,000	70,000	-	-
TCFSL NCD "I" FY 2016-17 Option - II	10-Jun-16	23-Dec-19	130	1,300	130	1,300
TCFSL NCD "AE" FY 2016-17	16-Nov-16	16-Dec-19	750	7,500	750	7,500
TCFSL NCD "AD" FY 2016-17	10-Nov-16	10-Dec-19	230	2,300	230	2,300
TCFSL NCD "AC" FY 2016-17	27-Oct-16	25-Oct-19	350	3,500	350	3,500
TCFSL NCD "L" FY 2017-18	29-Sep-17	27-Sep-19	2,000	20,000	-	-
TCFSL NCD "V" FY 2016-17 - Option II	31-Aug-16	30-Aug-19	250	2,500	250	2,500
TCFSL NCD "T" FY 2016-17	25-Aug-16	23-Aug-19	250	2,500	250	2,500
TCFSL NCD "J" FY 2017-18	7-Aug-17	7-Aug-19	5,500	55,000	-	-
TCFSL NCD "J" FY 2017-18 Further Issuance	1-Sep-17	7-Aug-19	2,478	24,837	-	-
TCFSL NCD "P" FY 2016-17	29-Jul-16	29-Jul-19	100	1,000	100	1,000
TCFSL NCD "O" FY 2016-17	19-Jul-16	19-Jul-19	250	2,500	250	2,500
TCFSL NCD "H" FY 2017-18	18-Jul-17	18-Jul-19	5,000	50,000	-	-
TCFSL NCD "N" FY 2016-17	12-Jul-16	12-Jul-19	2,000	20,000	2,000	20,000
TCFSL NCD "F" FY 2017-18	10-Jul-17	10-Jul-19	1,000	10,000	-	-
TCFSL NCD C FY 2014-15 - Option-II	9-Jul-14	9-Jul-19	350	3,500	350	3,500
TCFSL NCD "I" FY 2016-17- Option I	10-Jun-16	24-Jun-19	250	2,500	250	2,500
TCFSL NCD "B" FY 2017-18	30-May-17	30-May-19	2,250	22,500	-	-
TCFSL NCD "N" FY 2017-18	29-Nov-17	29-May-19	500	5,000	-	-
TCFSL NCD "F" FY 2016-17	24-May-16	24-May-19	250	2,500	250	2,500
TCFSL NCD "Z" FY 2015-16	5-Feb-16	3-May-19	1,000	10,000	1,000	10,000
TCFSL NCD "D" FY 2016-17	20-Apr-16	19-Apr-19	100	1,000	100	1,000
TCFSL NCD "AC" FY 2015-16	31-Mar-16	18-Apr-19	213	2,130	213	2,130
TCFSL NCD "A" FY 2017-18	10-Apr-17	10-Apr-19	10,250	102,500	-	-
TCFSL NCD "B" FY 2016-17	7-Apr-16	8-Apr-19	200	2,000	200	2,000
TCFSL NCD "M" FY 2017-18	16-Nov-17	28-Mar-19	7,500	75,000	-	-
TCFSL NCD "AK" FY 2016-17	27-Mar-17	27-Mar-19	190	1,900	190	1,900
TCFSL NCD "AA" FY 2016-17	6-Oct-16	18-Mar-19	500	5,000	500	5,000
TCFSL NCD "X" FY 2016-17	8-Sep-16	8-Mar-19	2,500	25,000	2,500	25,000
TCFSL NCD "AI" FY 2016-17	8-Feb-17	4-Mar-19	1,000	10,000	1,000	10,000
TCFSL NCD "AH" FY 2016-17	6-Feb-17	6-Feb-19	1,500	15,000	1,500	15,000
TCFSL NCD "Y" FY 2015-16	8-Jan-16	8-Jan-19	250	2,500	250	2,500
TCFSL NCD "C" FY 2017-18	2-Jun-17	30-Nov-18	1,000	10,000	-	-
TCFSL NCD "AF" FY 2016-17	29-Nov-16	29-Nov-18	3,000	30,000	3,000	30,000
TCFSL NCD AA FY 2011-12	21-Oct-11	21-Oct-18	150	1,500	150	1,500
TCFSL NCD "AB" FY 2016-17	14-Oct-16	12-Oct-18	5,450	54,500	5,450	54,500
TCFSL NCD R FY 2011-12	23-Sep-11	23-Sep-18	100	1,000	100	1,000
TCFSL NCD "W" FY 2016-17	6-Sep-16	6-Sep-18	2,500	25,000	2,500	25,000
TCFSL NCD "V" FY 2016-17 - Option I	31-Aug-16	31-Aug-18	300	3,000	300	3,000
TCFSL NCD "S" FY 2015-16	26-Aug-15	24-Aug-18	250	2,500	250	2,500
TCFSL NCD O FY 2013-14	20-Aug-13	20-Aug-18	430	4,300	430	4,300
TCFSL NCD M FY 2011-12	17-Aug-11	17-Aug-18	40	400	40	400

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2018*		As at March 31, 2017*	
			Number of NCDs	Rs in lakh	Number of NCDs	Rs in lakh
TCFSL NCD "S" FY 2016-17	16-Aug-16	16-Aug-18	750	7,500	750	7,500
TCFSL NCD "R" FY 2016-17	12-Aug-16	13-Aug-18	250	2,500	250	2,500
TCFSL NCD "Q" FY 2016-17	2-Aug-16	2-Aug-18	1,500	15,000	1,500	15,000
TCFSL NCD 'Q' FY 2015-16 Option I	13-Jul-15	13-Jul-18	50	500	50	500
TCFSL NCD "L" FY 2015-16	22-Jun-15	22-Jun-18	3,800	38,000	3,800	38,000
TCFSL NCD G FY 2013-14	22-May-13	22-May-18	2,000	20,000	2,000	20,000
TCFSL NCD H FY 2013-14	22-May-13	22-May-18	250	2,500	250	2,500
TCFSL NCD D FY 2013-14	7-May-13	7-May-18	200	2,000	200	2,000
TCFSL NCD E FY 2013-14	7-May-13	7-May-18	500	5,000	500	5,000
TCFSL NCD A FY 2013-14 - Option-I	23-Apr-13	23-Apr-18	850	8,500	850	8,500
TCFSL NCD AK FY 2014-15-Option-II	15-Jan-15	5-Apr-18	59	590	59	590
TCFSL NCD AX FY 2014-15-Option-II	20-Mar-15	3-Apr-18	80	800	80	800
TCFSL NCD BF FY 2012-13	26-Mar-13	26-Mar-18	-	-	50	500
TCFSL NCD "J" FY 2016-17- Option I	15-Jun-16	26-Mar-18	-	-	300	3,000
TCFSL NCD "Y" FY 2016-17	30-Sep-16	26-Mar-18	-	-	1,500	15,000
TCFSL NCD "Z" FY 2016-17	4-Oct-16	26-Mar-18	-	-	3,500	35,000
TCFSL NCD "AY" FY 2014-15-Option-I	24-Mar-15	23-Mar-18	-	-	150	1,500
TCFSL NCD "A" FY 2016-17	5-Apr-16	20-Mar-18	-	-	1,250	12,500
TCFSL NCD "E" FY 2016-17	22-Apr-16	20-Mar-18	-	-	700	7,000
TCFSL NCD "C" FY 2016-17	13-Apr-16	15-Mar-18	-	-	2,500	25,000
TCFSL NCD AV FY 2014-15 - Option-II	10-Mar-15	9-Mar-18	-	-	500	5,000
TCFSL NCD AT FY 2014-15 - Option-I	2-Mar-15	2-Mar-18	-	-	650	6,500
TCFSL NCD AQ FY 2014-15	20-Feb-15	12-Feb-18	-	-	60	600
TCFSL NCD AP FY 2014-15-Option-I	4-Feb-15	2-Feb-18	-	-	500	5,000
TCFSL NCD AN FY 2014-15	29-Jan-15	29-Jan-18	-	-	3,000	30,000
TCFSL NCD AL FY 2014-15	20-Jan-15	24-Jan-18	-	-	210	2,100
TCFSL NCD AY FY 2012-13	22-Jan-13	22-Jan-18	-	-	2,000	20,000
TCFSL NCD BA FY 2012-13	22-Jan-13	22-Jan-18	-	-	250	2,500
TCFSL NCD 'AZ' FY 2012-13	22-Jan-13	22-Jan-18	-	-	3,000	30,000
TCFSL NCD AX FY 2012-13	16-Jan-13	16-Jan-18	-	-	650	6,500
TCFSL NCD AK FY 2014-15-Option-I	15-Jan-15	15-Jan-18	-	-	97	970
TCFSL NCD AJ FY 2014-15	14-Jan-15	10-Jan-18	-	-	162	1,620
TCFSL NCD "L" FY 2016-17	7-Jul-16	8-Jan-18	-	-	250	2,500
TCFSL NCD AH FY 2014-15-Option-III	16-Dec-14	4-Jan-18	-	-	90	900
TCFSL NCD "K" FY 2016-17	24-Jun-16	26-Dec-17	-	-	250	2,500
TCFSL NCD "J" FY 2016-17- Option II	15-Jun-16	15-Dec-17	-	-	250	2,500
TCFSL NCD AF FY 2014-15-Option-III	8-Dec-14	8-Dec-17	-	-	50	500
TCFSL NCD AS FY 2012-13	5-Dec-12	5-Dec-17	-	-	250	2,500
TCFSL NCD AB FY 2014-15-Option-III	21-Nov-14	29-Nov-17	-	-	150	1,500
TCFSL NCD AB FY 2014-15-Option-II	21-Nov-14	27-Nov-17	-	-	200	2,000
TCFSL NCD X FY 2014-15 - Option -II	14-Nov-14	24-Nov-17	-	-	150	1,500
TCFSL NCD Y FY 2014-15	18-Nov-14	20-Nov-17	-	-	100	1,000
TCFSL NCD AB FY 2014-15-Option-I	21-Nov-14	20-Nov-17	-	-	380	3,800
TCFSL NCD Z FY 2014-15	19-Nov-14	15-Nov-17	-	-	740	7,400
TCFSL NCD AQ FY 2012-13	12-Nov-12	10-Nov-17	-	-	300	3,000
TCFSL NCD "W" FY 2015-16	10-Nov-15	10-Nov-17	-	-	200	2,000
TCFSL NCD AJ FY 2012-13	9-Nov-12	9-Nov-17	-	-	5,000	50,000
TCFSL NCD U FY 2014-15	21-Oct-14	20-Oct-17	-	-	100	1,000
TCFSL NCD "V" FY 2015-16	21-Oct-15	20-Oct-17	-	-	1,000	10,000
TCFSL NCD T FY 2014-15 - Option -III	13-Oct-14	18-Oct-17	-	-	100	1,000
TCFSL NCD S FY 2014-15 - Option -I	9-Oct-14	9-Oct-17	-	-	50	500
TCFSL NCD R FY 2014-15 - Option -III	30-Sep-14	29-Sep-17	-	-	50	500
TCFSL NCD R FY 2014-15 - Option -II	30-Sep-14	28-Sep-17	-	-	100	1,000
TCFSL NCD 'U' FY 2015-16	28-Sep-15	28-Sep-17	-	-	2,000	20,000
TCFSL NCD S FY 2014-15 - Option -V	9-Oct-14	27-Sep-17	-	-	22	220
TCFSL NCD T FY 2014-15 - Option -V	13-Oct-14	26-Sep-17	-	-	250	2,500
TCFSL NCD T FY 2014-15 - Option -I	13-Oct-14	20-Sep-17	-	-	1,500	15,000
TCFSL NCD AG FY 2012-13	10-Sep-12	8-Sep-17	-	-	100	1,000
TCFSL NCD "M" FY 2016-17	8-Jul-16	8-Sep-17	-	-	1,500	15,000
TCFSL NCD M FY 2014-15	4-Sep-14	4-Sep-17	-	-	500	5,000
TCFSL NCD L FY 2014-15 - Option- I	1-Sep-14	1-Sep-17	-	-	4,000	40,000
TCFSL NCD R FY 2013-14	26-Aug-13	25-Aug-17	-	-	300	3,000
TCFSL NCD M FY 2011-12 - Partial Redemption	17-Aug-11	17-Aug-17	-	-	30	300
TCFSL NCD "H" FY 2016-17	7-Jun-16	10-Aug-17	-	-	400	4,000
TCFSL NCD AE FY 2012-13	9-Aug-12	9-Aug-17	-	-	200	2,000
TCFSL NCD 'R' FY 2015-16	31-Jul-15	31-Jul-17	-	-	1,570	15,700

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2018*		As at March 31, 2017*	
			Number of NCDs	Rs in lakh	Number of NCDs	Rs in lakh
TCFSL NCD "H" FY 2015-16 Option - I	15-May-15	17-Jul-17	-	-	1,270	12,700
TCFSL NCD F FY 2014-15	14-Jul-14	14-Jul-17	-	-	100	1,000
TCFSL NCD C FY 2014-15 - Option-I	9-Jul-14	10-Jul-17	-	-	250	2,500
TCFSL NCD 'O' FY 2015-16 Option II	7-Jul-15	7-Jul-17	-	-	250	2,500
TCFSL NCD 'P' FY 2015-16	9-Jul-15	7-Jul-17	-	-	2,500	25,000
TCFSL NCD "M" FY 2015-16 - Option I	24-Jun-15	23-Jun-17	-	-	1,000	10,000
TCFSL NCD "M" FY 2015-16 - Option II	24-Jun-15	23-Jun-17	-	-	750	7,500
TCFSL NCD "M" FY 2015-16 - Option III	24-Jun-15	23-Jun-17	-	-	750	7,500
TCFSL NCD 'O' FY 2015-16 Option I	7-Jul-15	23-Jun-17	-	-	2,500	25,000
TCFSL NCD "H" FY 2015-16 Option - V	15-May-15	20-Jun-17	-	-	187	1,870
TCFSL NCD "I" FY 2015-16 Option - V	22-May-15	20-Jun-17	-	-	67	670
TCFSL NCD "K" FY 2015-16	9-Jun-15	9-Jun-17	-	-	5,000	50,000
TCFSL NCD "C" FY 2015-16 OPTION-IV	22-Apr-15	1-Jun-17	-	-	340	3,400
TCFSL NCD "H" FY 2015-16 Option - VI	15-May-15	1-Jun-17	-	-	175	1,750
TCFSL NCD "I" FY 2015-16 Option - I	22-May-15	1-Jun-17	-	-	1,273	12,730
TCFSL NCD "G" FY 2015-16 - Option I	13-May-15	24-May-17	-	-	350	3,500
TCFSL NCD "J" FY 2015-16 - Option II	26-May-15	24-May-17	-	-	5,250	52,500
TCFSL NCD "H" FY 2015-16 Option - IV	15-May-15	24-May-17	-	-	220	2,200
TCFSL NCD "B" FY 2015-16	20-Apr-15	22-May-17	-	-	1,026	10,260
TCFSL NCD "H" FY 2015-16 Option - II	15-May-15	22-May-17	-	-	780	7,800
TCFSL NCD "I" FY 2015-16 Option - II	22-May-15	17-May-17	-	-	200	2,000
TCFSL NCD "H" FY 2015-16 Option - VIII	15-May-15	15-May-17	-	-	100	1,000
TCFSL NCD "H" FY 2015-16 Option - III	15-May-15	12-May-17	-	-	250	2,500
TCFSL NCD AU FY 2014-15-Option-III	5-Mar-15	2-May-17	-	-	110	1,100
TCFSL NCD "G" FY 2015-16 - Option II	13-May-15	27-Apr-17	-	-	90	900
TCFSL NCD "C" FY 2015-16 OPTION-III	22-Apr-15	25-Apr-17	-	-	850	8,500
TCFSL NCD "C" FY 2015-16 OPTION-II	22-Apr-15	20-Apr-17	-	-	70	700
TCFSL NCD "C" FY 2015-16 OPTION-I	22-Apr-15	19-Apr-17	-	-	326	3,260
TCFSL NCD "D" FY 2015-16 OPTION-II	24-Apr-15	18-Apr-17	-	-	88	880
TCFSL NCD "A" FY 2015-16	15-Apr-15	11-Apr-17	-	-	180	1,800
TCFSL NCD "H" FY 2015-16 Option - VII	15-May-15	11-Apr-17	-	-	120	1,200
TCFSL NCD AU FY 2014-15-Option-I	5-Mar-15	10-Apr-17	-	-	115	1,150
TCFSL NCD "D" FY 2015-16 OPTION-IV	24-Apr-15	5-Apr-17	-	-	510	5,100
TCFSL NCD "D" FY 2015-16 OPTION-I	24-Apr-15	3-Apr-17	-	-	640	6,400
TCFSL NCD "D" FY 2015-16 OPTION-III	24-Apr-15	3-Apr-17	-	-	190	1,900
TOTAL				1,053,757		1,156,500
Of which current maturities classified under "Current liabilities" in note 10				(369,490)		(710,380)
TOTAL				684,267		446,120

*Note : Coupon rate of "NCDs" outstanding as on March 31, 2018 varies from 7.50% to 10.40% (Previous Year : 7.58% to 10.75%)

5. 6. Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2018

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL NCD Option I (2009)	March 6, 2009	March 5, 2019	310	310
TCFSL NCD Option II (2009)	March 6, 2009	March 5, 2019	177,875	1,779
TCFSL NCD Option III (2009)	March 6, 2009	March 5, 2019	1,497,029	14,970
TCFSL NCD Option IV (2009)	March 6, 2009	March 5, 2019	1,175,939	11,759
Total				28,818

Note : Coupon rate of above outstanding as on March 31, 2018 varies from 9.75% to 10.50%

5. 7. Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2017

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL NCD Option I (2009)	March 6, 2009	March 5, 2019	310	310
TCFSL NCD Option II (2009)	March 6, 2009	March 5, 2019	177,875	1,779
TCFSL NCD Option III (2009)	March 6, 2009	March 5, 2019	1,497,029	14,970
TCFSL NCD Option IV (2009)	March 6, 2009	March 5, 2019	1,175,939	11,759
Total				28,818

Note : Coupon rate of above outstanding as on March 31, 2017 varies from 9.75% to 10.50%

5. 8. Particulars of unsecured redeemable non-convertible subordinated debentures (Tier II Bonds) outstanding as on March 31, 2018

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh *
TCFSL Tier-II Bond "B" FY 2016-17	26-Oct-16	26-Oct-26	150	1,500
TCFSL Tier-II Bond "A" FY 2016-17	11-Aug-16	11-Aug-26	2,000	20,000
TCFSL Tier II Bond 'B' FY 2015-16	30-Mar-16	30-Mar-26	2,000	20,000
TCFSL Tier II Bond 'A' FY 2015-16	22-Jul-15	22-Jul-25	900	9,000
TCFSL Tier II Bond 'D' FY 2014-15	31-Mar-15	31-Mar-25	2,000	20,000
TCFSL Tier II Bond 'C' FY 2014-15	30-Jan-15	30-Jan-25	750	7,500
TCFSL Tier II Bond 'B' FY 2014-15	7-Jan-15	7-Jan-25	350	3,500
TCFSL Tier II Bond 'A' FY 2014-15	26-Sep-14	26-Sep-24	1,000	10,000
TCL Tier II Bond 'H' FY 2009-10	24-Dec-09	24-Dec-19	1,000	5,000
TCL Tier II Bond 'G' FY 2009-10	18-Dec-09	18-Dec-19	3,000	15,000
TCL Tier II Bond 'E' FY 2009-10	15-Dec-09	15-Dec-19	5,725	28,625
TCL Tier II Bond 'F' FY 2009-10	30-Nov-09	30-Nov-19	1,135	4,824
TCL Tier II Bond 'D' FY 2009-10	28-Oct-09	28-Oct-19	1,479	7,395
TCL Tier II Bond 'C' FY 2009-10	28-Oct-09	28-Oct-19	1,580	7,900
TCL Tier II Bond 'B' FY 2009-10	9-Sep-09	9-Sep-19	1,704	17,040
TCL Tier II Bond 'A' FY 2009-10	4-Aug-09	4-Aug-19	391	3,910
Total				181,194

*Net of unamortised discount of Rs.851 lakh

Note : Coupon rate of above outstanding as on March 31, 2018 varies from 8.45% to 10.50%

Particulars of unsecured redeemable non-convertible subordinated debentures (Tier II Bonds) outstanding as on March 31, 2017

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in Lakh*
TCFSL Tier-II Bond "B" FY 2016-17	26-Oct-16	26-Oct-26	150	1,500
TCFSL Tier-II Bond "A" FY 2016-17	11-Aug-16	11-Aug-26	2,000	20,000
TCFSL Tier II Bond 'B' FY 2015-16	30-Mar-16	30-Mar-26	2,000	20,000
TCFSL Tier II Bond 'A' FY 2015-16	22-Jul-15	22-Jul-25	900	9,000
TCFSL Tier II Bond 'D' FY 2014-15	31-Mar-15	31-Mar-25	2,000	20,000
TCFSL Tier II Bond 'C' FY 2014-15	30-Jan-15	30-Jan-25	750	7,500
TCFSL Tier II Bond 'B' FY 2014-15	7-Jan-15	7-Jan-25	350	3,500
TCFSL Tier II Bond 'A' FY 2014-15	26-Sep-14	26-Sep-24	1,000	10,000
TCL Tier II Bond 'H' FY 2009-10	24-Dec-09	24-Dec-19	1,000	5,000
TCL Tier II Bond 'G' FY 2009-10	18-Dec-09	18-Dec-19	3,000	15,000
TCL Tier II Bond 'E' FY 2009-10	15-Dec-09	15-Dec-19	5,725	28,625
TCL Tier II Bond 'F' FY 2009-10	30-Nov-09	30-Nov-19	1,135	4,376
TCL Tier II Bond 'D' FY 2009-10	28-Oct-09	28-Oct-19	1,479	7,395
TCL Tier II Bond 'C' FY 2009-10	28-Oct-09	28-Oct-19	1,580	7,900
TCL Tier II Bond 'B' FY 2009-10	9-Sep-09	9-Sep-19	1,704	17,040
TCL Tier II Bond 'A' FY 2009-10	4-Aug-09	4-Aug-19	391	3,910
Total				180,746

*Net of unamortised discount of Rs.1,299 lakh

Note : Coupon rate of above outstanding as on March 31, 2017 varies from 8.45% to 10.50%

5. 9. Particulars of unsecured non-convertible perpetual debentures outstanding as on March 31, 2018

Description of NCD	Issue Date	Number of NCDs	Rs in lakh
TCL Perpetual 'A' FY 2010-11	15-Nov-10	15	75
TCL Perpetual 'B' FY 2010-11	14-Jan-11	18	90
TCL Perpetual 'A' FY 2011-12	5-May-11	20	100
TCL Perpetual 'B' FY 2011-12	8-Aug-11	61	305
TCL Perpetual 'C' FY 2011-12	28-Sep-11	10	50
TCL Perpetual 'D' FY 2011-12	7-Nov-11	5	25
TCFSL Perpetual 'A' FY 2013-14	27-Mar-14	1871	9,355
TCFSL Perpetual 'A' FY 2015-16	16-Jul-15	1000	10,000
TCFSL Perpetual 'B' FY 2015-16	6-Jan-16	500	5,000
TCFSL Perpetual 'C' FY 2015-16	2-Feb-16	500	5,000
TCFSL Perpetual 'D' FY 2015-16	9-Feb-16	1000	10,000
TCFSL Perpetual 'E' FY 2015-16	23-Mar-16	1000	10,000
TCFSL Perpetual 'A' FY 2016-17	30-Jun-16	500	5,000
TCFSL Perpetual 'B' FY 2016-17	13-Jan-17	100	1,000
TCFSL Perpetual 'C' FY 2016-17	8-Mar-17	400	4,000
TCFSL Perpetual 'A' FY 2017-18	21-Jun-17	500	5,000
TCFSL Perpetual 'B' FY 2017-18	14-Jul-17	500	5,000
TCFSL Perpetual 'C' FY 2017-18	11-Sep-17	930	9,300
TCFSL Perpetual 'D' FY 2017-18	26-Mar-18	1000	10,000
TCFSL Perpetual 'D' FY 2017-18	26-Mar-18	250	2,500
Total			91,800

Note : Coupon rate of above outstanding as on March 31, 2018 varies from 8.61% to 11.25%

Particulars of unsecured non-convertible perpetual debentures outstanding as on March 31, 2017

Description of NCD	Issue Date	Number of NCDs	Rs in lakh
TCL Perpetual A FY 2010-11	15-Nov-10	15	75
TCL Perpetual B FY 2010-11	14-Jan-11	18	90
TCL Perpetual A FY 2011-12	5-May-11	20	100
TCL Perpetual B FY 2011-12	8-Aug-11	61	305
TCL Perpetual C FY 2011-12	28-Sep-11	10	50
TCL Perpetual D FY 2011-12	7-Nov-11	5	25
TCFSL Perpetual A FY 2013-14	27-Mar-14	1871	9,355
TCFSL Perpetual A FY 2015-16	16-Jul-15	1000	10,000
TCFSL Perpetual B FY 2015-16	6-Jan-16	500	5,000
TCFSL Perpetual C FY 2015-16	2-Feb-16	500	5,000
TCFSL Perpetual D FY 2015-16	9-Feb-16	1000	10,000
TCFSL Perpetual E FY 2015-16	23-Mar-16	1000	10,000
TCFSL Perpetual 'A' FY 2016-17	30-Jun-16	500	5,000
TCFSL Perpetual 'B' FY 2016-17	13-Jan-17	100	1,000
TCFSL Perpetual 'C' FY 2016-17	8-Mar-17	400	4,000
Total			60,000

Note : Coupon rate of above outstanding as on March 31, 2017 varies from 9.00% to 11.25%

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Funds Raised through Perpetual Debt Instruments	31,800	10,000
Amount outstanding at the end of year	91,800	60,000
Percentage of amount of Perpetual Debt Instruments of the amount of Tier I Capital	18.43%	15.07%
Financial year in which interest on Perpetual Debt Instruments is not paid on account of 'Lock-In Clause'.	N.A.	

5. 10. Particulars of Privately Placed unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2018

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL Unsecured NCD A FY 2017-18	27-Jun-17	27-Jun-19	8000	80,000
TCFSL UNSECURED NCD "A" FY 2015-16	12-Aug-15	10-Aug-18	2000	20,000
TCFSL Unsecured NCD B FY 2016-17	27-Apr-16	27-Apr-18	2000	20,000
TCFSL Unsecured NCD A FY 2016-17	25-Apr-16	25-Apr-18	3000	30,000
TOTAL				150,000
Of which current maturities classified under "Current liabilities" in note 10				(70,000)
Total				80,000

Note : Coupon rate of above outstanding as on March 31, 2018 varies from 7.90% to 9.20%

Particulars of Privately Placed unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2017

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL Unsecured NCD A FY 2015-16	12-Aug-15	10-Aug-18	2000	20,000
TCFSL Unsecured NCD A FY 2016-17	25-Apr-16	25-Apr-18	3000	30,000
TCFSL Unsecured NCD B FY 2016-17	27-Apr-16	27-Apr-18	2000	20,000
TCFSL Unsecured NCD B FY 2015-16 Option-I	1-Sep-15	1-Sep-17	1500	15,000
TOTAL				85,000
Of which current maturities classified under "Current liabilities" in note 10				(15,000)
Total				70,000

Note : Coupon rate of above outstanding as on March 31, 2017 varies from 8.80% to 8.91%

5. 11. Unsecured redeemable Non-convertible subordinated debentures includes the debentures issued to Key Management Personnel of Rs. 20 lakh (Previous Year : Rs. 20 lakh).

6. OTHER LONG-TERM LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Interest accrued but not due on borrowings	213	4,317
(b) Income received in advance	173	215
(c) Payable for capital expenditure	205	-
(d) Sundry liabilities account (interest capitalisation)	250	2,487
Total	841	7,019

7. LONG-TERM PROVISIONS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Provision for employee benefits	962	891
(b) Contingent provision against Standard Assets (Refer note 34)	6,732	5,160
(c) Provision for doubtful loans and credit substitutes	17,993	30,361
(d) Provision for restructured standard assets	108	70
Total	25,795	36,482

8. SHORT-TERM BORROWINGS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Loans repayable on demand		
Secured		
From Banks		
(i) Working capital demand loan (Refer notes 5.3 above and 8.2 below)	268,000	75,000
(ii) Bank Overdraft (Refer note 5.3 above)	210,934	301,969
Unsecured		
From Banks		
(i) Working capital demand loan (Refer notes 5.3 above and 8.2 below)	40,000	11,200
(b) Term loans		
Secured		
From Banks (Refer notes 5.3 and 5.4 above)	10,000	6,000
Unsecured		
From Banks (Refer note 5.4 above)	82,500	-
(c) Other loans and advances		
Unsecured		
(i) Commercial paper (Refer note 8.1 below) [Net of unamortised discount of Rs. 12,637 lakh (as at March 31, 2017 : Rs. 9,868 lakh)]	641,363	567,632
(ii) Inter Corporate Deposits from Related Parties (Refer notes 8.3 below and 31)	33,784	44,829
(iii) Inter Corporate Deposits from Others (Refer note 8.3 below)	6,500	-
Total	1,293,081	1,006,630

Notes

8.1. Discount on commercial paper varies between 7.32 % to 8.25% (Previous year : 6.66% to 8.61%)

8.2. Rate of interest payable on WCDL varies between 7.60 % to 8.10% (Previous Year : 7.95 % to 8.70%.)

8.3. Rate of interest payable on Inter-corporate deposits varies between 7.25 % to 8.87% (Previous Year : 8.61 % to 8.87%.)

9. TRADE PAYABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(i) Accrued expenses	18,586	16,170
(ii) Payable to Related Parties	98	28
(iii) Payable to Dealers/Vendors	33,252	27,422
(iv) Others	561	918
Total	52,497	44,538

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 :

9. (a) Total outstanding dues of micro enterprises and small enterprises

PARTICULARS	As at March 31, 2018	As at March 31, 2017
(a) Amounts outstanding but not due as at year end	-	-
(b) Amounts due but unpaid as at year end	-	-
(c) Amounts paid after appointed date during the year	-	-
(d) Amount of interest accrued and unpaid as at year end	-	-
(e) The amount of further interest due and payable even in the succeeding year	-	-
Total	-	-

10. OTHER CURRENT LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Current maturities of long-term debt		
(i) Debentures		
Secured		
Privately Placed Non-Convertible Debentures (Refer notes 5.1 and 5.5 above)	369,490	710,380
Public issue of Non-Convertible Debentures (Refer notes 5.2 and 5.6 above)	28,818	-
Unsecured		
Privately Placed Non-Convertible Debentures (Refer note 5.10 above)	70,000	15,000
(ii) Term Loans		
Secured		
From Banks (Refer notes 5.3 and 5.4 above)	15,000	50,000
Unsecured		
From Banks (Refer note 5.4 above)	70,000	-
(iii) Other loans and advances		
Unsecured		
Inter-Corporate Deposits from Others (Refer note 8.3 above)	715	715
(b) Interest accrued but not due on borrowings	77,010	81,149
(c) Income received in advance	1,573	1,113
(d) Unclaimed matured debentures and accrued interest thereon	53	53
(e) Other payables		
(i) Security deposit	31,719	22,475
(ii) Statutory dues	3,758	1,305
(iii) Payable for capital expenditure	1,637	908
(vi) Advances from customers	1,677	1,402
(v) Sundry liabilities account (interest capitalisation)	450	2,058
(vi) Amounts payable - assigned loans	2,997	5,727
(vii) Accrued employee benefit expense	6,524	4,321
(viii) Others	893	595
Total	682,314	897,201

11. SHORT-TERM PROVISIONS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Provision for employee benefits	157	142
(b) Provision - Others		
(i) Contingent Provision against Standard Assets (Refer note 34)	8,523	6,431
(ii) Provision for tax [Net of advance tax Rs. 9,894 lakh (As at March 31, 2017 Rs. 29,481 lakh)]	10,114	8,575
(iii) Provision for doubtful loans and credit substitutes	71,856	90,861
(iv) Provision for restructured standard assets	35	41
Total	90,685	106,050

12. PROPERTY, PLANT AND EQUIPMENT
(Rs. in lakh)

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2017	Additions/ Adjustments	Deletions	Written off during the year*	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2018	As at March 31, 2018
TANGIBLE ASSETS										
Buildings	4,975	-	-	-	4,975	1,298	200	-	1,498	3,477
	4,975	-	-	-	4,975	1,098	200	-	1,298	3,677
Leasehold Improvements	3,554	365	56	-	3,863	1,853	547	46	2,354	1,509
	4,191	338	975	-	3,554	2,343	424	914	1,853	1,701
Furniture & Fixtures	1,181	132	25	-	1,288	689	101	18	772	516
	1,190	211	220	-	1,181	716	136	163	689	492
Computer Equipment	2,407	982	-	-	3,389	789	604	-	1,393	1,996
	945	1,579	117	-	2,407	614	292	117	789	1,618
Office Equipment	1,760	210	13	-	1,957	1,278	203	11	1,470	487
	1,580	318	138	-	1,760	1,238	155	115	1,278	482
Plant & Machinery	520	4	21	-	503	263	52	16	299	204
	668	-	148	-	520	319	64	120	263	257
Vehicles	934	83	128	-	889	482	181	90	573	316
	1,000	266	332	-	934	575	209	302	482	452
ASSETS GIVEN UNDER OPERATING LEASE/RENTAL										
Construction Equipment	24,047	1,787	7,602	-	18,232	9,748	2,827	3,919	8,656	9,576
	22,843	1,435	231	-	24,047	6,905	2,894	51	9,748	14,299
Vehicles	3,497	1,913	2,210	-	3,200	1,916	897	1,266	1,547	1,653
	4,769	793	2,065	-	3,497	2,797	798	1,679	1,916	1,581
Plant & Machinery	25,966	12,323	1,453	-	36,836	4,347	6,515	322	10,540	26,296
	13,642	12,432	108	-	25,966	2,153	2,214	20	4,347	21,619
Computer Equipment	21,867	3,225	2,431	-	22,661	8,967	7,154	1,894	14,227	8,434
	22,812	7,423	8,368	-	21,867	8,222	4,687	3,942	8,967	12,900
Furniture & Fixtures	1,046	123	-	-	1,169	212	296	-	508	661
	635	411	-	-	1,046	126	86	-	212	834
Office Equipments	2,711	204	229	-	2,686	1,466	792	224	2,034	652
	2,607	299	195	-	2,711	862	769	165	1,466	1,245
Railway Wagons	16,019	124	-	-	16,143	1,186	2,580	-	3,766	12,377
	8,265	7,754	-	-	16,019	223	963	-	1,186	14,833
Electrical Installation & Equipments	1,176	12	-	-	1,188	114	228	-	342	846
	289	887	-	-	1,176	2	112	-	114	1,062
TANGIBLE ASSETS - TOTAL	111,660	21,487	14,168	-	118,979	34,608	23,177	7,806	49,979	69,000
	90,411	34,146	12,897	-	111,660	28,193	14,003	7,588	34,608	77,052

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2017	Additions/ Adjustments	Deletions	Written off during the year*	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2018	As at March 31, 2018
INTANGIBLE ASSETS (other than internally generated)										
Goodwill	- <i>7,804</i>	- -	- -	- <i>7,804</i>	- -	- -	- -	- -	- -	- -
Software	2,228 <i>1,765</i>	1,671 <i>480</i>	50 <i>17</i>	- -	3,849 <i>2,228</i>	1,119 <i>864</i>	460 <i>270</i>	44 <i>15</i>	1,535 <i>1,119</i>	2,314 <i>1,109</i>
INTANGIBLE ASSETS - TOTAL	2,228 <i>9,569</i>	1,671 <i>480</i>	50 <i>17</i>	- <i>7,804</i>	3,849 <i>2,228</i>	1,119 <i>864</i>	460 <i>270</i>	44 <i>15</i>	1,535 <i>1,119</i>	2,314 <i>1,109</i>
Total	113,888 <i>99,980</i>	23,158 <i>34,626</i>	14,218 <i>12,914</i>	- <i>7,804</i>	122,828 <i>113,888</i>	35,727 <i>29,057</i>	23,637 <i>14,273</i>	7,850 <i>7,603</i>	51,514 <i>35,727</i>	71,314 <i>78,161</i>
Capital work-in-progress										101 518
Intangible Assets under Development										39 655
Total										71,454 79,334

Figures in italics relate to previous year

* Written off pursuant to Reduction of Share Capital (Refer note 40)

13. INVESTMENTS

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Non- Current Investment	Current portion of Non-Current Investment	Non- Current Investment	Current portion of Non-Current Investment
	Rs in lakh	Rs in lakh	Rs in lakh	Rs in lakh
LONG-TERM INVESTMENTS (at cost)				
Investment in Associates				
Unquoted :				
Investment in Equity Shares	-	-	3,313	-
Investment in Security Receipts	-	-	748	-
Investment in Others				
Quoted :				
Investment in Equity Shares	20,916	-	16,582	-
Investment in Mutual Fund	50	-	50	-
Unquoted :				
Investment in Equity Shares	13,062	-	9,749	-
Investment in Mutual Fund	980	-	980	-
Investment in Security Receipts	395	-	-	-
Investment in Preference Shares	-	-	-	90
Sub-total	35,403	-	31,422	90
Less: Provision for diminution in value of investments	(4,803)	-	(5,313)	(90)
Total Long-Term Investments	30,600	-	26,109	-

PARTICULARS	As at March 31, 2018	As at March 31, 2017
CURRENT INVESTMENTS (At lower of cost and fair value, unless otherwise stated)		
Quoted :		
Investment in Equity Shares	170	794
Unquoted :		
Investment in Equity Shares*	0	0
Total Current Investments	170	794

TOTAL INVESTMENTS	As at March 31, 2018		As at March 31, 2017	
	Non- Current Investment	Current Investment	Non- Current Investment	Current Investment
	Rs in lakh	Rs in lakh	Rs in lakh	Rs in lakh
Total Investments	30,600	170	26,109	794
Book value of Quoted investments (net)	17,776	170	11,833	794
Market value of Quoted investments	14,717	1,362	10,814	802
Book value of Unquoted investments (net)	12,824	-	14,276	-

* Amount less than Rs. 50,000.

Scrip-wise details of Investments:

PARTICULARS	Face value Per Unit (in Rs)	As at March 31, 2018			As at March 31, 2017		
		No. of Units	Non- Current Investments	Current portion of Non-Current Investments	No. of Units	Non- Current Investments	Current portion of Non-Current Investments
LONG-TERM INVESTMENTS							
Investments in Associates							
Unquoted							
Investment in Equity Shares (Non-Trade)							
International Asset Reconstruction Company Private Limited	10	-	-	-	13,946,295	3,313	-
			-	-		3,313	-
Investment in Security Receipts							
International Asset Reconstruction Company Private Limited	1,000	-	-	-	104,135	748	-
			-	-		748	-
Investments in Others							
Quoted :							
Investment in Equity Shares (Non-Trade)							
Hindustan Unilever Limited	1	2,000	5	-	2,000	5	-
Praj Industries Limited	2	13,422,400	16,577	-	13,422,400	16,577	-
The New India Assurance company Limited	5	541,688	4,334	-	-	-	-
			20,916	-		16,582	-
Investment in units of Mutual Funds							
HDFC Debt Fund For Cancer Cure	10	500,000	50	-	500,000	50	-
			50	-		50	-
Unquoted :							
Investment in Equity Shares (Non-Trade unless otherwise stated)							
Adithya Automotives Private Limited	10	1,396,500	140	-	1,396,500	140	-
Aricent Technologies Holdings Limited *	10	8	0	-	8	0	-
Fincare Business Services Limited	10	235,992	660	-	235,992	660	-
International Asset Reconstruction Company Private Limited	10	13,946,295	3,313	-	-	-	-
Shriram Properties Private Limited	10	2,223,569	3,935	-	2,223,569	3,935	-
TVS Logistics Services Limited	10	217,325	1,465	-	217,325	1,465	-
SKS Ispat & Power Limited	10	33,931,831	1,028	-	33,931,831	1,028	-
Varroc Engineering Private Limited	10	155,024	2,521	-	155,024	2,521	-
			13,062	-		9,749	-
Investment in Security Receipts							
International Asset Reconstruction Company Private Limited	1,000	104,135	395	-	-	-	-
			395	-		-	-
Investment in Preference Shares (Non-Trade)							
0.001% Share Microfin Limited Optionally Cumulative Convertible Redeemable Preference Shares	10	-	-	-	900,000	-	90
			-	-		-	90
Investment in units of Mutual Funds							
Tata Money Market Fund	1,000	39,412	980	-	39,412	980	-
			980	-		980	-
Less: Provision for diminution in value of investments							
			(4,803)	-		(5,313)	(90)
Total Long Term Investments			30,600	-		26,109	-

PARTICULARS	Face value Per Unit (in Rs)	As at March 31, 2018			As at March 31, 2017		
		No. of Units	Rs in lakh	Rs in lakh	No. of Units	Rs in lakh	Rs in lakh
CURRENT INVESTMENTS							
Quoted :							
Investment in Equity Shares (Non-Trade)							
3i Infotech Limited	10	23,280,000	1,013		-	-	
Consolidated Construction Consortium Limited	2	416,472	8		-	-	
Diamond Power Infra Limited	10	1,631,881	674		1,631,881	674	
Gol Offshore Limited	10	644,609	282		644,609	282	
IVRCL Limited	2	1,594,857	246	2,223	2,776,522	428	1,384
Less: MTM Provision on Current Investments				(2,053)			(590)
				170			794
Unquoted :							
Investment in Equity Shares (Non-Trade)							
Coastal Projects Limited	10	4,101,806	410		4,101,806	410	
Tata Tele Services Limited * (Refer note 40)	10	62,250,000	0	410	62,250,000	0	410
Less: Provision for diminution on Current Investment				(410)			(410)
				0			0
Total Current Investments				170			794
PARTICULARS		As at March 31, 2018			As at March 31, 2017		
		Non- Current Investment	Current Investments		Non- Current Investment	Current Investments	
		Rs in lakh	Rs in lakh		Rs in lakh	Rs in lakh	
TOTAL INVESTMENTS		30,600	170		26,109	794	
Book value of Quoted investments (net)		17,776	170		11,833	794	
Market value of Quoted investments		14,717	1,362		10,814	802	
Book value of Unquoted investments (net)		12,824	-		14,276	-	

* Amount less than Rs. 50,000.

14. DEFERRED TAX ASSET

Particulars	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in Lakh
Deferred Tax Asset (net)	37,568	43,483

The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

Particulars	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in Lakh
Deferred Tax Assets :-		
(a) Deferred tax assets on account of provisions for non-performing assets	30,035	41,006
(b) Provision for restructured advances	49	38
(c) Provision for standard assets	5,279	4,011
(d) Employee benefits	331	303
(e) Other deferred tax assets	2,123	1,061
(f) Depreciation on fixed assets	229	-
Deferred Tax Liabilities :-		
(a) Debenture issue expenses	(478)	(518)
(b) Depreciation on fixed assets	-	(2,418)
Net Deferred Tax Asset	37,568	43,483

15. LOANS AND ADVANCES - FINANCING ACTIVITY

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
NON-CURRENT		
(a) Secured Loans		
(i) Considered good	1,403,892	1,251,907
(ii) Considered doubtful	16,465	26,877
(iii) Retained portion of assigned loans	4,975	6,321
	1,425,332	1,285,105
(b) Secured Credit Substitutes (Refer note 15(c) below)		
(i) Considered good	8,568	8,136
(ii) Considered doubtful	-	2,752
	8,568	10,888
(c) Unsecured Loans		
(i) Considered good	260,800	209,196
(ii) Considered doubtful	1,528	731
	262,328	209,927
(d) Unsecured Credit Substitutes (Refer note 15(c) below)		
(i) Considered good	16,230	9,924
(ii) Considered doubtful	-	-
	16,230	9,924
Total	1,712,458	1,515,844
CURRENT		
(a) Secured Loans		
(i) Considered good	695,248	601,580
(ii) Considered doubtful	44,837	65,123
(iii) Retained portion of assigned loans	592	697
	740,677	667,400
(b) Secured Credit Substitutes (Refer note 15(c) below)		
(i) Considered good	890	4,617
(ii) Considered doubtful	13,623	14,554
	14,513	19,171
(c) Unsecured Loans		
(i) Considered good	1,123,535	940,985
(ii) Considered doubtful	13,381	11,184
	1,136,916	952,169
(d) Unsecured Credit Substitutes (Refer note 15(c) below)		
(i) Considered good	77,446	54,863
(ii) Considered doubtful	14	-
	77,460	54,863
(e) Unsecured Inter-Corporate Deposits		
(i) Considered good	9,300	11,300
(ii) Considered doubtful	-	-
	9,300	11,300
Total	1,978,866	1,704,903
TOTAL - LOANS AND ADVANCES FINANCING ACTIVITY	3,691,324	3,220,747

15. a. Out of the above, loans given to Related Parties: Secured Rs. 2,935 lakh (Previous Year: Rs. 10,672 Lakh and Unsecured Rs. 2,307 lakh (Previous Year: Rs. 1,300).

15. b. The details of Gross investments and unearned finance income in respect of assets given under finance lease are as under:

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
Gross Investments:		
- Within one year	16,385	10,925
- Later than one year and not later than five years	30,283	21,389
- Later than five years	533	228
Total	47,201	32,542
Unearned Finance Income:		
- Within one year	4,138	2,780
- Later than one year and not later than five years	4,601	3,394
- Later than five years	100	76
Total	8,839	6,250
Present Value of Rentals *:		
- Within one year	12,247	8,145
- Later than one year and not later than five years	25,682	17,995
- Later than five years	433	152
Total	38,362	26,292

* Present Value of Rentals represent the Current Future Outstanding Principal.

15.c. Scrip-wise details of Credit Substitutes:

PARTICULARS	Face value Per Unit Rs	As at Mar 31, 2018			As at Mar 31, 2017		
		No. of Units	Non- Current	Current	No. of Units	Non- Current	Current
			Rs in Lakh	Rs in Lakh		Rs in Lakh	Rs in Lakh
Secured Quoted :							
Investment in Bonds and Debentures (Trade)							
12.75% Diamond Power Infra limited	100,000	-	-	-	1,700	1,027	-
12.90% Cholamandalam Investment & Finance Company Limited	500,000	1	5	-	1	-	5
10.50% Tulip Telecom Limited	1,000,000	1,623	-	-	1,623	-	-
12.65% Consolidated Construction Consortium Limited	1,000,000	-	-	-	200	1,840	139
12.90% Godawari Power and Ispat Limited	1,000,000	225	1,363	79	150	-	1,500
9.40% JM Financial Asset Reconstruction Company	1,000,000	-	-	-	400	4,000	-
9.36% JM Finance CSL NCD	1,000,000	400	4,000	-	-	-	-
10.50% Sattva Realtors Limited	1,000,000	400	3,200	800	-	-	-
			8,568	879		6,867	1,644
Secured Unquoted :							
Investment in Debentures (Trade)							
9% East Coast Constructions and Industries Limited	1,000	-	-	-	-	-	15
11.80% Elder Pharmaceuticals Limited	1,000,000	-	-	878	-	-	851
13.65% Metropolitan Infrahousing Private Limited	-	75	-	7,651	75	-	7,577
5.64% Mandava Holding Private Limited	-	-	-	1	-	-	1
8% JL Power Ventures Private Limited	10,000,000	-	-	-	40	2,800	1,200
14.50% Arohi Infrastructure Private Limited	100	-	-	5,092	-	-	2,871
			-	13,622		2,800	12,515
Investment in Pass Through Certificates							
Jindal ITF Limited - Series A to E	-	-	-	-	-	-	2,742
			-	-		-	2,742
Add: Interest accrued but not due			-	12		1,221	2,271
Total Secured			8,568	14,513		10,888	19,172
Unsecured Quoted :							
Investment in Bonds and Debentures (Trade)							
10.45% IDBI Bank Limited	1,000,000	-	-	-	50	507	-
10% Indian Overseas Bank Limited	1,000,000	400	4,000	-	400	4,000	-
11.50% TVS Credit Services Limited PDI	500,000	1,647	8,235	-	-	-	-
			12,235	-		4,507	-
Unsecured Unquoted :							
Investment in Preference Shares (Non-Trade)							
Kiri Industries Limited	10	4,333,500	-	433	4,333,500	-	433
McNally Bharath Engineering Co Limited	100	311,743	1,995	433	533,898	3,417	9
			1,995	433		3,417	442
Investment in Debentures (Trade)							
10.90% Tata Motor Finance Limited	500,000	400	2,000	-	400	2,000	-
			2,000	-		2,000	-
Investment in Pass Through Certificates							
Capital DRL Trust NOV B			-	-		-	1,048
Capital DRL Trust DEC B 2016			-	-		-	4,453
Capital DRL Trust DEC B 2016			-	-		-	197
Capital DRL Trust JAN B 2017			-	-		-	529
Capital DRL Trust JAN B 2017			-	-		-	5,729
Capital DRL Trust FEB B 2017			-	-		-	4,022
Capital DRL Trust FEB B 2017			-	-		-	6,811
Capital DRL Trust MARCH C 2017			-	-		-	434
Capital DRL Trust MARCH B 2017			-	-		-	2,206
Capital DRL Trust MARCH B 2017			-	-		-	4,832
Capital DRL Trust MARCH B 2017 TRANCH 2			-	-		-	1,108
Capital DRL Trust MARCH B 2017 TRANCH 2			-	-		-	7,147
Capital DRL Trust MARCH B 2017 TRANCH 2			-	-		-	13,894
Capital DRL Trust MARCH C 2017 TRANCHE 2			-	-		-	1,883
Capital DRL Trust 003 PTC D 30-03-2018 A			-	69		-	-
Capital DRL Trust 004 PTC D 30-03-2018 A			-	583		-	-
Capital DRL Trust 006 PTC D 29-04-2018 A			-	818		-	-
Capital DRL Trust 1C PTC D 29-04-2018			-	1,515		-	-
Capital DRL Trust JULY B TRANCH 2 2017 PTCD 27-01-2018 A			-	146		-	-
Capital DRL Trust JULY C 2017 PTC D 28-11-2017 A			-	143		-	-
Capital DRL Trust SEPTEMBER END 2017 B PTC D			-	403		-	-
Capital DRL Trust 007 PTC D 17-03-2018 B			-	514		-	-
Capital DRL Trust 007 PTC D 31-05-2018 A			-	1,391		-	-
Capital DRL Trust 2C PTC D 31-05-2018 A			-	1,034		-	-
Capital DRL Trust 008 PTC D 31-03-2018 A			-	13,822		-	-
Capital DRL Trust 010 PTC D 30-05-2018 A			-	41,238		-	-
Capital DRL Trust 009 PTC D 25-05-2018 A			-	14,915		-	-
			-	76,591		-	54,293
Add: Interest accrued but not due			-	436		-	127
Total Unsecured			16,230	77,460		9,924	54,862
Grand Total			24,798	91,973		20,812	74,034

16. LONG-TERM LOANS AND ADVANCES - OTHERS (UNSECURED - CONSIDERED GOOD)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Capital advances	17,452	7,806
(b) Loans and advances to related parties	-	249
(c) Security deposits	52	47
(d) Advance payment of Income tax [Net of provision for tax Rs. 92,845 lakh (As at March 31, 2017 Rs. 54,789 lakh)]	6,265	5,818
(e) Others		
(i) Loan to TCL Employee Welfare Trust	7,302	7,302
(ii) Prepaid Expenses	155	289
Total	31,226	21,511

17. OTHER NON-CURRENT ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer note 21(a))	963	1,087
(b) Unamortised loan sourcing costs	6,399	5,752
(c) Gratuity Asset (Net)	49	239
(d) Fixed deposit with maturity more than 12 months	25	-
Total	7,436	7,078

18. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Over six months (from the date due for payment)		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	243	86
(iii) Doubtful	230	-
	473	86
Less: Provision for trade receivables	230	-
	243	86
(b) Others		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	6,003	1,963
(iii) Doubtful	-	-
	6,003	1,963
Less: Provision for trade receivables	-	-
	6,003	1,963
Total	6,246	2,049

19. CASH AND BANK BALANCES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Cash on Hand	102	573
(b) Cheques on Hand	1,213	1,577
(c) Balances with banks		
(i) In current accounts	6,812	5,187
(ii) In deposit accounts (Refer note (ii) below)	4,407	3
Total	12,534	7,340

Note:

- Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is Rs. 8,071 lakh (as at March 31, 2017 Rs. 7,284 lakh)
- Balance in deposit accounts with Banks have an original maturity exceeding 3 months but balance maturity of under 12 months from the Balance Sheet date.
- Balance in current accounts includes Rs. 56 lakh (as at March 31, 2017 Rs.53 lakh) towards unclaimed debenture application money and interest accrued thereon.
- The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 08/11/2016 to 30/12/2016 have not been made since they do not pertain to the financial year ended 31 March 2018.
- The details of the Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below (as per MCA Notification G.S.R. 307 (E) dated 30th March 2017 :

PARTICULARS	SBNs	Other Denomination Notes	Total
Opening Cash in hand as on 08/11/2016	1,168	1	1,169
(+) Permitted receipts	-	870	870
(-) Permitted payments	-	-	-
(-) Amounts deposited in Banks (deposited before 11/11/2016)	1,168	801	1,969
Closing cash in hand as on 30/12/2016	-	70	70

20. SHORT-TERM LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Loans and advances to related parties	330	556
(b) Security deposits	8,073	6,983
(c) Others		
(i) Pass Through Certificate application money (refundable)	7,919	16,249
(ii) Loan and advances to employees	686	104
(iii) Other advances	381	244
(d) Prepaid expenses	1,696	1,036
(e) Balances with government authorities	4,868	1,431
Total	23,953	26,603

21. OTHER CURRENT ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer note 21(a))	462	457
(b) Receivable on sale/redemption of investment	173	83
Less : Provision for receivable on sale/redemption of investment	(173)	(83)
Net receivable on sale/redemption of investment	-	-
(c) Unamortised loan sourcing costs	9,095	8,333
(d) Interest accrued but not due on fixed deposits	30	-
(e) Income accrued but not due	3,494	2,245
(f) Assets held for sale	4,398	5,248
Less : Provision for assets held for sale	(3,072)	(1,667)
Carrying Value of Assets held for sale	1,326	3,581
(g) Other receivables	1,194	348
Total	15,601	14,964

21 (a). Deferred Revenue Expenditure (to the extent not written off or adjusted)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
(a) Unamortised share issue expenses		
Opening balance	-	1
Add: Expenses incurred during the year	-	-
Less: written off through securities premium (Refer note 41)	-	1
Less: written off during the year	-	-
Closing balance	-	-
(b) Unamortised debenture issue expenses		
Opening balance	1,498	1,170
Add: Expenses incurred during the year	374	754
Less: written off during the year	490	426
Closing balance	1,382	1,498
(c) Unamortised loan processing charges		
Opening balance	46	16
Add: Expenses incurred during the year	105	153
Less: written off during the year	108	123
Closing balance	43	46
Total	1,425	1,544

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Non-Current	Current	Non-Current	Current
	Rs in lakh	Rs in lakh	Rs in lakh	Rs in lakh
(a) Unamortised debenture issue expenses	963	419	1,087	411
(b) Unamortised loan processing charges	-	43	-	46
Total	963	462	1,087	457
Grand Total		1,425		1,544

22. REVENUE FROM OPERATIONS

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
(a) Interest Income		
(i) From secured loans and credit substitutes	250,278	234,127
(ii) From unsecured loans and credit substitutes	129,748	113,911
(b) Income from Bill Discounting	3,832	4,928
(c) Others	36,843	31,694
Total	420,701	384,660

23. INVESTMENT INCOME

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
(a) Dividend from Non-current Investments	247	134
(b) Dividend from Current Investments	2	3
(c) Profit on sale of Non-current Investments	-	3,278
(d) Profit on sale of Current Investments	-	489
(e) Interest on Non-current Investments	-	1,644
Total	249	5,548

24. OTHER INCOME

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
(a) Income from operating leases	25,555	24,165
(b) Interest Income on Fixed Deposits	30	-
(c) Advertisement income	1,787	555
(d) Income from distribution of financial products	3,745	3,930
(e) Profit on sale of Assets	2,222	68
(f) Interest on Income Tax Refund	307	-
(g) Miscellaneous Income	941	278
Total	34,587	28,996

25. FINANCE COSTS

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
(a) Interest expense	180,425	172,902
(b) Discounting Charges		
(i) On commercial paper	42,201	46,723
(ii) On Collateralised Borrowings and Lending Obligations (CBLO)	-	1,130
(iii) On debentures	448	407
Total	223,074	221,162

26. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
(a) Salaries, wages and bonus	36,037	31,349
(b) Contribution to provident and other fund (Refer note 30)	1,684	2,233
(c) Staff welfare expenses	2,000	1,676
Total	39,721	35,258

27. OTHER OPERATING EXPENSES

PARTICULARS	For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
	Rs in Lakh	Rs in Lakh	Rs in lakh	Rs in lakh
(a) Advertisements and publicity		2,005		2,186
(b) Brand Equity and Business Promotion		1,243		1,171
(c) Corporate social responsibility cost [Refer note 27(c) below]		1,014		910
(d) Donations		4		3
(e) Equipment hire charges		348		316
(f) Incentive / commission/ brokerage		17,517		13,380
(g) Information technology expenses		8,045		6,544
(h) Insurance charges		744		616
(i) Legal and professional fees		3,867		3,312
(j) Loan processing fees		2,199		1,837
(k) Printing and stationery		783		615
(l) Provision for doubtful loans (net of recoveries)	32,575		88,475	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 40)	-		(31,789)	
Less : Delinquency Support	(5,731)	26,844	-	56,686
(m) Write off - Loans and advances	62,501		34,552	
Less : Provision reversal on write off	(62,501)	-	(34,552)	-
(n) Provision against assets held for sale		1,405		1,378
(o) Contingent provision against Standard Assets (Refer note 34)		3,664		3,008
(p) Provision against Restructured Advances		(1,409)		(827)
(q) Provision for diminution in value of investments (net of reversals)		(509)		(455)
(r) Provision on Current Investment	1463		732	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 40)	-	1,463	(349)	383
(s) Write-off - Investments	-		14,318	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 40)	-	-	(14,318)	-
(t) Write-off - Goodwill	-		7,804	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 40)	-	-	(7,804)	-
(u) Provision for Trade receivables		230		-
(v) Power and fuel		905		838
(w) Repairs and maintenance				
(i) Buildings	129		66	
(ii) Annual maintenance charges	99		239	
(iii) Others	174	402	129	434
(x) Rent		2,134		1,910
(y) Rates and taxes		119		133
(z) Stamp charges		502		541
(aa) Service providers' charges		14,045		10,814
(ab) Training and recruitment		510		597
(ac) Telephone, telex and leased line		767		653
(ad) Travelling and conveyance		2,630		2,214
(ae) Loss on sale of Non-current Investments		-		1,248
(af) Loss on sale of Current Investments (Net)		60		-
(ag) Amortisation of premium of forward foreign exchange cover		128		-
(ah) Directors remuneration		221		232
(ai) Loss on sale of assets		1,188		3,355
(aj) Other expenses [Refer note 27(a) below]		1,259		683
Total		94,327		114,715

27. (a) Auditors' Remuneration (excluding taxes):

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
Audit Fees	106	110
Tax Audit Fees	4	5
Other Services	20	22
Out of Pocket Expenses	1	1
	131	138

(Auditors' remuneration is included in Other expenses)

27. (b) Expenditure in Foreign Currency

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	Rs in lakh	Rs in lakh
Legal and professional fees	137	366
Commission paid	79	214
Information Technology Expenses	1,084	74
Training and recruitment	6	28
Other expenses	7	3
	1,313	685

27. (c) Corporate social responsibility expenses

(i) Gross amount required to be spent by the company during the year was Rs. 1,014 lakh (PY. 910 lakh).

(ii) Amount spent during the year on:

Particulars	Paid	Yet to be paid	Total
	Rs in lakh	Rs in lakh	Rs in lakh
Construction/acquisition of any asset	-	-	-
On purposes other than above	1,014	-	1,014

28. Contingent Liabilities and Commitments:

(i) Contingent Liabilities :-

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 :

(Rs. in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Income Tax (Pending before Appellate authorities)	1,916	1,786
VAT (Pending before Appellate authorities)	71	420

(ii) Commitments :-

(a) Undrawn Commitment given to Borrowers

As on March 31, 2018 Rs. 212,864 lakh (Previous Year: Rs. 211,584 lakh)

Less than 1 Year: Rs. 165,763 lakh (Previous Year: Rs. 178,908 lakh)

More than 1 Year: Rs. 47,101 lakh (Previous Year: Rs. 32,676 lakh)

(b) Letter of Credit, Buyers Credit and Other Guarantees Rs. 44,200 lakh (Previous Year : Rs. 29,048 lakh)

(c) Leases entered but not executed Rs. 89,148 lakh (Previous Year : Rs. 66,473 lakh)

(d) Unamortised Forward Contract exposure Rs. 98 lakh (Previous Year : Rs. Nil lakh)

(e) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.1,310 lakh

(as at March 31, 2017: Rs. 2,276 lakh).

- Tangible: Rs. 1,111 lakh (Previous year : Rs. 817 lakh)

- Intangible: Rs. 199 lakh (Previous year : Rs. 1,459 lakh)

29. Employee Stock Purchase/Option Scheme

Employees of the Company may be entitled to Stock Purchase / Stock Options Scheme offered by Tata Capital Limited.

30. Employee benefits

Defined Contribution Plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a Trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employee Provident Scheme, 1952 is recognised as an expense in the year in which it is determined.

The provident fund set up as a Trust by the Company manages the contributions from the Company and other participating subsidiaries. As of March 31, 2018, the accumulated members' corpus of the Company is Rs. 13,085 lakh whereas the total fair value of the assets of the fund and the total accumulated members' corpus is Rs. 21,026 lakh and Rs. 20,658 lakh respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.55%. The actuarial assumptions include discount rate of 7.70%.

The Company recognised a charge of Rs. 1,189 lakh (Previous year Rs. 1,089 lakh) for provident fund and family pension fund contribution and Rs. 89 lakh (Previous year Rs. 97 lakh) for contribution towards the superannuation fund in the Statement of Profit and Loss.

Defined Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) (included as part of Contribution to provident and other fund in note 26 Employee Benefit Expenses). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before separation). The gratuity scheme covers 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 charged to the Statement of Profit and Loss.

Reconciliation of Benefit Obligations and Plan Assets

(Rs in lakh)

Particulars	2017-18	2016-17
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	2,926	1,887
Current Service Cost	509	335
Interest Cost	211	148
Acquisitions Cost / (Credit)	(25)	(106)
Actuarial Losses / (Gain)	(77)	816
Benefits Paid	(219)	(154)
Closing Defined Benefit Obligation	3,326	2,926
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	3,165	1,580
Transfer in	(25)	(106)
Expected Return on Plan Assets	253	184
Contributions by Employer	-	1,433
Actuarial Gains / (Losses)	(19)	74
Benefits paid	-	-
Closing Fair Value of Plan Assets	3,374	3,165
Insurer managed funds:		
Government Bonds	44%	33%
Equity of listed entities	12%	16%
Bonds / Debentures	43%	41%
Cash (including Special Deposits)	1%	10%
Total	100%	100%

Particulars	2017-18	2016-17
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the year	3,374	3,165
Present value of the defined obligations at the end of the year	3,326	2,926
Funded status Surplus	49	239
Net Asset recognised in the Balance Sheet	49	239
Net Gratuity cost for the year ended March 31, 2018		
Service Cost	509	335
Interest on Defined benefit Obligation	211	148
Expected return on plan assets	(253)	(184)
Net actuarial loss recognised in the year	(58)	742
Net Gratuity Cost	409	1,041
Actual contribution and benefit payments for the year		
Actual benefit payments	(219)	(154)
Actual contributions	-	1,433

Categorization of plan assets is as follows

Investment Pattern	2017-18	2016-17
Assumptions		
Discount Rate	7.70%	7.50%
Expected Rate of Return on Plan Assets	8.00% p.a	8.00% p.a
Salary Escalation Rate	7.50% p.a for first 5 years and 6% thereafter.	7.50% p.a for first 5 years and 6% thereafter.
Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.	Indian Assured Lives Mortality (2006-08) (modified) Ult.
Withdrawal Rate	0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years & more - 1%	0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years & more - 1%

Experience History	2017-18	2016-17	2015-16	2014-15	2013-14
Present value of Defined Benefit Obligation	(3,326)	(2,926)	(1,887)	(1,571)	(1,026)
Fair value of Plan Assets	3,374	3,165	1,580	1,506	946
Excess of (obligation over plan assets)	49	239	(307)	(65)	(80)
Experience Gain/ (Loss) Adjustment :					
- On Plan Liabilities	34	(313)	(228)	(41)	(96)
- On Plan Assets	(19)	74	(90)	148	16
Actuarial Gain / (Loss) due to change in assumptions	44	(503)	54	(279)	116

The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, and other relevant factors. The above information is certified by the actuary.

The Company expects to contribute approximately Nil (Previous year Rs. 484 lakh) to the gratuity fund for the year 2018-19.

Long Term Service Award :

Long Term Service award is an employee benefit in recognition for their loyalty and continuity of service for five years and above, the same is actuarially valued (unfunded). The Long Term Service awards expense for financial year 2017-18 is Rs. 6 lakh (Previous year Rs. 51 lakh) and the provision as at March 31, 2018 is Rs. 164 lakh (Previous year Rs. 158 lakh).

31. Disclosure as required by Accounting Standard (AS) – 18 on “Related Party Disclosures”

i. List of related parties and relationship :-

Ultimate Holding Company	Tata Sons Limited
Holding Company	Tata Capital Limited
Fellow Subsidiaries (with which the company had transactions)	Tata Securities Limited Tata Capital Pte. Limited Tata Capital Advisors Pte Limited Tata Capital Markets Pte Limited Tata Capital General Partners LLP Tata Capital Healthcare General Partners LLP Tata Opportunities General Partners LLP Tata Capital Pte Tata Capital Housing Finance Limited TC Travel and Services Limited (ceased to be subsidiary w.e.f. October 30, 2017) Tata Capital Forex Limited (ceased to be subsidiary w.e.f. October 30, 2017) Tata Cleantech Capital Limited
Subsidiaries of ultimate holding company (with which the company had transactions)	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited) (ceased to be subsidiary w.e.f. November 17, 2017) Tata Consultancy Services Limited Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Infiniti Retail Limited Tata Consulting Engineers Limited Tata Housing Development Company Limited Tata Asset Management Limited Calsea Footwear Private Limited Automotive Stamping and Assemblies Limited Taj Air Limited Tata Advanced Systems Limited Tata Industries Limited Tata Lockheed Martin Aerostructures Limited Tata Teleservices Limited Tata Teleservices (Maharashtra) Limited MMP Mobi Wallet Payment Systems Limited Ardent Properties Private Limited Inshaallah Investments Limited Sector 113 Gatevida Developers Private Limited
Associates	International Asset Reconstruction Company Private Limited (ceased to be an associate with effect from 9th March 2018)
Key Management Personnel	Mr. Praveen P Kadle - Managing Director & CEO

ii. Transactions with related parties :

(Rs in lakh)

Sr. No.	Party Name	Nature of transaction	2017-18	2016-17
1	Tata Sons Limited	<p>a) Expenses :</p> <ul style="list-style-type: none"> - Brand Equity and Business Promotion - Rent - Other charges <p>b) Income :</p> <ul style="list-style-type: none"> - Lease Income <p>c) Finance Lease Facility :</p> <ul style="list-style-type: none"> - Facility given during the year - Repaid during year - Outstanding facility <p>d) Asset :</p> <ul style="list-style-type: none"> - Security deposit receivable - Security deposit refund received - Balance receivable <p>e) Liability :</p> <ul style="list-style-type: none"> - Balance Payable 	<p>1,243</p> <p>29</p> <p>51</p> <p>6</p> <p>-</p> <p>8</p> <p>50</p> <p>-</p> <p>12</p> <p>5</p> <p>1,243</p>	<p>1,171</p> <p>26</p> <p>47</p> <p>8</p> <p>65</p> <p>7</p> <p>58</p> <p>12</p> <p>-</p> <p>16</p> <p>1,171</p>
2	Tata Capital Limited	<p>a) Expenses :</p> <ul style="list-style-type: none"> - Interest expenses on Inter-Corporate Deposit - Interest expenses on debentures - Rent - Marketing & managerial service fee - Other Expenses <p>b) Income :</p> <ul style="list-style-type: none"> - Preference share arranger fees - Reimbursement of Rent & Guest house expenses - Fixed Asset transfer* <p>c) Amount raised by issue of Perpetual Non-Convertible debentures</p> <p>d) Amount raised by issue of Compulsory Convertible Cumulative Preference Shares</p> <p>e) Interim dividend paid</p> <ul style="list-style-type: none"> - Equity Shares - Preference Shares <p>f) Inter-Corporate Deposit accepted / repaid during the year</p> <ul style="list-style-type: none"> - Inter-Corporate Deposit received during year - Inter-Corporate Deposit repaid during year <p>g) Security Deposit accepted / repaid during the year</p> <ul style="list-style-type: none"> - Security deposit given - Security deposit received <p>h) Asset :</p> <ul style="list-style-type: none"> - Security Deposit Receivable - Balance Receivable <p>i) Liability :</p> <ul style="list-style-type: none"> - Inter-Corporate Deposit Payable - Borrowings - Perpetual Non-Convertible debentures - Balance Payable 	<p>6,747</p> <p>89</p> <p>1,036</p> <p>2,657</p> <p>111</p> <p>515</p> <p>41</p> <p>0</p> <p>12,500</p> <p>57,500</p> <p>4,541</p> <p>8,726</p> <p>463,617</p> <p>474,662</p> <p>5,849</p> <p>4,667</p> <p>5,847</p> <p>-</p> <p>33,784</p> <p>12,500</p> <p>374</p>	<p>4,622</p> <p>1,124</p> <p>1,203</p> <p>1,445</p> <p>-</p> <p>435</p> <p>42</p> <p>-</p> <p>-</p> <p>78,500</p> <p>5,839</p> <p>4,230</p> <p>693,970</p> <p>699,693</p> <p>-</p> <p>-</p> <p>44,829</p> <p>5,000</p> <p>-</p>
3	Tata Securities Limited	<p>a) Expenses :</p> <ul style="list-style-type: none"> - Reimbursement of expenses - Services Received <p>b) Income :</p> <ul style="list-style-type: none"> - Reimbursement of expenses - Rent & Others <p>c) Transfer of Fixed Assets (Purchase)</p> <p>d) Asset :</p> <ul style="list-style-type: none"> - Balance Receivable 	<p>1</p> <p>20</p> <p>49</p> <p>1</p> <p>1</p>	<p>-</p> <p>7</p> <p>138</p> <p>1</p> <p>28</p>
4	Tata Capital Pte. Limited	<p>a) Income :</p> <ul style="list-style-type: none"> - Income- SLA fees - Reimbursement of expenses <p>b) Asset :</p> <p>Balance Receivable</p>	<p>13</p> <p>10</p> <p>13</p>	<p>13</p> <p>10</p> <p>13</p>
5	Tata Capital Advisors Pte Limited	<p>a) Income :</p> <ul style="list-style-type: none"> - Income- SLA fees - Reimbursement of expenses <p>b) Asset :</p> <p>Balance Receivable</p>	<p>7</p> <p>3</p> <p>7</p>	<p>7</p> <p>3</p> <p>7</p>
6	Tata Capital Markets Pte Limited	<p>a) Income :</p> <ul style="list-style-type: none"> - Income- SLA fees - Reimbursement of expenses <p>b) Asset :</p> <p>Balance Receivable</p>	<p>7</p> <p>3</p> <p>7</p>	<p>7</p> <p>3</p> <p>7</p>

Sr. No.	Party Name	Nature of transaction	2017-18	2016-17
7	Tata Capital General Partners LLP	a) Income : - Income- SLA fees * - Reimbursement of expenses b) Asset : - Balance Receivable *	0 1 0	0 1 0
8	Tata Capital Healthcare General Partners LLP	a) Income : - Income- SLA fees * - Reimbursement of expenses b) Asset : - Balance Receivable *	0 1 0	0 1 0
9	Tata Opportunities General Partners LLP	a) Income : - Income- SLA fees * - Reimbursement of expenses b) Asset : - Balance Receivable *	0 1 0	0 1 0
10	Tata Capital Plc	a) Income : - SLA fees - Reimbursement of expenses b) Asset : - Balance Receivable	7 3 7	7 8 7
11	Tata Capital Housing Finance Limited	a) Expenses : - Sourcing Fee - Rent & others b) Income : - Loan Sourcing Fee - Reimbursement of Rent & Other expenses - Interest income on Tier II investment * c) Fixed Asset : - Fixed Asset Purchased * - Fixed Asset Sold d) Asset : - Balance Receivable	1 31 - 988 - 0 25 121	6 42 43 1,113 0 14 - 235
12	TC Travel and Services Limited	a) Expenses : -Travel related services -Others b) Income : - Reimbursement of Rent & Other expenses c) Asset : - Balance Receivable	492 - 55 -	715 35 106 264
13	Tata Capital Forex Limited	a) Income : - Reimbursement of Rent & Other expenses b) Expenses : - Travel related services c) Asset : - Balance Receivable	63 4 -	124 9 38
14	Tata Cleantech Capital Limited	a) Expenses : - Advisory Fees - Guest house expenses - Management Fee b) Income : - Reimbursement of Rent & Other expenses c) Fixed Asset transfer d) Asset : - Balance Receivable	- 23 - 136 1 6	5 13 - 238 - 16
15	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)	a) Expenses : - Service Provider Charges b) Income : - Lease Income - Processing Fee - Syndication Fee - Reimbursement of Expenses - Interest Income on Loan c) Finance Lease Facility : - Facility given during the year - Repaid during year - Outstanding facility d) Asset : - Loan Outstanding - Loan repaid during the year - Lease Debtors e) Liability : - Security Deposit - Balance Payable	4,374 453 - - 96 14 - - - - - -	6,770 512 2 - 173 122 - 85 924 322 997 2 37 896

Sr. No.	Party Name	Nature of transaction	2017-18	2016-17
16	Tata Consultancy Services Limited	a) Expenses : - Information technology expenses b) Income : - Lease Income - Reimbursement of expenses c) Finance Lease Facility : - Facility given during the year - Repaid during year - Outstanding facility d) Fixed Assets Purchased e) Asset : - Balance Receivable f) Liability : - Balance Payable	5,511 16 - 217 6 211 8 - 1,620	4,721 - 4 - - - 385 4 1,330
17	Tata AIG General Insurance Company Limited	a) Expenses : - Insurance Expenses b) Income : - Insurance related revenue c) Asset : - Balance Receivable	6 541 511	12 445 70
18	Tata AIA Life Insurance Company Limited	a) Expenses : - Insurance Expense for Employees b) Income : - Insurance related revenue c) Asset : - Balance Receivable	36 52 36	33 36 35
19	Infiniti Retail Limited	a) Expenses : - Incentive & others b) Fixed Assets purchased c) Income : - Lease Income - Processing fees d) Liability : - Security deposit payable - Balance payable e) Asset : - Balance Receivable	904 1 210 2 75 11 -	726 4 132 2 74 - 1
20	Tata Consulting Engineers Limited	a) Income : - Interest Income b) Asset : - Inter-Corporate Deposit given during the year - Inter-Corporate Deposit repaid during the year	- - - -	93 1,000 2,000
21	Tata Housing Development Company Limited	a) Income : - Referral Fee b) Asset : - Balance Receivable	5 -	25 14
22	International Asset Reconstruction Company Private Limited	a) Redemption of Security Receipts during the year b) Asset : - Balance of Security Receipts	353 -	236 748
23	Tata Asset Management Limited	a) Income : - Portfolio Management Service b) Asset : Balance Receivable	17 -	17 3
24	Calsea Footwear Private Limited	a) Income : - Interest income on Inter-Corporate Deposit b) Asset : - Inter-Corporate Deposit given during the year - Inter-Corporate Deposit repaid during the year - Interest Accrued - Outstanding Inter-Corporate Deposit	141 1,500 1,300 38 1,500	124 1,300 1,100 35 1,300
25	Automotive Stamping And Assemblies Limited	a) Income : - Term Loan - Interest - Lease Rental - Processing Fees b) Asset : - Loan given during the year - Loan repaid during the year - Outstanding loan - Interest receivable c) Liability : - Balance in escrow account	242 62 6 4,900 3,950 2,584 16 35	188 62 - - 240 1,634 2 -

Sr. No.	Party Name	Nature of transaction	2017-18	2016-17
26	Taj Air Limited	a) Income : - Term Loan - Interest b) Asset : - Loan given during the year - Loan repaid during the year - Outstanding loan - Interest receivable	29 - 6,000 - -	517 2,500 - 6,000 39
27	Tata Advanced Systems Limited	a) Income : - Interest Income - Interim Rent * b) Finance Lease Facility : - Facility given during the year - Repaid during year - Outstanding facility c) Asset : - Balance receivable*	7 - 33 16 52 2	3 0 30 4 35 0
28	Tata Industries Limited	a) Income : - Lease Income - Sale of Assets b) Expenses : - Project Expenses c) Finance Lease Facility : - Facility given during the year - Repaid during year - Outstanding facility d) Asset : - Balance Receivable e) Liability : - Balance Payable	1,118 49 22 13 155 216 119 -	1,234 6 47 199 327 358 7 248
29	Tata Lockheed Martin Aerostructures Limited	a) Income : - Lease Income b) Finance Lease Facility : - Facility given during the year - Repaid during year - Interest Receivable* - Outstanding facility	1 - 2 0 4	1 - 9 0 6
30	Tata Teleservices Limited	a) Income : - Lease Income b) Expenses : - Communication Expenses - Rent Expenses c) Finance Lease Facility : - Facility given during the year - Repaid during year - Outstanding facility d) Asset : - Security Deposit Premises - Advances paid to vendors towards lease facility - Balance receivable e) Liability : - Balance payable	748 111 25 145 854 625 8 - - 43	277 31 4 1,235 555 1,333 8 37 1 -
31	Tata Teleservices (Maharashtra) Limited	a) Income : - Lease Income b) Expenses : - Communication Expenses c) Liability : - Balance payable	71 277 10	2 101 -
32	MMP Mobi Wallet Payment Systems Limited	a) Income : - Lease Income b) Asset : - Balance receivable	4 -	- -
33	Ardent Properties Private Limited	a) Income : - Commission received b) Asset : - Balance receivable	- -	8 10
34	Inshaallah Investments Limited	a) Income : - Reimbursement of expenses* b) Asset : - Balance receivable*	0 0	- -
35	Sector 113 Gatevida Developers Private Limited	a) Income : - Commission received	8	-
36	Key Management Personnel	Expenses : Interest on Non – convertible debentures Liability : Outstanding Debentures	2 20	2 20

32. The Company avails from time to time non-cancelable long-term leases for office premises, including office furniture. The total of future minimum lease payments that the Company is committed to make is:

(Rs in lakh)

Lease Payments	As at March 31, 2018	As at March 31, 2017
- Within one year	15	497
- Later than one year and not later than five years	-	157
- Later than five years	-	25

The amount charged towards lease rentals (as part of Rent expenditure) is Rs. 2,134 lakh (Previous year: Rs. 1,910 lakh).

The Company has given assets under non-cancellable operating leases. The total of future minimum lease payments that the company is committed to receive is:

(Rs in lakh)

Lease Payments	As at March 31, 2018	As at March 31, 2017
- Within one year	20,259	17,254
- Later than one year and not later than five years	40,649	42,168
- Later than five years	1,759	403

Accumulated Depreciation on lease assets is Rs. 41,620 lakh (Previous year: Rs. 27,956 lakh).

Accumulated Impairment losses on the leased assets Rs. Nil (Previous year Rs. Nil)

33. **Earnings per Share (EPS):**

Particulars		2017-18	2016-17
Profit after tax	Rs. in lakh	48,258	21,598
Less: Preference dividend (including Dividend distribution tax)	Rs. in lakh	10,583	5,091
Profit after tax for Basic EPS	Rs. in lakh	37,675	16,507
Weighted average number of Equity shares used in computing Basic earnings per share	Nos.	1,297,550,000	1,297,550,000
Face value of equity shares	Rupees	10	10
Basic earnings per share	Rupees	2.90	1.27
Profit after tax for Basic EPS	Rs. in lakh	37,675	16,507
Add: Preference dividend on Compulsorily Convertible Cumulative Preference	Rs. in lakh	10,583	5,091
Profit after tax for diluted EPS	Rs. in lakh	48,258	21,598
Weighted average number of Equity Shares used in computing Basic earnings per share	Nos.	1,297,550,000	1,297,550,000
Add: Potential weighted average number of Equity shares that could arise on conversion of preference shares	Nos.	146,275,056	106,417,804
Weighted average number of shares in computing Diluted earnings per share	Nos.	1,443,825,056	1,403,967,804
Face value of equity shares	Rupees	10	10
Diluted earnings per share	Rupees	2.90	1.27

34. **Movement in Contingent provisions against Standard Assets during the year is as under:**

(Rs in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
	Rs in lakh	Rs in lakh
Opening Balance	11,591	8,583
Add : Additions during the year	3,664	3,008
Less : Utilised during the year	-	-
Closing Balance	15,255	11,591

35. Segment Reporting

In accordance with Accounting Standard 17 on Segment Reporting, the Company has identified three business segments i.e. Financing Activity, Investment Activity and Others, and one Geographical Segment viz. India, as secondary segment

(Rs in lakh)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
I Segment Revenue		
a) Financing Activity	420,730	384,660
b) Investment Activity	249	5,548
c) Others	34,251	28,996
Total	455,230	419,204
Less : Inter Segment Revenue	-	-
Add : Interest on Income Tax Refund	307	-
Total Income	455,537	419,204
II Segment Results		
a) Financing Activity	82,436	36,167
b) Investment Activity	1,344	4,755
c) Others	4,253	5,084
Total	88,033	46,006
Less : Unallocated Corporate Expenses	13,853	12,759
Profit before taxation	74,180	33,247
Less : Provision for taxation	25,922	11,649
Profit after taxation	48,258	21,598
III Segment Assets		
a) Financing Activity	3,745,609	3,267,819
b) Investment Activity	30,611	26,121
c) Others	88,782	84,118
d) Unallocated	63,110	71,954
Total	3,928,112	3,450,012
IV Segment Liabilities		
a) Financing Activity	3,323,089	2,948,168
b) Investment Activity	-	-
c) Others	90,868	81,377
d) Unallocated	18,017	14,059
Total	3,431,974	3,043,604
V Capital Expenditure (Including Capital Work-In-Progress)		
a) Financing Activity	-	-
b) Investment Activity	-	-
c) Others	27,391	28,479
d) Unallocated	3,444	3,977
Total	30,835	32,456
VI Depreciation and Amortisation		
a) Financing Activity	647	560
b) Investment Activity	-	-
c) Others	21,292	12,523
d) Unallocated	1,698	1,190
Total	23,637	14,273
VII Significant Non-Cash Expenses Other than Depreciation and Amortisation		
a) Financing Activity	33,079	61,177
b) Investment Activity	(1,023)	(455)
c) Others	230	-
Total	32,286	60,722

36. Capital to Risk Assets Ratio (CRAR)

Particulars	As at March 31, 2018	As at March 31, 2017
CRAR (%)	16.68%	16.07%
CRAR – Tier I Capital (%)	12.68%	11.78%
CRAR – Tier II Capital (%)	4.00%	4.29%
Amount of subordinated debt raised as Tier-II Capital	-	21,500
Amount raised by issue of Perpetual Debt Instruments	31,800	10,000

37. Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities.

For the Financial year 2017-18

(Rs in lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	149,000	187,417	-	259,927	-	-
Over One months to 2 months	109,000	287,325	-	393,888	-	-
Over 2 months upto 3 months	90,000	204,425	-	379,495	-	-
Over 3 months to 6 months	217,500	103,968	-	283,556	-	-
Over 6 months to 1 year	270,917	392,552	-	498,225	170	-
Over 1 year to 3 years	109,500	752,626	-	961,149	-	-
Over 3 years to 5 years	-	59,980	-	286,410	-	-
Over 5 years	-	199,655	-	538,682	30,600	-
Total	945,917	2,187,948	-	3,601,332	30,769	-

Assets and liabilities bifurcation into various buckets is based on RBI guidelines.

For the Financial year 2016-17

(Rs in lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	176,200	136,790	-	550,181	-	-
Over One months to 2 months	-	322,860	-	321,990	-	-
Over 2 months upto 3 months	10,000	285,270	-	248,936	-	-
Over 3 months to 6 months	46,000	158,402	-	281,963	-	-
Over 6 months to 1 year	311,995	455,694	-	420,777	-	-
Over 1 year to 3 years	60,000	520,583	-	741,676	17,168	-
Over 3 years to 5 years	-	71,045	-	282,018	-	-
Over 5 years	-	173,570	-	251,875	9,735	-
Total	604,195	2,124,214	-	3,099,416	26,903	-

38. Disclosure of details as required by Revised Para 18 of the Non Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, earlier Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.

Liabilities Side:

(Rs in lakh)

Particulars	Amount Outstanding		Amount Overdue	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures: (other than those falling within the meaning of Public deposit)				
(i) Secured	1,136,968	1,255,995	-	-
(ii) Unsecured	445,232	339,114	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	427,008	216,070	-	-
d) Inter-Corporate loans and borrowing	41,113	45,606	-	-
e) Commercial Paper	641,363	567,632	-	-
f) Other loans (Collateralised Borrowings and Lending Obligations (CBLO))	-	-	-	-
g) Loan from Bank				
- Working Capital Demand Loan	308,469	87,490	-	-
- Overdraft	210,934	301,969	-	-

Assets side:

(Rs in lakh)

Particulars	Amount Outstanding	
	As at March 31, 2018	As at March 31, 2017
2) Break up of Loans and Advances including bills receivables (other than those included in (3) below)		
a) Secured	1,226,453	1,025,562
b) Unsecured	1,487,306	1,226,263
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease	43,308	31,038
(ii) Operating Lease	64,936	70,796
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	327	683
(ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	1,326	3,581
(ii) Other loans	843,938	815,868
4) Break up of Investments		
Current Investments:		
a) Quoted:		
(i) Shares: Equity	170	794
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	0	0
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (Pass through certificates)	-	-
Long-Term Investments (Net of Provision)		
a) Quoted:		
(i) Shares: Equity	17,141	11,783
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	50	50
(iv) Government Securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	12,034	12,548
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	980	980
(iv) Government Securities	-	-
(v) Others		
- Pass through certificates	-	-
- Security Receipts	395	748

5) Borrower group-wise classification of assets financed as in (2) and (3) above

(Rs in lakh)

Particulars	Amount net of provisions					
	Secured		Unsecured		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
a) Related Parties						
(i) Subsidiaries	-	-	-	-	-	-
(ii) Companies in the same group	-	-	-	-	-	-
(iii) Other related Parties	2,307	10,672	2,935	1,300	5,242	11,972
b) Other than related parties	2,177,981	1,936,857	1,484,371	1,224,963	3,662,352	3,161,820
TOTAL	2,180,288	1,947,530	1,487,306	1,226,263	3,667,594	3,173,793

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

(Rs in lakh)

Particulars	Market Value/Break up or fair value or NAV		Book Value (Net of Provisions)	
	2017-18	2016-17	2017-18	2016-17
a) Related Parties				
(i) Subsidiaries	-	-	-	-
(ii) Companies in the same group	-	-	-	-
(iii) Other related Parties	-	5,084	-	4,061
b) Other than related parties	27,632	24,600	30,769	22,842
TOTAL	27,632	29,684	30,769	26,903

Notes:

a) Market Value/Break up Value or Fair Value or NAV is taken as same as book value in case of unquoted shares in absence of market value/break up value or fair value or NAV.

b) Companies in the same group have been considered to mean companies under the same management as per Section 370(1B) of the Companies Act, 1956.

7) Other Information

Particulars	2017-18	2016-17
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	122,431	159,147
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	32,583	37,926
c) Assets acquired in satisfaction of debt	1,928	5,330

39. Loans and advances - Financing Activity (Secured) include Rs.433 lakh (Previous Year: Rs. 433 lakh) being the value of the unquoted preference shares acquired in satisfaction of the respective loans under the Settlement Agreement. Other Current Assets include Rs. 1,326 lakh (Previous Year: Rs. 3,034 lakh) being the value of immovable property, necessary provision for which is made. Long term investments include Rs. Nil (Previous year: Rs. 514 lakh) being the value of the unquoted equity shares acquired in satisfaction of the respective loans under the Settlement Agreement. Current investments include Rs. 169 lakh (Previous year: Rs. 802 lakh) being the value of the unquoted equity shares acquired in satisfaction of the respective loans under the Settlement Agreement. Other loans and advances include Rs. Nil (Previous Year: Rs. 547) being the assignment receivable, necessary provision for which is made.

40. In the previous year ended March 31,2017, the Company had provided/written off certain amounts comprising carrying value of investments acquired in settlement of claim, Goodwill, loans and credit substitutes and investment in the Statement of Profit and Loss.

The Shareholders of the Company at its meeting held on June 24, 2016 approved a Reduction of Share Capital (Securities Premium Account) in accordance with Section 52 of the Companies Act, 2013 read with Sections 100 to 103 of the Companies Act, 1956. The Hon'ble High Court of Judicature at Bombay approved the said arrangement by way of order dated August 5, 2016 which was filed with the Registrar of Companies on August 26, 2016. Pursuant to the order, the Company had credited its Statement of Profit and Loss for the financial year ended March 31, 2017 by appropriating an amount of Rs 40,558 lakh being the aggregate amount of (i) investments acquired in settlement of claim written off Rs. 14,318 lakh, (ii) goodwill written off Rs. 7,804 lakh, (iii) loans and credit substitutes provided Rs. 31,789 lakh and (iv) mark to market loss on current investment provided Rs. 349 lakh (net of taxes as applicable) from the amount standing to the credit of Securities Premium Account.

The aforementioned disclosure is made by the Company pursuant to the Institute of Chartered Accountant of India's guidance on disclosures relating to court order.

41. During the previous year, the Company changed its accounting policy with respect to amortisation of deferred revenue expenditure for share issue expenses. The Company now charges off the share issue expenses against amount standing to the credit of the Securities Premium Account. Prior to this change, the Company amortised the said share issue expenses over a period of 36 months from the month in which the expenses were incurred. The change in accounting policy is in accordance with the provisions of Section 52 of the Companies Act 2013, and it would result in a more appropriate presentation of financial statements of the Company.

On account of the change in the accounting policy, the profit before tax was higher by Rs. 76 lakh (net of taxes, as applicable) for the period year ended March 31, 2017 and deferred revenue expenditure was lower by Rs. 77 lakh (net of taxes, as applicable) as on March 31, 2017.

42. To comply with the RBI Master Direction DNBR - PD 008/03.10.119/2016-17 - RBI/DNBR/2016-17/45 dated September 01, 2016, the company has made an incremental standard asset provision of Rs. 1,531 lakh being 0.05% (CY 17-18 0.40%, PY 16-17 0.35%) of Standard Assets as of March 31, 2017.

43. During the period ended March 31, 2018, the Company has changed its NPA provisioning policy based on the RBI Master Direction DNBR - PD 008/03.10.119/2016-17 - RBI/DNBR/2016-17/45 dated September 01, 2016 pursuant to which loans outstanding for a period exceeding 90 days are classified as sub-standard assets and sub-standard assets for a period exceeding 12 months are classified as doubtful assets. The debit to the Statement of Profit and Loss on account of the change is Rs. 1,358 lakh and Rs. 868 lakh respectively.

During the corresponding period ended March 31, 2017, the Company had changed its NPA provisioning policy based on the above circular, pursuant to which loans outstanding for a period exceeding 120 days were classified as sub-standard assets and sub-standard assets for a period exceeding 14 months were classified as doubtful assets. The debit to the Statement of Profit and Loss on account of the change was Rs. 2,801 lakh and Rs.2,312 lakh respectively.

44. 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 and Advances – Financing Activity (Note 15). In the past these were classified as a part of Investments (Note 13). Management believes that the current period's classification results in a better presentation of the substance of these receivables and is in alignment with regulatory filings.

45. The company has earned commission from insurance companies amounting to Rs. 593 lakh (Previous year : Rs. 481 lakh).

46. The value of a unhedged foreign currency transaction for purchase of Operating Lease asset as on March 31, 2018 is Rs.37 lakh.

47. During the year ended March 31, 2018, the Company has re-assessed the useful life of its leased assets and has changed the life of the assets given on operating lease. As a result of the change in the useful life of the asset, depreciation for year ended March 31, 2018 is higher by Rs. 8,145 lakh.

48. The company has reported frauds aggregating Rs. 340 lakh (Previous year : Rs. 954 lakh) based on management reporting to risk committee and to the RBI through prescribed returns.

SI No	Type of Restructuring Asset Classification Details		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total
			1	Restructured accounts as on 1st April, 2017 (Opening figures)*	No. of borrowers	-	2	6	-	8	-	-	-	-	-	30	33	58	-	121	30	35
		Amt. outstanding	0	3,846	21,858	-	25,704	-	-	-	-	-	2,096	11,651	12,305	-	26,052	2,096	15,497	34,163	-	51,756
		Provision thereon	-	2,606	19,140	-	21,746	-	-	-	-	-	105	9,167	10,539	-	19,811	105	11,773	29,679	-	41,557
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	77	-	-	77	-	77	-	-	77
		Amt. outstanding	-	-	21	-	21	-	-	-	-	-	-	3,567	233	-	3,800	-	3,567	254	-	3,821
		Provision thereon	-	-	100	-	100	-	-	-	-	-	-	1,246	167	-	1,413	-	1,246	267	-	1,513
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	8	(1)	(7)	-	-	8	(1)	(7)	-	-
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	1,664	(1,591)	(104)	-	(32)	1,664	(1,591)	(104)	-	(32)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	83	(73)	(93)	-	(83)	83	(73)	(93)	-	(83)
		5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	(1)	(1)	-	-	-	(1)
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	(318)	-	-	-	(318)	(318)	-	-	-	(318)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(16)	-	-	-	(16)	(16)	-	-	-	(16)
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	(1)	1	-	-	-	-	-	-	-	(7)	(3)	10	-	-	(7)	(4)	11	-	-
		Amt. outstanding	-	(1,481)	1,613	-	132	-	-	-	-	-	(63)	(7,944)	7,858	-	(150)	(63)	(9,426)	9,471	-	(18)
		Provision thereon	-	(1,333)	1,334	-	1	-	-	-	-	-	(3)	(6,636)	7,216	-	577	(3)	(7,970)	8,550	-	578
6	Write offs of restructured accounts during the FY	No. of borrowers	-	(1)	(4)	-	(5)	-	-	-	-	-	(6)	(12)	(41)	-	(59)	(6)	(13)	(45)	-	(64)
		Amt. outstanding	-	(2,364)	(21,342)	-	(23,706)	-	-	-	-	-	(515)	(3,509)	(9,430)	-	(13,454)	(515)	(5,874)	(30,772)	-	(37,160)
		Provision thereon	-	(1,273)	(18,866)	-	(20,139)	-	-	-	-	-	(26)	(2,509)	(8,013)	-	(10,547)	(26)	(3,781)	(26,879)	-	(30,686)
7	Restructured accounts as on 31st Mar, 2018 (Closing figures)*	No. of borrowers	-	-	3	-	3	-	-	-	-	-	24	94	20	-	138	24	94	23	-	141
		Amt. outstanding	0	(0)	2,150	-	2,150	-	-	-	-	-	2,863	2,173	10,861	-	15,898	2,863	2,173	13,011	-	18,048
		Provision thereon	-	0	1,708	-	1,708	-	-	-	-	-	143	1,196	9,816	-	11,155	143	1,196	11,524	-	12,863

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

This also includes provision made on opening standard restructured assets

NOTES

1. Fresh restructuring during the year includes Rs 261.42 lakh of fresh /additional Sanction (17 account) . Provision of Rs.359.69 lakh to the existing restructured accounts.
2. Write offs includes Rs.(384.92) Lakhs (25 contracts, carrying provision of Rs. 45.03 Lakh) of reduction from existing restructured accounts on account of recovery from sale proceeds.

50. As per RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, additional disclosures are required in the Annual Financial Statements as follows:

(i) The Company has following Registrations effective as on March 31, 2018:

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
Reserve Bank of India	13.02005	4-Nov-11	-	NBFC-ND-SI
Reserve Bank of India	-	15-Jan-17	14-Jan-19	Marketing and distribution of Co-branded Credit Card
Association of Mutual Fund of India	ARN No. 84894	12-Mar-15	11-Mar-21	Distributor of MF products (ARN)
Securities and Exchange Board of India	INA000002215	17-Sep-14	16-Sep-19	Investment Advisor
Insurance Regulatory and Development Authority of India	CA 0076	1-Apr-16	31-Mar-19	Corporate Agent

(ii) Ratings assigned by credit rating agencies and migration of ratings during the year

(i) Rating Assigned to	Short Term Debt, Long Term Debt, Perpetual Debt, Tier II Debt
(ii) Date of Rating	ICRA- March 27 2018, CARE- October 09, 2017, CRISIL- November 21, 2017
(iii) Rating Valid up to	Till the Date of reaffirmation
(iv) Name of the Rating Agency	ICRA Limited (ICRA), CRISIL Limited (CRISIL), Credit Analysis and Research Limited (CARE)
(v) Rating of products (refer Note 1)	
(a) Commercial Paper	ICRA A1+ , CRISIL A1+
(b) Debentures	Secured/Unsecured Non Convertible Debentures ICRA AA+, CRISIL AA+ and CARE AA+. Tier II Debentures ICRA AA+, CRISIL AA+ and CARE AA+ Perpetual Debentures ICRA AA, CRISIL AA and CARE AA
(c) Others	Short Term Bank Loans : ICRA A1+ Long Term Bank Loans : ICRA AA+ and CARE AA+

Note 1: There is no migration in the ratings during the year

(iii) RBI has not levied any penalties on the Company during the year.

(iv) Off Balance Sheet Exposure as on March 31, 2018 is as follows :-

- (a) Undrawn Commitment given to Borrowers
As on March 31, 2018 Rs. 212,864 lakh (Previous Year: Rs. 211,584 lakh)
Less than 1 Year: Rs. 165,763 lakh (Previous Year: Rs. 178,908 lakh)
More than 1 Year: Rs. 47,101 lakh (Previous Year: Rs. 32,676 lakh)
- (b) Financial and Other Guarantees Rs. 44,200 lakh (Previous Year : Rs. 29,048 lakh)
- (c) Leases entered but not executed Rs. 89,148 lakh (Previous Year : Rs. 66,473 lakh)
- (d) Unamortised Forward Contract exposure Rs. 98 lakh (Previous Year : Rs. Nil lakh)
- (e) Others (Tax Matters) Rs. 1,987 lakh (Previous Year : Rs. 2,206 lakh)

(v) **Provisions and Contingencies**

(Rs in lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in the Statement of Profit and Loss (refer Note 1)	FY 17-18	FY 16-17
Provision for depreciation on Investments	(509)	(455)
Provision for MTM Loss on Investments	1,463	383
Provision towards NPA (refer Note 2)	26,844	56,686
Provision against assets held for sale	1,405	1,378
Provision towards Restructured Standard Assets	(1,409)	(827)
Provision against other doubtful advances	230	-
Provision made towards Income tax	25,922	11,649
Other Provision and Contingencies (with details):		
- Provision for Employee Benefits	86	237
- Provision for Standard Assets	3,664	3,008
Total	57,696	72,059

Note :

1. The company has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Accounting Standard - 29 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 separately as contingent liabilities in the notes to the accounts forming part of the financial statements (refer Note no 28(i)). The company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

2. The company has not availed relief in the classification and provision for non-performing assets against the exposure to micro, small and medium borrowers registered under Goods and Service Tax as provided by RBI through its circular no. RBI/2017-18/129 DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018.

(vi) **Concentration of Advances & Exposures as per Para 22 of the RBI Norms stood as follows:**

Advances#	(Rs in lakh)	
Particulars	FY 17-18	FY 16-17
Total Advances to twenty largest borrowers	297,779	262,420
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	8.07%	8.15%

Includes Loans, Advances & Credit Substitutes

Exposure *	(Rs in lakh)	
Particulars	FY 17-18	FY 16-17
Total Exposure to twenty largest borrowers	309,904	271,290
Percentage of Exposure to twenty largest borrowers to Total Exposure of the NBFC **	7.61%	7.62%

* Includes Loans, Advances, Credit Substitutes & Investment in Equity Shares, Preference Shares, Security Receipts & Mutual Funds (including sanctioned part disbursed)

** Total Exposure includes off balance sheet exposure (refer schedule 50(iv)(a,b and c)

(vii) The Company does not have any Joint Ventures and Subsidiaries abroad. Company has not sponsored any SPVs. Accordingly there is no disclosure applicable

(viii) **The status of the Customer Complaints during the year is as follows :**

Sr No	Particulars	FY 17-18	FY 16-17
(a)	No. of complaints pending at the beginning of the year	51	25
(b)	No. of complaints received during the year	6,458	1,864
(c)	No. of complaints redressed during the year	6,500	1,838
(d)	No. of complaints pending at the end of the year*	9	51

* Complaints related to March 2018 outstanding as on the date of signing of Balance Sheet :- NIL

(ix) **Details of Assignment transactions undertaken by NBFCs:**

(Rs in lakh)

S No.	Particulars	FY 17-18	FY 16-17
1	No. of accounts*	559	980
2	Aggregate value (net of provisions) of accounts sold	37,299	63,149
3	Aggregate consideration	37,299	63,149
4	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
5	Aggregate gain / loss over net book value	Nil	Nil

* Total value of the Loans sold under direct assignment route is Rs. 41,443 lakh (Previous Year : Rs. 70,166 lakh). Company has retained 10% interest in the Loans sold

(x) (a) Non Performing Assets purchased during the year - Nil (Previous Year : Nil).

(b) Details of Non Performing Assets sold :

S No.	Particulars	FY 17-18	FY 16-17
1	No. of accounts sold (Count)	2	8,494
2	Aggregate outstanding [net of provision] (Rs in lakh)*	438	1,356
	a) Aggregate outstanding (Rs in lakh)	977	8,454
	b) Provision held on date of sale	539	7,098
3	Aggregate consideration received (Rs in lakh)*	492	2,129

(xi) No Parent Company Products are financed during the year (Previous Year Nil).

(xii) The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the RBI Concentration norms applicable to NBFCs.

(xiii) The Exposure to Unsecured Advances is Rs. 1,502,234 lakh (Previous Year Rs. 1,238,183 lakh) constituting 40.70% of the Total Loans and Advances (Previous Year 38.44%). The Exposure to Secured Loans includes Rs. Nil (Previous year Rs. 1,120 lakh) towards a Loan given against Copy Rights for motion films in the nature of intangible asset.

(xiv) Concentration of NPAs

Particulars	March 31, 2018 (Rs in lakh)	March 31, 2017 (Rs in lakh)
Total Exposure to top four NPA accounts	22,538	32,893

(xv) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		March 31, 2018	March 31, 2017
1	Agriculture & allied activities	7.55%	6.03%
2	MSME (refer Note 1)	1.74%	2.18%
3	Corporate borrowers (refer Note 2)	3.81%	12.26%
4	Services (refer Note 3)	5.85%	7.46%
5	Unsecured personal loans	2.54%	2.56%
6	Auto loans	4.72%	3.50%
7	Other personal loans (refer Note 4)	2.09%	1.62%

Note:

1. includes borrowers classified as per the Master Direction FIDD.MSME & NFS.3/06.02.31/2016-17 dated July 21, 2016.
2. includes borrowers classified as Industry excluding the MSME.
3. includes borrowers classified as Services excluding the MSME.
4. Other Personal Loans include : Loan against Property, Loan against Shares and Consumer Durables.

- (xvi) Since the Company does not have significant uncertainties pending resolutions as at March 31, 2018, revenue recognition has not been postponed.
- (xvii) Drawdown of reserves made during current year of Rs. 60 lakh on account of Share issue expenses.
Drawdown of reserves made during previous year of Rs. 40,635 lakh includes Rs. 40,558 lakh on account of reduction in Share Capital pursuant to a Court scheme and Rs. 77 lakh on account of Share issue expenses.
- (xviii) The disclosure of the Concentration of Deposits taken is not applicable since the Company is not in the business of accepting deposits being a Systemically Important Non Deposit Accepting NBFC.
- (xix) **Derivative Instruments Exposures:**

Derivative positions are open as at March 31, 2018 (Previous Year : Nil) in the form of Forward exchange contract is disclosed below. These transactions were undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in note 2 (xvi).

Forward exchange contracts (being derivative instrument), which are not intended for trading or speculation purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date at certain payables and receivables.

The Company does not hold any Derivatives instrument which are intended for trading or speculation as on the reporting date other than forward exchange contracts entered for purchase of Operating lease assets as mentioned below. Accordingly the disclosure of the accounting policy for recording the same as per the RBI Circular is not applicable.

Outstanding forward exchange contracts entered into by the Company: -

Particulars	Buy / Sell	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
		Euros (Actual)	Rs. In lakh	Euros (Actual)	Rs. In lakh
Forward Contracts (Payment for Capital Expenditure) i.e Notional principal of Swap Agreements (Spot rate on date of transaction * Fixed Asset cost in Euros)	Buy	4,812,680	3,703	Nil	Nil
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements (Closing rate - Spot Rate) * Fixed Asset cost in Euros	Buy	NA	49	Nil	Nil
Collateral required by the NBFC upon entering into swaps	Buy	NA	NA	Nil	Nil
Concentration of credit risk arising from the swaps \$	Buy	NA	NA	Nil	Nil
The fair value of the swap book @	Buy	NA	NA	Nil	Nil

Note:

1) Amortised cost on account of difference between the Forward cover rate and the rate of recognition of the Fixed asset is charged to the Profit and Loss account of Rs 128 lakh (Previous year : Rs. Nil) and the corresponding unamortised cost of Rs. 98 lakh is reflected as an off balance sheet exposure and will be charged to Profit and Loss account over the remaining tenure of the Forward contract.

(xx) NPA Movement during the year

(Rs in lakh)				
Particulars		FY 17-18	FY 16-17	
(i)	Net NPAs to Net Advances (%)	0.90%	1.22%	
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	159,147	153,655
	(b)	Additions during the year	57,650	61,651
	(c)	Reductions during the year	(94,366)	(56,159)
	(d)	Closing balance	122,431	159,147
(iii)	Movement of provisions for NPAs (excluding provision on standard assets)			
	(a)	Opening balance	121,221	65,525
	(b)	Additions during the year	38,576	89,171
	(c)	Write-off / write-back of excess provisions	(69,949)	(33,475)
	(d)	Closing balance	89,848	121,221
(iv)	Movement of Net NPAs			
	(a)	Opening balance	37,926	88,130
	(b)	Additions during the year	19,074	(27,520)
	(c)	Reductions during the year	(24,417)	(22,684)
	(d)	Closing balance	32,583	37,926

Note:

The movement of Gross NPA, Provisions for NPA and Net NPA presented above excludes NPA identified and regularized in the same financial year.

(xxi) **Exposure to Capital Market :-**

(Rs in lakh)			
Particulars		FY 17-18	FY 16-17
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (Refer note (c) below)	40,465	37,156
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds; (Refer notes (a) and (b) below)	230,263	171,158
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	4,417	19,912
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		275,145	228,226

Note:

Exposure to Capital Market includes:

- a) Rs.7,963 lakh (of which loan sanctioned part disbursed is Rs. 3,200 lakh) on account of Loan give to a customer in the business of Commercial Real estate (Previous year : Rs. Nil).
- b) Limits given to Borrowers but part un-utilised of Rs. 16,980 lakh (Previous year: Rs. 11,262 lakh) .
- c) Investment in equity shares of Rs. 3,935 lakh in a Commercial Real Estate customer i.e. Shriram properties private limited (Previous year : Rs. 3,935 lakh)

(xxii) **Investments**

			(Rs. in lakh)	
Particulars			FY 17-18	FY 16-17
(1)	Value of Investments			
	(i)	Gross Value of Investments	38,036	33,306
	(a)	In India	38,036	33,306
	(b)	Outside India	-	-
	(ii)	Provision for Depreciation	7,267	6,403
	(a)	In India	7,267	6,403
	(b)	Outside India	-	-
	(iii)	Net value of investments	30,769	26,903
	(a)	In India	30,769	26,903
	(b)	Outside India	-	-
(2)	Movement of Provisions held towards depreciation on investments			
	(i)	Opening Balance	6,403	6,162
	(ii)	Add: Provision made during the year	2,655	1,387
	(iii)	Less: Write-off / write-back of excess provisions during the year#	(1,792)	(1,146)
	(iv)	Closing balance	7,267	6,403

Note: The above details does not include investment in the form of Credit Substitutes.

Write back includes reversal of provision for Praj Industries Limited Rs. 1,609 lakh, Share Microfin Limited Rs. 90 lakh and IVRCL Asset and Holding Limited Rs. 93 lakh (Previous year Development Credit Bank Limited Rs. 1110 lakh and Share microfin Rs. 36 lakh)

(xxiii) **Exposure to Real Estate Sector**

			(Rs. in lakh)	
Category			FY 17-18	FY 16-17
(a)	Direct Exposure			
	(i)	Residential Mortgages -		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	340,234	274,999
	(ii)	Commercial Real Estate -		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	313,038	291,823
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a.	Residential	-	-
	b.	Commercial Real Estate	-	-
Total Exposure to Real Estate Sector			653,272	566,822

Note:

Exposure to Real Estate Sector includes:

a) Limits given to Borrowers but part un-utilised of Rs. 16,651 lakh (Previous year : Rs. 7,728 lakh).

51. The figures for the year ended March 31, 2017 were audited by previous statutory auditors.

52. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Description	31-Mar-18		31-Mar-17		Amount (Rs. in Lakh)	Reason
	Schedule	Schedule	Schedule	Schedule		
Provision for doubtful loans and credit substitutes	Non-current liabilities	Long-term provisions	Non-Current assets	Long-term Loans and advances - financing activity	30,361	Loans and advances and related provisions are presented on Gross basis in line with the requirements of the Master Direction - Non Banking Financial Company- Systemically Important Non-Deposit taking Company Directions, 2016 ("the RBI Directions")
Provision for restructured standard assets	Non-current liabilities	Long-term provisions	Non-Current assets	Long-term Loans and advances - financing activity	70	Loans and advances and related provisions are presented on Gross basis in line with the requirements of the Master Direction - Non Banking Financial Company- Systemically Important Non-Deposit taking Company Directions, 2016 ("the RBI Directions")
Leave encashment Current & Non-Current classification	Non-current liabilities	Long-term provisions	Current liabilities	Short-term provisions	733	Short-term and Long-term Leave encashment has been presented in accordance with the report of the Actuary and as per requirements of Schedule III of the Companies Act, 2013.
Certain receivables netted off in trade payables reclassified	Other current assets	Other current assets	Current liabilities	Trade payables	174	Certain receivables is reclassified to Other current assets instead of netting off from trade payables for better disclosure.
Accrued employee benefit expense	Current liabilities	Other current liabilities	Current liabilities	Trade payables	4,321	Bonus accrual for employees has been presented as a part of Other Current Liabilities instead of Trade payables in accordance with the requirement of Schedule III of the Companies Act, 2013.
Trade receivables regrouped from loans and advances	Current assets	Trade receivables	Current assets	Short-term Loans and advances - financing activity	65	An item is shown as trade receivables instead of loans and advances.
Provision for doubtful loans and credit substitutes	Current liabilities	Short-term provisions	Current assets	Short-term Loans and advances - financing activity	90,861	Loans and advances and related provisions are presented on Gross basis in line with the requirements of the Master Direction - Non Banking Financial Company- Systemically Important Non-Deposit taking Company Directions, 2016 ("the RBI Directions")
Provision for restructured standard assets	Current liabilities	Short-term provisions	Current assets	Short-term Loans and advances - financing activity	41	Loans and advances and related provisions are presented on Gross basis in line with the requirements of the Master Direction - Non Banking Financial Company- Systemically Important Non-Deposit taking Company Directions, 2016 ("the RBI Directions")
Gratuity Asset Reclass to Non-current	Non-Current assets	Other non-current assets	Current assets	Other current assets	239	Gratuity is shown as non-current asset as per the actuarial report and is appropriately reclassified as per Schedule III.

Receivable- Assignment of Loan	Current assets	Other current assets	Current assets	Short-term Loans and advances - others	810	Reclassified to Assets held for sale for better presentation
Provision- Receivable- Assignment of Loan	Current assets	Other current assets	Current assets	Short-term Loans and advances - others	263	Reclassified to Assets held for sale for better presentation
Advertisement income	Income	Other income	Income	Revenue from operations	567	Income earned from advertisements is shown as Other income which helps in better disclosure.

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firms Registration No –
101248W/W-100022

Mukund S. Dharmadhikari
(Director)
(DIN No. : 05003224)

Anuradha E. Thakur
(Director)
(DIN No. : 06702919)

F.N. Subedar
(Director)
(DIN No. : 00028428)

Manoj Kumar Vijai
Partner
Membership No: 046882

M. D. Mallya
(Director)
(DIN No. : 01804955)

Rajiv Sabharwal
(Director)
(DIN No. : 00057333)

Kusal Roy
(Managing Director)
(DIN No. : 02268654)

Puneet Sharma
(Chief Financial Officer)

Avan Doomasia
(Company Secretary)

Mumbai
Date : April 30, 2018

Form AOC - 1

(Pursuant to the first proviso to Sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associates/joint ventures

Part "A": Subsidiaries														(Rs. In lakh)	
Sr. No	Name of Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	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 Liabilities	Investments	Turnover	Profit / (Loss) before Taxation	Provision for taxation	Profit (Loss) After Taxation	Proposed Dividend	% of shareholding

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associates Companies and Joint Ventures

Rs. In lakh

Sr. No	Name of Associate / Joint Venture	1. Latest audited Balance Sheet date	2. Date on which the Associate or Joint Venture was associated or acquired	3. Shares of Associate/Joint Venture 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 / Joint	Extent of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation

Notes:

1. TCFSL's shareholding in IARC upto March 8, 2018 was 25.37% which reduced to 16.57% with effect from March 9, 2018.
2. The Financials of the TCFSL and IARC has been consolidated upto March 8, 2018, since IARC ceased to be an associate w.e.f. March 9, 2018.

For Tata Capital Financial Services Limited

M. S. Dharmadhikari
(Director)Anuradha Thakur
(Director)F.N. Subedar
(Director)M. D. Mallya
(Director)Rajiv Sabharwal
(Director)Mumbai
April 30, 2018Kusal Roy
(Managing Director)Puneet Sharma
(Chief Financial Officer)Avan Doomasia
(Company Secretary)