

**TATA CAPITAL FINANCIAL SERVICES LIMITED**  
**ANNUAL REPORT 2013-14**

## DIRECTORS' REPORT

### TO THE MEMBERS OF TATA CAPITAL FINANCIAL SERVICES LIMITED

The Directors have pleasure in presenting their Fourth Annual Report and the Audited Statements of Accounts for the Financial Year ("FY") ended March 31, 2014.

#### 1. BACKGROUND

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

TCFSL is headquartered in Mumbai and has a wide network of approximately 115 offices across India.

#### 2. INDUSTRY AND ECONOMIC SCENARIO

India is in transition and if it desires to regain its position as a leading emerging market investment destination, clarity and consistency of policy action is paramount. The election results hold the key. In anticipation, the equity markets have created an all time high and currency markets are buoyant. However, investors, private and foreign, will wait for stability of governance and policy action before committing long term capital to the country. At its core, India is facing a difficult economic situation on the growth, asset quality, inflation and fiscal deficit fronts. Growth is estimated to have bottomed, but recovery is predicated upon clarity of policy matters and decision making by the Government, both factors out of the control of private enterprise. Slower growth has translated into asset quality issues for the banking sector. Gross non performing loans have risen to 3.6% in FY 2013-14 from 2.5% in FY 2012-13, which may have been acceptable, given the capital requirements of Indian banks. However, if one includes restructured assets currently at 9.4%, the asset quality issue is a real concern. Inflation may have peaked out, but structural factors, especially on the food front, need to be adequately tackled. Monsoons will clearly be a variable in FY 2014-15, given the various predictions of a below par monsoon. Lastly, on the fiscal deficit, targets have been met, but many constituents continue to question the quality and means of this achievement.

The RBI and the Government have taken notable steps in FY 2013-14 to address the economic headwinds. The Government formed the Project Management Group to facilitate large projects, undertook actions on power tariffs, gas price and continued diesel price increases. The RBI initiated efforts at recognizing and cleaning up Non-Performing Assets ("NPA"). On the policy front, it introduced a shift in focus to Consumer Price Inflation (CPI) from Wholesale Price Inflation (WPI), and a move towards inflation targeting. If implemented correctly and in a time bound manner, these collectively have the ability to create a meaningful impact on the economy.

The Government's first GDP estimate for FY 2013-14 estimates growth at 4.9%, largely in line with market expectations. The Interim budget which was the last budget of the UPA-II Government was "not" biased towards populist measures but focused on growth measures, like reduction in excise duties on capital and consumer goods and maintaining the fiscal deficit target within limits. The key to a higher growth would be reviving investments (initially by revival of stalled projects), especially in the private sector and higher domestic savings, especially financial savings, by containing inflation and positive real return.

Debt in the private sector has risen despite India's total debt (private and public) remaining at approximately 139% of GDP, in line with the last 10 years' average. Rising private-sector debt coupled with repayments to the tune of approximately US\$20 bn annually make the economy vulnerable to international capital flows. Though the real economy is largely domestic oriented, given its dependence on capital flows, India is open to exchange volatility and its related pitfalls.

On the global front, the Federal Reserve reduced its monthly asset purchases with the last reduction for FY 2013-14 being made in February 2014. The monthly purchases are down to US\$ 65bn (US\$ 35 bn Treasury + US\$ 30 bn Mortgage Backed Securities). Global observers expect the tapering to continue in the coming months, leading to a complete wind down by end of Q2 2014-15.

The year ahead will be challenging on the interest rate and credit quality front, however, if India votes a stable Government, we could see an improvement in asset quality and return growth.

### 3. FINANCIAL RESULTS

3.1 The performance of the Company for the financial year ended March 31, 2014, is summarized below:

(₹ in crore)

Particulars	FY 2013-14	FY 2012-13
<b>Gross Income</b>	<b>2,783</b>	<b>2,701</b>
Less:		
Finance Costs	1,690	1,640
Establishment, Administrative and Other Expenses	744	585
Amortisation of expenses	9	9
Depreciation	59	44
<b>Profit Before Tax</b>	<b>281</b>	<b>423</b>
Less: Provision for Tax	109	147
<b>Profit After Tax</b>	<b>172</b>	<b>276</b>
Amount brought forward from previous year	113	0
Amount available for appropriation	285	276
<b>Appropriations</b>		
Special Reserve Account	35	55
Debenture Redemption Reserve	NIL	63
Interim Dividend on equity shares	65	39
Dividend Distribution Tax	11	6
<b>Surplus carried to Balance Sheet</b>	<b>174</b>	<b>113</b>

3.2 During the year, the Company's average book size increased by 6% from ₹ 18,786 crore in FY 2012-13 to ₹ 19,734 crore in FY 2013-14. Gross Income increased from ₹ 2,701 crore in the Previous Year to ₹ 2,783 crore recording an increase of 3%. The Company's Profit Before Tax was ₹ 281 crore (Previous Year: ₹ 423 crore) and the Profit After Tax for FY 2013-14 decreased by 38%, due to non recurring investment impairment and credit costs and, stood at ₹ 172 crore (Previous Year: ₹ 276 crore).

3.3 The Gross and Net NPAs were 4.52% and 3.68% in FY 2013-14, respectively as compared to 2.31% and 1.72%, in FY 2012-13. As at March 31, 2014, the Company had Fee to Income Ratio of 23% (Previous Year: 21%) and Cost to Income Ratio of 47.8% (Previous Year: 45%). The Return on Asset and Return on Equity ratio as at March 31, 2014, was at 0.9% and 5.4%, respectively as against 1.4% and 9.2%, as at March 31, 2013.

3.4 During FY 2013-14, no amount was required to be transferred to the Company's Debenture Redemption Reserve ("DRR") since, as at March 31, 2014, the DRR balance stood at ₹ 300 crore, which was in excess of the limits prescribed under the Companies Act, 1956, for maintaining DRR by NBFCs on its debentures issued to the Public.

3.5 A provision of ₹ 3.16 crore (Previous Year: ₹ 4.95 crore), at the rate of 0.25% of standard assets was made in FY 2013-14, pursuant to RBI's Circular dated January 17, 2011 which requires a Provision of 0.25% to be made for standard assets of NBFCs.

3.6 An amount of ₹ 34.43 crore (Previous Year: ₹ 55.23 crore), being 20% of the profits, was transferred to Special Reserve Account as required under Section 45 IC of the Reserve Bank of India Act, 1934.

### 4. SHARE CAPITAL

The paid-up Equity Share Capital of the Company on March 31, 2014, was ₹ 1,297.55 crore, which was entirely held by TCL. There was no change in the Authorised or the Paid-up Capital/Subscribed Capital during FY 2013-14.

### 5. DIVIDEND

During the year, the Company declared an Interim Dividend for FY 2013-14, at the rate of ₹ 0.50 per equity share. The Interim Dividend entailed a cash outflow of ₹ 64.88 crore and dividend distribution tax of

₹ 11.03 crore. In order to conserve the resources for growth, the Board of Directors do not recommend any final dividend for FY 2013-14, on the equity share capital of the Company.

## 6. REVIEW OF OPERATIONS OF THE COMPANY

### 6.1 Corporate Finance

The Corporate Finance Division (“CFD”) has three broad business segments viz. Commercial Finance, Infrastructure Finance and Leasing Finance. The Closing Book stood at ₹ 14,894 crore (FY 2012-13: ₹ 14,189 crore), comprising Commercial Finance of ₹ 8,974 crore (60.2%), Infrastructure Finance of ₹ 5,717 crore (38.4%) and Leasing Finance of ₹ 203 crore (1.4%).

#### 6.1.1 Commercial Finance:

The Commercial Finance Division specializes in product offerings ranging from vanilla term loans, working capital term loans, channel finance, bill discounting, equipment financing, lease rental discounting and promoter funding through structured products. The Division has a strong focus on debt syndications and direct lending through its four business verticals viz. large corporates, mid-size corporates, supply chain finance and emerging markets including equipment finance. Despite low credit growth due to the very challenging business environment, the Division ended FY 2013-14 with a book of ₹ 8,974 crore as compared to ₹ 8,085 crore at the end of FY 2012-13. This Division has disbursed fresh loans of ₹ 26,491 crore during FY 2013-14 (FY 2012-13: ₹ 23,725 crore) through more than eight product offerings and earned a total fee income of ₹ 65.70 crore.

The four verticals of the Division viz. large corporates, mid -size corporates, supply chain, trade finance and small and emerging markets including equipment finance, catering to all customer segments, contributed to 30.4%, 21.5%, 44.7% and 3.4% of the total book, respectively. The Division is committed towards providing complete financial solutions to corporates, through different innovative products which give value to its customers and simultaneously grow a quality asset portfolio.

#### 6.1.2. Infrastructure Finance:

The Infrastructure Finance Division has three main lines of business viz. Construction Equipment Finance, Project Finance and Equipment Rentals.

In view of the subdued macroeconomic environment, the companies operating in the Infrastructure space faced a difficult situation. The Infrastructure segment, as a whole, was also adversely affected by regulatory issues and delayed payment from government bodies. These challenges also had an impact on the Company, resulting in reduced disbursement levels as compared to FY 2012-13 and stress on the portfolio quality. Considering these challenges, the Company has been more cautious in its disbursements and has been trying to maintain the asset quality.

During FY 2013-14, the Construction Equipment Finance Division continued to be amongst the top five players in the industry. While Project Finance business worked with caution in view of the slowdown, the Division’s equipment rental business has now stabilized. During FY 2013-14, the Division disbursed fresh loans of ₹ 2,425 crore (FY 2012-13: ₹ 3,403 crore) and closed the financial year with a book of ₹ 5,717 crore as against (₹ 6,105 crore in FY 2012-13), a decrease in the book size by 6%.

The Division has now started considering funding opportunities in the non renewable energy segment and other infrastructure projects where the construction period risk is over. In the case of Construction Equipment Finance, focus is on Rural and Semi Urban markets. Considering the tough economic environment, collections and credit monitoring activities have been strengthened.

#### 6.1.3 Leasing Finance:

During the last quarter of FY 2012-13, the Company forayed into the leasing business and has successfully made inroads into equipment leasing, through strategic Vendor Programs, with some leading and prominent players in the Information Technology, Transportation and Capital Goods Manufacturing sectors. The Division also sources its leads through the Commercial and Infrastructure Finance Divisions. The Leasing Division sanctioned facilities of over ₹ 230 crore and as at March 31, 2014, its Book stood at approximately ₹ 203 crore, comprising reputed clientele from multinationals and large and mid-size corporate segments.

Leasing is one of the most dynamic products in the Asset Finance business and largely appeals to corporates which are conscious of asset life cycle and total cost of usage of assets. With its comprehensive solutions approach, the Leasing Division is expected to be one of the key business units of CFD.

## 6.2 Consumer Finance

Through the Consumer Finance and Advisory Business ("CFAB"), the Company offers a wide range of consumer loans such as Auto Loans (Car and Two Wheeler), Commercial Vehicle Loans, Business Loans, Personal Loans, Consumer Durables Loan, Loans against Property, Loans against Securities and Tractor Loans.

Disbursements in FY 2013-14 aggregated ₹ 4,214 crore as compared to ₹ 3,824 crore in FY 2012-13. CFAB continued to focus on margin expansion during the year. Net Interest Margin increased from 4.50% in FY 2012-13 to 4.89% in FY 2013-14 and Cost to Income ratio reduced from 65.33% in FY 2012-13 to 62.90% in FY 2013-14.

Auto Loans continued to constitute the major share of disbursements at ₹ 1,842 crore, in FY 2013-14. Tractor Finance business was further scaled up during the year, with disbursements increasing to ₹ 559 crore from ₹ 258 crore in the previous financial year, reflecting a year on year increase of 116%. The Direct Business Verticals continued to work on CFAB's core strategy of becoming a 'customer-centric' company and building customer proximity, by offering a single - point interface to customers for all their financial needs.

The Closing Book stood at ₹ 6,900 crore (FY 2012-13: ₹ 6,066 crore), comprising Auto Loans of ₹ 3,149 crore (46%), Business Loans and Personal Loans of ₹ 1,094 crore (17%), Loans against Property of ₹ 1,746 crore (27%), Tractor Finance & Other Products of ₹ 911 crore (13%). As at March 31, 2014, CFAB's Gross NPA was at 1.39% and Net NPA, at 1.07% as compared to Gross NPA of 0.57% and Net NPA, of 0.39% as at March 31, 2013. The increase in NPA was on account of the subdued economic environment.

Going forward, CFAB plans to grow its business through ramping up its existing products, improving profitability by balancing its product mix, controlling operating costs, improving recoveries and collection efficiencies and enhancing risk management.

## 6.3 Tata Cards

Tata Card is a White Label Credit Card issued and operated by SBI Cards, a Joint Venture between SBI and GE Capital. TCFSL manages the marketing and alliances with the Tata Group entities, while sales, customer service, other back end operations and the credit risk are with SBI Cards.

Tata Cards had a base of 1.4 lakh customers as of March 31, 2014, up from 1.16 lakh last year, registering a growth of 19%. The total customer spends for FY 2013-14 was ₹ 818 crore, up from ₹ 530 crore in FY 2013, resulting in a growth of 54% in spends, while the industry grew only by 30%.

The Tata Card is backed by its flagship loyalty program called 'Empower' and it is the most rewarding program in the industry. The card allows the customer to earn points on every spend and redeem instantly across 200 stores of Tata Group companies such as Croma, Westside, Titan and Star Bazaar.

## 7. FINANCE

### 7.1 Resources

During FY 2013-14, the Company met its funding requirements through a combination of short term debt (comprising Commercial Paper, ICDs and Bank Loans) and long term debt (comprising Non Convertible Debentures ("NCDs") and Bank Loans). During FY 2013-14, the Company issued Unsecured Debentures by way of Perpetual Debt of ₹ 93.55 crore and Secured Redeemable NCDs of an aggregating face value of ₹ 3,015.40 crore through private placements, with tenors ranging from 13 months to 60 months, which helped in Asset Liability Management and strengthened the long term resource base of the Company.

The aggregate debt outstanding as at March 31, 2014 was ₹ 18,986 crore (of which, ₹ 11,026 crore was payable within one year).

The Debt/Equity ratio as on March 31, 2014 was 5.9:1.

The Company has been regular in servicing all of its debt obligations.

## 7.2 Secured Redeemable NCDs issued to the Public

Pursuant to the approval of the holders of the Secured Redeemable Non Convertible Debentures issued to the Public ("Public NCDs"), in February 2014, accorded by way of a Postal Ballot and individual consents received thereafter, a part of the NCDs were continued for a further period of five years i.e. upto March 5, 2019, at the existing coupon rate. Accordingly, out of an outstanding aggregate amount of Public NCDs of ₹ 605.02 crore (post the modification/variation of the terms of the Public NCDs in 2012), Public NCDs aggregating ₹ 316.84 crore (52.47%) were redeemed on March 5, 2014 and Public NCDs aggregating ₹ 288.18 crore (47.6%) were continued for a further period of five years.

## 8. CREDIT RATING

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

ICRA: ICRA A1+, ICRA AA+ / Stable and ICRA AA (for Unsecured NCDs by way of Perpetual Debt)

CARE: CARE AA+, CARE PR1+ and CARE AA (for Unsecured NCDs by way of Perpetual Debt)

CRISIL: CRISIL AA+/Stable and CRISILAA- /Stable (for Unsecured NCDs by way of Perpetual Debt)

## 9. RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. The risk management process is governed by the Enterprise Wide Risk management framework. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. The Risk Management Committee of the Board ("RMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the organization. The RMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company.

As part of the Risk Management framework, the management of Credit Risk, Market Risk, Operational Risk and Fraud Risk are placed under the Head-Risk, to ensure Integrated Risk Management for various Risks.

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 stress tests of the credit portfolio are conducted and a Risk Mitigation Plan based on the analysis, has been 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 by a dedicated Operational Risk Management team. Causal analysis is carried out and corrective actions are implemented on KRI exceptions. A Senior Management oversight committee i.e. the Operational Risk Management Committee, meets periodically to review the operational risk profile of the organization.

Risks associated with frauds are mitigated through a Fraud Risk Management framework. A Fraud Risk Management Committee comprising Senior Management representatives, reviews matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

## 10. 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 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.

#### 11. IT SUPPORT

During FY 2013-14, the Company stabilized its core lending systems and made significant progress towards its goal of total automation of all its business processes. At TCFSL, there is emphasis on continual improvement and upgradation of systems and the underlying processes. The projects on the IT road map and the digital strategy initiative should enable us to take the technology lead leadership position with the support our IT partners.

#### 12. HUMAN RESOURCES

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. To further sharpen and nurture this culture, Tata Capital has created a Senior Leadership Group ("SLG") consisting of more than 80 of our leaders from across different business units and geographies. The SLG then worked together to co-create Tata Capital's "Culture Statement", which was launched in April 2014, along with revised and sharply focused Mission Statement. Tata Capital has also created Regional Leadership Groups to further disseminate its Culture across the breadth of all its people and operations and work as a key communication link with the Senior Management.

Talent Management is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our organization. Attrition has been managed well and has been below industry benchmarks.

Tata Capital has kept a sharp focus on Employee Engagement. This constant focus on people and engagement has increased the Company's Gallup Engagement scores consistently from 3.98 in 2013 to 4.15 in 2014.

In June 2013, Tata Capital has achieved a key milestone by becoming the first NBFC globally by being assessed at P-CMM Level 3. Tata Capital was also awarded the CII HR Excellence Award – "Strong Commitment to HR Excellence" in September 2013.

#### 13. CORPORATE SUSTAINABILITY ("CS")

Tata Capital's Corporate Sustainability Policy outlines four thrust areas of development viz. Livelihood & Employability, Health, Education and Environment. Through its initiatives, Tata Capital has many long term associations with NGOs that make a measurable positive difference in each of the focus areas.

Tata Capital believes in social equity and the principle of equal opportunity, irrespective of caste or creed. The Affirmative Action programme at Tata Capital seeks to promote access to quality education and technical skills and competencies for members of the SC/ST communities, thus creating economic independence and sustainable livelihoods. The Vatsalya Ashramshala in Vikramgad district is a residential school for tribal children. Tata Capital supports the development of this school by funding infrastructure and education initiatives.

Tata Quality Management Services facilitates an annual review of the Affirmative Action program. During FY 2013-14, the assessment placed Tata Capital in the score band of 40 – 50, as against the 30-40 band in FY 2012-13.

#### 14. COMPLIANCE

The Company has complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the RBI such as Capital Adequacy, Net Owned Funds, provisioning for Non-Performing Assets and for standard assets, Concentration of Credit and Investment, filings, etc.

The Company has deployed "ComplianceCheck" ("Application"), an online platform to report and monitor compliances. The Application has features such as generation of compliance alerts, generation of compliance reports and updating the compliance tasks based on regulatory developments.

The Company has complied with all applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 and the RBI Act, 1934 and other applicable rules/regulations/guidelines issued from time to time.

The Capital Adequacy Ratio ("CAR") of the Company was 16.97% on March 31, 2014 (17.49% as at March 31, 2013) against the CAR of 15.00% prescribed for the Company by the RBI.

#### 15. DEPOSITS

The Company has not accepted any public deposits during the year under review.

## 16. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Hoshang Sinor and Mr. Ishaat Hussain, Directors, are liable to retire by rotation at the ensuing Annual General Meeting of the Company. Mr. Hussain being eligible, seeks re-appointment. Mr. Sinor has not sought re-election upon such retirement, in order to meet with the requirements under the Companies Act, 2013 relating to the number of directorships that an individual can hold. The Directors place on record their appreciation of the invaluable contribution and guidance provided by Mr. Sinor during his tenure as a Director of the Company.

In accordance with the provisions of Section 149 of the Companies Act, 2013 and the Rules made there under, which came into effect from April 1, 2014, approval of the Members will be sought at the ensuing Annual General Meeting of the Company for formalizing the appointment of Mr. Janki Ballabh, Director as an Independent Director of the Company not liable to retire by rotation, for a term until October 23, 2017.

## 17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on representations received from the Operating Management, confirm that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed and that there are no material departures;
- ii. they have, in selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014, and of the profit of the Company for the year ended on that date;
- iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. they have prepared the annual accounts of the Company on a 'going concern' basis.

## 18. CORPORATE GOVERNANCE

### 18.1 Company's Philosophy on Corporate Governance

The Company recognizes its role as a corporate citizen and endeavors 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 the best practices.

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

The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence, the Balanced Scorecard methodology for tracking progress on long term strategic objectives and the Tata Code of Conduct, 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 Code, a Code of Conduct for Prevention of Insider trading, a Code of Corporate Disclosure Practices, a Whistle Blower Policy, a Fair Practices Code, an Affirmative Action Policy, a Policy against Sexual Harassment in the Workplace and an Occupational Health and Safety Management System.

#### a. Board of Directors

The Board of Directors, along with 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. At present, the Board comprises six Directors viz. Mr. F K Kavarana, Mr. Ishaat Hussain, Mr. H N Sinor, Mr. Janki



Ballabh, Mr. F N Subedar and Mr. Praveen P Kadle. Mr. Kadle is the Managing Director (“MD”) & CEO of the Company and the other five Directors are Non-Executive Directors (“NED”). Mr. Kadle was re-appointed as the MD & CEO of the Company, in addition to his being the MD & CEO of TCL. The remuneration of Mr. Kadle is entirely borne by TCL. Board Meetings of the Company are generally chaired by Mr. F K Kavarana, NED.

During FY 2013-14, eight Board Meetings were held. The details of Directors, their attendance at Board Meetings and at the previous Annual General Meeting of the Company are, given below:

Name of Director	Director Identification Number	Category	Board Meetings Attended	Whether present at previous AGM held on June 28, 2013
Mr. F. K. Kavarana	00027689	Non - Executive	6	No
Mr. Ishaat Hussain	00027891	Non - Executive	6	No
Mr. Janki Ballabh	00011206	Non - Executive, Independent	8	No
Mr. H. N. Sinor	00074905	Non - Executive, Independent	5	Yes
Mr. F. N. Subedar	00028428	Non - Executive	8	No
Mr. Praveen P. Kadle	00016814	Managing Director & CEO	8	Yes

The Company paid Sitting fees for attending meetings of the Board and the Committees of the Board and proposes to pay Commission for FY 2013-14, within the maximum prescribed limits to the Non-Executive Directors (as recommended by the Nomination and Remuneration Committee and approved by the Board at their meetings held on May 8, 2014), as per details given below:

Name of Director(s)	Sitting Fees paid for attending Board and Committee Meetings during FY 2013-14	Commission
Mr. F. K. Kavarana	₹ 2,00,000	₹ 18,00,000
Mr. Ishaat Hussain	₹ 4,20,000	₹ 18,00,000
Mr. Janki Ballabh	₹ 8,10,000	₹ 18,00,000
Mr. H. N. Sinor	₹ 5,70,000	₹ 18,00,000
Mr. F. N. Subedar	₹ 4,10,000	₹ 18,00,000

#### 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, Finance and Asset Liability Supervisory Committee, Risk Management Committee, Remuneration Committee, Non-Convertible Debentures (Public) Committee (which has since been dissolved), Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Committee for Review of Policies. Further, as and when the Board of the Company expands to a strength of about 10-12 Directors, the Executive Committee of the Board would become functional. The Company Secretary is the Secretary of all the aforementioned Committees, except that the Head of the HR function is the Secretary of the Nomination and Remuneration Committee. The Board of Directors and the Committees also take decisions by circular resolutions which are noted at the next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions / noting.

##### (i) Audit Committee

The Audit Committee comprises Mr. Janki Ballabh (Chairman), Mr. H. N. Sinor and Mr. F.N. Subedar. All the Members are financially literate 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 Companies Act, 1956 and Guidelines issued by the Reserve Bank of

India and is reviewed from time to time. The full Charter is available on the Company's website. Given below, *inter alia*, is a gist of the responsibilities of the Audit Committee:

- Recommend appointment and removal of 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
- Oversee financial reporting process and disclosure of financial information.
- Review financial statements before submission to the Board
- Act as the link between Statutory Auditors, Internal Auditors and Board of Directors
- Review accounting policies
- Monitor compliance with Tata Code of Conduct
- Review significant related party transactions
- Review findings of internal investigations / fraud / 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.
- Responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices

During FY 2013-14, eight Audit Committee Meetings were held. The Members attended all the Meetings of the Audit Committee held during FY 2013-14, except for Mr. H. N. Sinor, who was granted Leave of Absence from two Meetings of the Audit Committee.

Besides the Members of the Committee, meetings of the Audit Committee are attended by the Statutory Auditors, Internal Auditor, Managing Director, Chief Financial Officer and the Company Secretary. The Internal Audit function is headed by the Chief Internal Auditor of the Company who reports to the Chairman of the Audit Committee to ensure independence of operations.

The Chairman of the Audit Committee attended the last Annual General Meeting of the Company.

**(ii) Finance and Asset Liability Supervisory Committee**

The Finance and Asset Liability Supervisory Committee ("ALCO") comprises Mr. Ishaat Hussain (Chairman), Mr. H. N. Sinor, Mr. Janki Ballabh, Mr. F. N. Subedar and Mr. Praveen P. Kadle and is constituted to oversee the implementation of the Asset Liability Management system and to periodically review its functioning.

**(iii) Investment Credit Committee**

The Investment Credit Committee ("ICC") comprises Mr. Ishaat Hussain (Chairman), Mr. Janki Ballabh, Mr. H. N. Sinor and Mr. Praveen P. Kadle and is empowered to:

- approve Commercial / Infrastructure and other financing proposals, in terms of the Board approved Delegation of Authority Matrix ("DOA");
- approve Personal and Business Loans, in terms of the Board approved DOA;
- approve of investments by way of Debentures / Commercial Paper, Equity Shares and Preference Shares, as approved by the Board under the DOA Matrix for the Corporate Finance Division; and
- approve the opening and operating of Letters of Credit, Buyers Credit, Forex facility, etc. for customers of the Corporate Finance Division.

**(iv) Nomination and Remuneration Committee**

The Nominations Committee comprised Mr. Janki Ballabh (Chairman), Mr. F. K. Kavarana and Mr. H. N. Sinor and was constituted to identify independent directors to be inducted to the Board, from time to time and to take steps to refresh the composition of the Board. The constitution of the same was a voluntary requirement under the Guidelines for Corporate Governance issued by the Reserve Bank of India.

The Remuneration Committee comprised Mr. F. K. Kavarana (Chairman), Mr. Ishaat Hussain, Mr. H. N. Sinor and Mr. Janki Ballabh and was, *inter alia*, empowered to:

- review the performance of the Managing/Whole-time Directors on predetermined parameters;
- review and recommend remuneration / compensation packages for the Executive Directors within prescribed limits;
- decide Commission payable to the directors, subject to prescribed limits and approval of shareholders;
- review employee compensation vis-à-vis industry practices and trends; and
- review the performance of direct reportees to the Managing Director and their compensation structure.

In order to give effect to the provisions of Section 178 of the Companies Act, 2013, the Nomination Committee and the Remuneration Committee were re-constituted as a single Committee viz. the Nomination and Remuneration Committee, on April 9, 2014. This Committee now comprises Mr. Janki Ballabh (Chairman), Mr. F K Kavarana, Mr. Ishaat Hussain and Mr. H N Sinor.

The role of the Committee is, as under:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- To review the performance of the Managing/Whole-time/ Executive Directors on predetermined parameters.
- To review and approve the remuneration/compensation packages for the Managing/ Whole-time/ Executive Directors, within prescribed limits.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and to carry out evaluation of every director's performance.
- To take steps to refresh the composition of the Board.
- To decide Commission payable to the directors, subject to prescribed limits and approval of shareholders.
- To review employee compensation vis-à-vis industry practices and trends.

**(v) Risk Management Committee**

The Risk Management Committee comprises Mr. F. K. Kavarana (Chairman), Mr. Ishaat Hussain, Mr. Janki Ballabh and Mr. Praveen P. Kadle and is constituted to review the Risk Management process in the Company in the areas of portfolio, credit, operational risk, etc.

**(vi) Non-Convertible Debentures (Public) Committee**

The Non Convertible Debentures (Public) Committee comprised Mr. Janki Ballabh (Chairman), Mr. H. N. Sinor, Mr. F. N. Subedar and Mr. Praveen P. Kadle. It was initially set up to determine, modify and approve the terms and conditions for variation/modification of the Secured Redeemable Non – Convertible Debentures (“NCD”), issued to the Public aggregating ₹ 1,500 crore. Subsequently, it was authorised to determine, modify and approve, the terms and conditions of the continuation of the NCDs or any matter related thereto. Since both the above matters had been completed, the Committee was dissolved.

**(vii) Stakeholders Relationship Committee**

The Shareholders'/Investors' Grievance Committee comprises Mr. H. N. Sinor (Chairman), Mr. Janki Ballabh and Mr. Praveen P. Kadle and was constituted to specifically look into the redressal of shareholder and investor complaints such as transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, interest, redemption proceeds, etc. Pursuant to the provisions of the Companies Act, 2013, the Committee was re-named as the 'Stakeholders Relationship Committee' to, *inter alia*, consider and resolve grievances/complaints of security holders of the Company.

**(viii) Committee For Review of Policies**

The Committee for Review of Policies comprises Mr. H. N. Sinor (Chairman), Mr. Janki Ballabh and Mr. Praveen P. Kadle and was constituted to review the various Codes / Policies adopted by the Company from time to time and suggest / approve such changes therein as may be felt necessary and review the functioning of the grievance redressal mechanism under the Fair Practices Code as adopted by the Company.

**(ix) Executive Committee of the Board**

The Executive Committee of the Board (“ECOB”), constituted to, *inter alia*, review the Business and Strategy, Budgets, Acquisitions, etc., would be functional as and when the Board of the Company expands to a strength of about 10-12 Directors and would meet at such intervals as may be determined at that time. The current Board being quite compact, the Company has deferred the decision to constitute an Executive Committee of the Board. Currently, the Board performs all the functions/role expected to be performed by the ECOB.

**(x) Corporate Social Responsibility Committee**

The Corporate Social Responsibility (“CSR”) Committee comprises Mr. H. N. Sinor (Chairman), Mr. F.N. Subedar and Mr. Praveen P. Kadle and was constituted as required under the Companies Act, 2013, to:

- formulate and recommend to the Board, a CSR Policy indicating therein CSR activities to be undertaken by the company;
- recommend the amount of expenditure to be incurred on CSR activities; and
- monitor the CSR Policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the CSR projects/programs/activities undertaken by the Company.

**c. Means of Communication**

The Half Yearly and Annual Results of the Company are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement for Debt Securities and are published in a leading English daily newspaper. The information regarding the performance of the Company is shared with the debentureholders every six months through a half yearly communiqué. Official news releases, including on the half-yearly and annual results, are also posted on the Company’s website [www.tatacapital.com](http://www.tatacapital.com).

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. Members also have the facility of raising queries/making complaints on share and debenture related matters through a facility provided on the Company’s website. The debentureholders can also send in their queries/complaints at the designated email address: [compliance.ncd@tatacapital.com](mailto:compliance.ncd@tatacapital.com).

**d. General Information for Members and Debentureholders**

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 Non-Convertible Debentures issued to the public, are listed on the BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”). The following are the details of the Company’s public debentures:

Type	ISIN	BSE		NSE	
		Scrip Code	Address	Series	Address
Option I	INE306N07BK0	934845	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <a href="http://www.bseindia.com">www.bseindia.com</a>	N6	“Exchange Plaza”, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 <a href="http://www.nseindia.com">www.nseindia.com</a>
Option II	INE306N07BL8	934846		N7	
Option III	INE306N07BM6	934847		N8	
Option IV	INE306N07BN4	934848		N9	

The Debentures issued on private placement basis are listed on the WDM segment of NSE. The Company has paid Annual Listing fees for FY 2013-14 to both the Stock Exchanges, where the Company's debentures, whether issued to the public or issued on a private placement basis, are listed.

#### Registrar and Transfer Agents (Debentures)

Non – Convertible Debentures issued to the Public	Non – Convertible Debentures issued on a Private Placement basis
Karvy Computershare Private Limited Plot No. 17 -24 Vithal Rao Nagar Madhapur, Hyderabad 500 081 Tel: +91 40 44655000 Fax: +91 40 23420814 www.karvycomputershare.com	Sharepro Services (India) Private Limited 13 AB, Samhita Warehousing Complex, Behind Sakinaka Telephone Exchange, Kurla Andheri Road, Sakinaka, Mumbai - 400 072 Tel: +91 22 67720300, +91 22 67720400 Fax: +91 22 28508927 www.shareproservices.com

#### Debenture Trustees

IL & FS Trust Company Limited  
 The IL&FS Financial Centre, Plot C- 22, G Block, Bandra Kurla Complex, Bandra(E),  
 Mumbai 400051 Web : [www.itclindia.com](http://www.itclindia.com) Tel: +91 22 2653 3333, Fax: +91 22 2653 3297  
 e-mail: [investorgrievances.itcl@iflsindia.com](mailto:investorgrievances.itcl@iflsindia.com)

IDBI Trusteeship Services Limited  
 Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001  
 Web: [www.idbitrustee.com](http://www.idbitrustee.com) Tel: +91 22 4080 7000, Fax: +91 22 6631 1776  
 e-mail: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)

#### Compliance Officer

Mr. Kamlesh Parekh, Head - Legal & Compliance

As per the provisions of Section 205C of the Companies Act, 1956, interest on application money, matured debentures and interest on matured debentures remaining unclaimed for a period of seven years from the date it becomes due for payment has to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. However, no such amount had to be transferred to the IEPF during the year, as the seven year period has not elapsed for the Company's debentures. In case any of the above dues remain outstanding, the debentureholders are requested to claim the same at the earliest by contacting the Company or the Registrars. In terms of the said Section, no claims would lie against the Company or the IEPF after the transfer of any amount to the IEPF.

#### e. Other Information

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 Tata Code of Conduct ("TCOC") and the norms for using the Tata Brand identity.

The Company has adopted the TCOC for its employees, including the Managing Director. In addition, the Company has adopted a Code of Conduct for its NEDs. The Codes have been posted on the website.

The Company has adopted a Whistle-Blower Policy, which provides a formal mechanism for all employees of the Company to make protected disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. No employee of the Company has been denied access to the Audit Committee.

Tata Capital lays strong emphasis on the Health, Safety and Welfare of all its employees. Towards this, Tata Capital has now become OHSAS 18001:2007 compliant - an internationally recognized standard for health and safety.

**19. REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT**

There were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**20. ACCOUNTS AND ACCOUNTING STANDARDS**

The Company adheres to the Accounting Standards issued by The Institute of Chartered Accountants of India ("ICAI") in the preparation of its financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard issued by ICAI and in the Companies (Accounting Standards) Rules, 2006, as amended from time to time.

**21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

In view of the nature of the activities carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy and technology absorption, are not applicable to the Company. During the year under review, the Company had no earnings in foreign exchange and had an outgo of ₹ 2.90 crore in foreign exchange.

**22. PARTICULARS OF EMPLOYEES**

The information required in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended from time to time) and forming part of the Directors' Report for the year ended March 31, 2014, is provided in an Annexure forming part of this Report.

**23. AUDITORS**

Messrs. Deloitte Haskins & Sells LLP ("formerly known as Deloitte Haskins & Sells), Chartered Accountants, Mumbai ("DHS") (ICAI Firm Registration Number: 117366W/W - 100018), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

M/s Deloitte Haskins & Sells, Ahmedabad ("DHS-A"), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ("AGM") of the Company held on September 5, 2011, for FY 2011-12. Subsequently, M/s Deloitte Haskins & Sells, Mumbai (now, Deloitte Haskins & Sells LLP) ("DHS") were appointed in place of DHS-A, at the AGM held on July 19, 2012 and were re-appointed at the AGM held on June 28, 2013 and their current term expires at the conclusion of the ensuing AGM. At the conclusion of the ensuing AGM of the Company, DHS (taking into consideration the initial appointment of DHS-A) would have completed a period of three years as Auditors of the Company. As per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to re-appoint DHS as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next AGM of the Company.

The Company has received a letter from DHS to the effect that their appointment, if made, would be in accordance with Section 139 of the Companies Act, 2013 and that, they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013.

**24. ACKNOWLEDGEMENTS**

The Directors would like to place on record their gratitude for the valuable guidance and support received from the Reserve Bank of India, Securities and Exchange Board of India, Registrar of Companies and other government and regulatory agencies and to convey their appreciation to TCL, 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 of the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

For and on behalf of the Board of Directors

**F K Kavarana**  
Director

**Praveen P Kadle**  
Managing Director & CEO

Mumbai, May 8, 2014



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF TATA CAPITAL FINANCIAL SERVICES LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of TATA CAPITAL FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and 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 Financial Statements

The Company's Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("CARO" / "the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(FRN No. 117366W/W-100018)

**SANJIV V. PILGAONKAR**  
(Partner)  
(Membership No. 39826)

Mumbai, May 8, 2014

**ANNEXURE TO THE AUDITORS' REPORT**

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

Having regard to the nature of the Company's business / activities, paragraph 4(xiii) of the Order is not applicable.

1. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) According to the information and explanations given to us, the fixed assets were physically verified by the management in accordance with the programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of account.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. The Company is primarily engaged in rendering financial services and therefore does not hold any physical inventories. Therefore the provisions of paragraph 4(ii) of the Order are not applicable to the Company.
3. According to the information and explanations given to us the Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub- clause (a) to (g) of paragraph 4(iii) of the Order are not applicable to it.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. There are no purchases of inventory and sale of goods during the period of audit. During the course of our audit, we have not observed any major weakness in such internal control system.
5. To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements, the particulars of which need to be entered into register maintained in section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted deposits from the public during the period covered by our audit report. According to the information and explanation given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard in the case of the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the services rendered by the Company. Accordingly paragraph 4(viii) of the Order is not applicable to it.
9.
  - (a) According to the information and explanations provided to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, service tax, income tax, cess and other material statutory dues applicable to it and there are no dues payable in respect of Employees' State Insurance, Investor Education and Protection Fund, Excise duty, Custom Duty and Sales Tax.
  - (b) There were no undisputed amounts payable in respect of income-tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, wealth tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company does not have accumulated losses. The Company has not incurred cash losses during the year covered by our audit and in the immediately preceding financial year. Therefore, the provisions of paragraph 4 (x) of the Order are not applicable to the Company.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial institutions and debenture holders.
12. In our opinion and according to the information and explanations given to us, adequate documents and records have been maintained by the Company in respect of loans and advances granted on the basis of security by way of pledge of shares and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore, the provisions of paragraph 4 (xiv) of the Order are not applicable to it.
14. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
15. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained other than temporary deployment pending application.
16. In our opinion and according to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company, we report that funds raised by the Company on short term basis have not been used during the year for long term investments.
17. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
18. The Company has created security for debentures issued and outstanding as at March 31, 2014.
19. During the year, the Company has not raised any money by way of a public issue. Accordingly, the provisions of paragraph 4(xx) are not applicable to it.
20. To our best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year, although there were some instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation, made by the borrowers, the amounts whereof are not material in the context of the size of the Company and the nature of its business and which have been provided for.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(FRN No. 117366W/W-100018)

**SANJIV V. PILGAONKAR**  
(Partner)  
(Membership No. 39826)

Mumbai, May 8, 2014

## BALANCE SHEET AS AT MARCH 31, 2014

(₹ in Lakhs)

	Note No.	As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	3	129,755	129,755
(b) Reserves and Surplus	4	189,278	179,656
		<b>319,033</b>	<b>309,411</b>
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	5	796,036	726,941
(b) Long-term liabilities	6	6,156	12,586
(c) Long-term provisions	7	2,959	2,858
		<b>805,151</b>	<b>742,385</b>
<b>3. Current liabilities</b>			
(a) Short-term borrowings	8	633,882	580,012
(b) Trade payables	9	24,371	25,663
(c) Current liabilities	10	529,955	491,971
(d) Short-term provisions	11	13,402	12,729
		<b>1,201,610</b>	<b>1,110,375</b>
<b>TOTAL</b>		<b>2,325,794</b>	<b>2,162,171</b>
<b>II. ASSETS</b>			
<b>1. Non-Current assets</b>			
(a) Fixed Assets	12		
(i) Tangible assets		36,319	25,118
(ii) Intangible assets		8,015	7,808
(iii) Capital work-in-progress		88	152
(iv) Intangible assets under development		–	259
		<b>44,422</b>	<b>33,337</b>
(b) Non-current Investments	13	90,597	112,447
(c) Deferred tax assets (net)	14	7,560	5,231
(d) Loans and advances - Financing Activity	15	912,549	882,889
(e) Loans and advances - Others	16	14,098	9,404
(f) Other non-current assets	17	4,982	4,809
		<b>1,029,786</b>	<b>1,014,780</b>
<b>2. Current assets</b>			
(a) Investments	13	63,599	45,636
(b) Trade receivables	18	362	381
(c) Cash and bank balances	19	26,013	20,442
(d) Loans and advances - Financing Activity	15	1,138,328	1,023,429
(e) Loans and advances - Others	20	13,707	15,919
(f) Other current assets	21	9,577	8,247
		<b>1,251,586</b>	<b>1,114,054</b>
<b>TOTAL</b>		<b>2,325,794</b>	<b>2,162,171</b>
See accompanying notes forming part of the financial statements	1-42		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered AccountantsSanjiv V. Pilgaonkar  
PartnerMumbai  
Date : May 8, 2014

For and on behalf of the Board of Directors

F. K. Kavarana  
(Director)Hoshang N. Sinor  
(Director)Ishaat Hussain  
(Director)Janki Ballabh  
(Director)Govind Sankaranarayanan  
(Chief Financial Officer &  
Chief Operating Officer -  
Corporate Affairs)F. N. Subedar  
(Director)Praveen P. Kadle  
(Managing Director & CEO)Avan Doomasia  
(Company Secretary)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

		Note No.	For the Year ended March 31, 2014	For the Year ended March 31, 2013
I	Revenue from Operations	22	248,712	237,347
II	Investment Income	23	18,387	24,450
III	Other Income	24	11,213	8,289
<b>IV</b>	<b>Total Revenue (I + II + III)</b>		<b>278,312</b>	<b>270,086</b>
<b>V</b>	<b>Expenses :</b>			
	Finance costs	25	169,004	164,009
	Employee benefits expense	26	18,765	16,772
	Other operating expenses	27	55,593	41,757
	Depreciation and amortisation	12	5,917	4,359
	Amortisation of expenses		950	918
	<b>Total expenses</b>		<b>250,229</b>	<b>227,815</b>
<b>VI</b>	<b>Profit/(Loss) before exceptional and extraordinary items and tax (IV - V)</b>		<b>28,083</b>	<b>42,271</b>
<b>VII</b>	<b>Exceptional items</b>		-	-
<b>VIII</b>	<b>Profit/(Loss) before extraordinary items and tax (VI - VII)</b>		<b>28,083</b>	<b>42,271</b>
<b>IX</b>	<b>Extraordinary Items</b>		-	-
<b>X</b>	<b>Profit/(Loss) before tax (VIII - IX)</b>		<b>28,083</b>	<b>42,271</b>
<b>XI</b>	<b>Tax expense:</b>			
	(1) Current Tax		13,199	15,826
	(2) Deferred Tax		(2,329)	(1,167)
	<b>Total Tax expense</b>		<b>10,870</b>	<b>14,659</b>
<b>XII</b>	<b>Profit/(Loss) for the year from Continuing Operations (X - XI)</b>		<b>17,213</b>	<b>27,612</b>
<b>XIII</b>	<b>Profit/(loss) from discontinuing operations</b>		-	-
<b>XIV</b>	<b>Tax expense of discontinuing operations</b>		-	-
<b>XV</b>	<b>Profit/(loss) from discontinuing operations (after tax) (XIII - XIV)</b>		-	-
<b>XVI</b>	<b>Profit/(Loss) for the year (XII + XV)</b>		<b>17,213</b>	<b>27,612</b>
<b>XVII</b>	<b>Earnings per equity share:</b>			
	(1) Basic (in Rupees)		1.33	2.13
	(2) Diluted (in Rupees)		1.33	2.13
	Face Value of Shares (in Rupees)		10	10
	See accompanying notes forming part of the financial statements	1-42		

In terms of our report attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sanjiv V. Pilgaonkar**  
Partner

Mumbai  
Date : May 8, 2014

For and on behalf of the Board of Directors

**F. K. Kavarana**  
(Director)

**Hoshang N. Sinor**  
(Director)

**Ishaat Hussain**  
(Director)

**Janki Ballabh**  
(Director)

**Govind Sankaranarayanan**  
(Chief Financial Officer &  
Chief Operating Officer -  
Corporate Affairs)

**F. N. Subedar**  
(Director)

**Praveen P. Kadle**  
(Managing Director & CEO)

**Avan Doomasia**  
(Company Secretary)



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

	Note No.	For the Year ended March 31, 2014	For the Year ended March 31, 2013
<b>1 CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxes		28,083	42,271
<b>Adjustments for :</b>			
Amortisation of share/debenture issue expenses/loan processing expenses		950	918
Depreciation and amortisation		5,917	4,359
(Profit)/Loss on sale of fixed assets		209	164
Interest Expenses		133,320	127,589
Discounting charges on Commercial Paper		33,159	32,138
Discounting charges on Debentures		2,525	4,282
Interest Income		(234,180)	(223,235)
Income from Investments		(18,387)	(24,294)
Interest Income on Fixed Deposits		(1,084)	–
Unrealised exchange gain		–	(1)
Provision for employee benefits - compensated absences		19	55
Provision for diminution in value of Investments		7,878	4,861
Provision against Standard Assets		316	495
Contingent provision against Restructured Advances		2,769	–
Provision for doubtful loans (Net)		13,946	8,570
<b>Operating Profit before working capital changes and adjustments for interest received, interest paid and dividend received</b>		<b>(24,560)</b>	<b>(21,828)</b>
<b>Adjustments for :</b>			
(Increase)/Decrease in Trade receivables		19	(123)
(Increase)/Decrease in Loans and advances - Financing Activity		(159,521)	(179,597)
(Increase)/Decrease in Investments (Credit Substitutes)		21,347	31,074
(Increase)/Decrease in Loans and advances - Others		1,434	(6,478)
Increase/(Decrease) in Other Liabilities and provisions		1,126	482
<b>Cash used in operations before working capital changes and adjustments for interest received, interest paid and dividend received</b>		<b>(160,155)</b>	<b>(176,470)</b>
Interest paid		(172,339)	(149,640)
Interest received		244,593	243,822
Dividend received		1,647	637
<b>Cash used in operations</b>		<b>(86,254)</b>	<b>(81,650)</b>
Taxes paid		(16,480)	(12,911)
<b>NET CASH FROM/(USED) IN OPERATING ACTIVITIES</b>		<b>(102,734)</b>	<b>(94,561)</b>
<b>2 CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed assets (including Capital Advances)		(21,101)	(6,876)
Proceeds from sale of Fixed Assets		1,025	802
Purchase of long term investments		(32,484)	(4,056)
Purchase of Current Investments		–	(20,000)
Purchase of Mutual Funds		(4,704,400)	(4,177,500)

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

		Note No.	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	Proceeds from redemption of Mutual Funds		4,704,567	4,179,422
	Proceeds from current investments		–	22,174
	Proceeds from sale of long term investments		9,426	7,950
	Investment in Fixed Deposits with original maturity of more than 3 months		(2,000)	(10,000)
	Fixed Deposits matured		12,000	200
	Income from Investments		1,008	1,018
	<b>Net cash from/(used) in investing activities</b>		<b>(31,959)</b>	<b>(6,866)</b>
<b>3</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Share Issue Expenses		–	(363)
	Debenture Issue/Loan Processing Expenses		(527)	(253)
	Interim dividend paid on equity shares		(3,893)	–
	Net repayment of short-term borrowings		53,221	83,828
	Proceeds from long-term borrowings		627,595	403,430
	Repayment of long-term borrowings		(526,132)	(377,614)
	<b>Net cash from/(used) financing activities</b>		<b>150,264</b>	<b>109,028</b>
	Net increase/(decrease) in cash and cash equivalents		15,571	7,601
	<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>		<b>10,441</b>	<b>2,841</b>
	<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>		<b>26,012</b>	<b>10,441</b>
	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		26,012	10,441
	Add : Restricted Cash		1	1
	Add: Fixed Deposits with original maturity of more than 3 months		–	10,000
	<b>CASH AND BANK BALANCES AS AT THE END OF THE YEAR [REFER NOTE NO. 19]</b>		<b>26,013</b>	<b>20,442</b>
	See accompanying notes forming part of the financial statements	1-42		

In terms of our report attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sanjiv V. Pilgaonkar**  
Partner

Mumbai  
Date : May 8, 2014

For and on behalf of the Board of Directors

**F. K. Kavarana**  
(Director)

**Hoshang N. Sinor**  
(Director)

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Corporate Affairs)

**F. N. Subedar**  
(Director)

**Praveen P. Kadle**  
(Managing Director & CEO)

**Avan Doomasia**  
(Company Secretary)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****1. CORPORATE INFORMATION**

Tata Capital Financial Services Limited 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") received on 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 notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. Further, the Company follows the Reserve Bank of India (RBI) Directions issued for Non-Banking Financial Companies (NBFC).

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 the financial statements requires the Management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. 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. Estimates include provisions for doubtful debts and advances, employee benefit plans, provision for income taxes and provision for diminution in the value of investments.

**iii. Revenue recognition****a. Income on Loan transactions**

Income on loan transactions is accounted for by using the internal rate of return method. Consequently, a constant rate of return on net outstanding amount is accrued over the period of the contract, 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.

In respect of non-performing assets acquired from other NBFCs / Banks/ Companies, aggregate collections in excess of the consideration paid on acquisition of the portfolio of assets is treated as income.

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

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

Income from sale/assignment of loan assets is recognised at the time of sale.

**b. Income from Current and Long-term 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 accounted on accrual basis.

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 Advisory 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.
- iv. Provisions for Standard/Non Performing Assets and Doubtful Debts**  
The Company provides an allowance for loan receivables based on the prudential norms issued by the RBI relating to income recognition, asset classification and provisioning for non-performing assets except for construction equipment, auto and personal loan portfolio where in addition to the provisioning as per RBI norms, the Company also provides for/ writes off the entire receivables, where any of the installment are overdue for a period exceeding 11 months.  
Provision is calculated after considering value of repossessed stock.  
In addition the Company provides for Restructured Assets (Including Standard) as required by the directions issued by the RBI.
- v. Investments**  
Investments are classified into long-term investments and current investments.
- a. Long-term investments**  
Long-term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments.
- b. Current investments**  
Current investments are stated at the lower of cost or market value, determined on an individual investment basis.
- vi. Fixed Assets**
- a. Tangible:**  
Fixed assets are stated at cost less depreciation, which comprises of purchase consideration and other directly attributable costs of bringing the assets to their working condition for the intended use.  
Foreign exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, have been added to or deducted from the cost of the asset and is depreciated over the balance life of the asset.  
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 fixed assets 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.  
Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the period 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.
- vii. Depreciation and Amortisation**  
Depreciation on tangible fixed assets is provided on a straight-line basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 or over the estimated useful life of the asset, if such useful life is lower than prescribed in Schedule XIV of the Companies Act, 1956.

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 ₹ 5,000 are depreciated fully in the month in which they are purchased.

Depreciation rates/Amortisation rates used by the Company are:

Asset	Depreciation rates/Amortisation rates
Leasehold Improvements	Lease Period
Construction Equipment	7.42 to 12.50 percent
Furniture and Fixtures	Higher of 10 percent or rate determined based on period of lease
Computer Equipment	Owned : 20 percent to 33.33 percent
	Leased: 20 percent
Office Equipment	10 percent
Vehicles	Own Vehicles - 23.75 percent
	Lease Vehicles - 22.50 percent
Software	Owned : 25 percent
	Leased : 100 percent
Building	4 percent
Plant & Machinery	Owned : 25 percent
	Leased : 10 percent to 25 percent
Networking Assets	25 percent

#### viii. Leases

Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease are retained by the lessor.

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 or systematic 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 based on the internal rate of return (IRR). The principal amount received reduces the net investment in the lease and interest is recognised as revenue.

#### ix. Deferred revenue expenditure

Share issue expenses is amortised over a period of 36 months from the month in which the Company has incurred the expenditure.

Loan processing charges and debenture issue expenses are amortised over the tenor of the loan/ debenture from the month in which the Company has incurred the expenditure.

#### x. Employee Benefits

Employee benefits include provident fund, superannuation fund, employee fund insurance scheme, gratuity fund, compensated absences and long service awards.

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the period. 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 shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

For defined benefit plans in the form of gratuity fund, 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 period 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 period in which the employee renders the related service.

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

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### Long-term employee benefits

“Compensated absences which are not expected to occur within twelve months after the end of the period 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.

#### **xi. Employees Share Purchase Scheme**

The Company follows the intrinsic value method to account for the compensation cost of its stock based employee compensation plans.

#### **xii. Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its 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.

#### **xiii. Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its assets to determine, whether there is any indication of impairment of those assets. 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.



**xiv. 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.

**xv. Derivative Transactions**

The Company enters into derivative contracts in the nature of forward contracts with an intention to hedge its existing assets and liabilities. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency transactions and translations. All other derivative contracts are mark-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

**xvi. Taxation**

The Company's income taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities/receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or those that have been substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced by the extent that is no longer probable that sufficient taxable profit will be available to allow all or a part of aggregate deferred tax assets to be utilised.

**xvii. Business segment**

The Company's reportable segments consist of Financing Activity and Others. The Financing Activity segment consists of asset financing, term loans (corporate and retail), channel financing and bill discounting. Others segment primarily includes corporate investments, treasury activities, advisory services, wealth management, distribution of financial products.

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.

**xviii. 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.

**xix. 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 period, 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.

## 3. SHARE CAPITAL

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
<b>AUTHORISED</b>		
250,00,00,000 Equity shares (as at March 31, 2013: 250,00,00,000 shares) of ₹ 10 each	<b>250,000</b>	250,000
	<b>250,000</b>	250,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
129,75,50,000 Equity shares (as at March 31, 2013: 129,75,50,000 shares) of ₹ 10 each fully paid	<b>129,755</b>	129,755
<b>Total</b>	<b>129,755</b>	<b>129,755</b>

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

Particulars	No. of shares	₹ in Lakhs
Opening Share Capital as on April 01, 2012	<b>1,297,550,000</b>	129,755
<b>Additions during the year</b>		
<b>Equity</b>		
a) Issue of Equity Shares	–	–
<b>Closing Share Capital as on March 31, 2013</b>		
Equity Face Value ₹ 10 fully paid up	<b>1,297,550,000</b>	129,755
<b>Additions during the year</b>		
<b>Equity</b>		
a) Issue of Equity Shares	–	–
<b>Closing Share Capital as on March 31, 2014</b>		
Equity Face Value ₹ 10 fully paid up	<b>1,297,550,000</b>	129,755

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

Equity Shares: The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors 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.

## 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
Tata Capital Limited (Holding Company)	Opening Balance as on April 1, 2012	1,297,550,000
	<b>Closing Balance as on March 31, 2013</b>	<b>1,297,550,000</b>
	<b>Closing Balance as on March 31, 2014</b>	<b>1,297,550,000</b>

**4. RESERVES AND SURPLUS**

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014		As at March 31, 2013	
<b>(a) Securities Premium Account</b>				
Opening Balance		129,500		129,500
Add: Premium on issue of Equity Shares		–		–
<b>Closing Balance</b>		<b>129,500</b>		<b>129,500</b>
<b>(b) Debenture Redemption Reserve</b>				
Opening Balance		30,000		23,694
Add: Transfer from Surplus in the Statement of Profit and Loss		–		6,306
<b>Closing Balance</b>		<b>30,000</b>		<b>30,000</b>
<b>(c) Special Reserve Account</b>				
Opening Balance		8,896		3,373
Add: Transfer from Surplus in the Statement of Profit and Loss		3,443		5,523
<b>Closing Balance</b>		<b>12,339</b>		<b>8,896</b>
<b>(d) Surplus in Statement of Profit and Loss</b>				
Opening Balance		11,260		1
Add: Profit for the year		17,213		27,612
Amount available for Appropriations		28,473		27,613
Less : Appropriations				
– Transfer to Special Reserve Account	3,443		5,523	
– Transfer to Debenture Redemption Reserve	–		6,306	
– Interim Dividend	6,488		3,893	
– Tax on Interim Dividend	1,103	11,034	631	16,353
<b>Closing Balance</b>		<b>17,439</b>		<b>11,260</b>
<b>TOTAL - RESERVES AND SURPLUS</b>		<b>189,278</b>		<b>179,656</b>

**Notes:**

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

- ₹ 3,443 Lakhs (Previous Year: ₹ 5,523 Lakhs) to Special Reserve as prescribed by section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the profits after taxes for the year.
- ₹ Nil (Previous Year: ₹ 6,306 Lakhs) to Debenture Redemption Reserve as prescribed by circular issued by Ministry of Corporate Affairs dated February 11, 2013.
- During the year ended March 31, 2014, interim dividend of ₹ 0.50 per share (Previous Year : ₹ 0.30 per share) is recognised as amount distributable to equity shareholders. The corresponding amount has been disbursed and tax thereon paid post the balance sheet date.

## 5. LONG-TERM BORROWINGS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013"
<b>(a) Bonds/Debentures</b>		
<b>Secured</b>		
Privately Placed Non-Convertible Debentures (Refer Note No. 5.1 and 5.5 below) [Net of unamortised discount of ₹ 1 Lakh (as at March 31, 2013: ₹ 1,009 Lakhs)]"	411,079	448,461
Public issue of Non-Convertible Debentures (Refer Note No. 4.2 below)	28,818	–
<b>Unsecured</b>		
"Non-Convertible Subordinated Debentures (Refer Note No. 5.7 below) [Net of unamortised discount of ₹ 2,406 Lakhs (as at March 31, 2013 : ₹ 2,710 Lakhs)]	88,139	87,835
Non-Convertible Perpetual Debentures (Refer Note No. 5.8 below)	10,000	645
<b>(b) Term loans</b>		
<b>Secured</b>		
From Banks (Refer Note No. 5.3 below)	220,000	180,000
<b>Unsecured</b>		
From Banks	30,000	10,000
<b>(c) Deposits</b>		
<b>Unsecured</b>		
<b>(i) Inter Corporate Deposit from Related Parties</b>	8,000	–
<b>Total</b>	<b>796,036</b>	<b>726,941</b>

**Security:**

- 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 current assets of the Company.
- Terms of repayment of term loans and other loans:**
- 5.4 As per terms of agreements, Loan from banks and others includes ₹ 467,500 Lakhs (Previous Year: ₹ 400,000 Lakhs) repayable at maturity ranging between 12 and 36 months from the date of respective loan.

**5.5 Particulars of Privately Placed Secured Non-Convertible Debentures (NCDs) outstanding as on March 31, 2014**

(₹ in Lakhs)

Description of NCDs	Issue Date	Redemption Date	Number of NCDs	As on March 31, 2014*	As on March 31, 2013*
TCFSL NCD 'AH' FY 2012-13	5-Sep-12	5-Sep-22	500	3,400	1,700
TCL NCD 'AA' FY 2011-12	21-Oct-11	21-Oct-18	150	1,500	1,500
TCL NCD 'R' FY 2011-12	23-Sep-11	23-Sep-18	100	1,000	1,000
TCFSL NCD 'O' FY 2013-14	20-Aug-13	20-Aug-18	430	4,300	–
TCL NCD 'M' FY 2011-12	17-Aug-11	17-Aug-18	40	400	400
TCFSL NCD 'J' FY 2013-14	28-May-13	28-May-18	250	2,500	–
TCFSL NCD 'G' FY 2013-14	22-May-13	22-May-18	2,000	20,000	–
TCFSL NCD 'H' FY 2013-14	22-May-13	22-May-18	250	2,500	–
TCFSL NCD 'E' FY 2013-14	7-May-13	7-May-18	500	5,000	–
TCFSL NCD 'D' FY 2013-14	7-May-13	7-May-18	200	2,000	–
TCFSL NCD 'A' FY 2013-14	23-Apr-13	23-Apr-18	850	8,500	–
TCFSL NCD 'BF' FY 2012-13	26-Mar-13	26-Mar-18	50	500	500
TCFSL NCD 'AZ' FY 2012-13	22-Jan-13	22-Jan-18	3,000	30,000	30,000
TCFSL NCD 'AY' FY 2012-13	22-Jan-13	22-Jan-18	2,000	20,000	20,000
TCFSL NCD 'BA' FY 2012-13	22-Jan-13	22-Jan-18	250	2,500	2,500
TCFSL NCD 'AX' FY 2012-13	16-Jan-13	16-Jan-18	650	6,500	6,500
TCFSL NCD 'AS' FY 2012-13	5-Dec-12	5-Dec-17	250	2,500	2,500
TCFSL NCD 'AQ' FY 2012-13	12-Nov-12	10-Nov-17	300	3,000	3,000
TCFSL NCD 'AJ' FY 2012-13	9-Nov-12	9-Nov-17	5,000	50,000	50,000
TCFSL NCD 'AG' FY 2012-13	10-Sep-12	8-Sep-17	100	1,000	1,000
TCFSL NCD 'R' FY 2013-14	26-Aug-13	25-Aug-17	300	3,000	–
TCL NCD 'M' FY 2011-12	17-Aug-11	17-Aug-17	30	300	300
TCFSL NCD 'AE' FY 2012-13	9-Aug-12	9-Aug-17	200	2,000	2,000
TCFSL NCD 'X' FY 2013-14	16-Sep-13	6-Mar-17	220	2,200	–
TCFSL NCD 'P' FY 2013-14	22-Aug-13	15-Feb-17	500	5,000	–
TCFSL NCD 'AJ' FY 2013-14	13-Dec-13	5-Dec-16	45	450	–
TCFSL NCD 'AC' FY 2013-14	8-Nov-13	11-Nov-16	55	550	–
TCL NCD 'AM' FY 2011-12	10-Nov-11	10-Nov-16	100	1,000	1,000
TCFSL NCD 'AF' FY 2013-14	2-Dec-13	7-Nov-16	50	500	–
TCFSL NCD 'Y' FY 2013-14	24-Sep-13	8-Sep-16	400	4,000	–
TCFSL NCD 'V' FY 2013-14	5-Sep-13	5-Sep-16	50	500	–
TCFSL NCD 'U' FY 2013-14	3-Sep-13	2-Sep-16	250	2,500	–
TCFSL NCD 'W' FY 2013-14	13-Sep-13	2-Sep-16	30	300	–
TCFSL NCD 'T' FY 2013-14	3-Sep-13	30-Aug-16	62	620	–
TCFSL NCD 'S' FY 2013-14	30-Aug-13	22-Aug-16	99	990	–
TCL NCD 'M' FY 2011-12	17-Aug-11	17-Aug-16	30	300	300
TCFSL NCD 'Q' FY 2013-14	23-Aug-13	8-Aug-16	40	400	–
TCFSL NCD 'BE' FY 2012-13	12-Mar-13	10-May-16	30	300	300
TCL NCD 'A' FY 2011-12	27-Apr-11	27-Apr-16	370	3,700	3,700
TCL NCD 'W' FY 2010-11	19-Jan-11	19-Jan-16	440	4,400	4,400
TCL NCD 'T' FY 2010-11	2-Dec-10	2-Dec-15	50	500	500



**5.5 Particulars of Privately Placed Secured Non-Convertible Debentures (NCDs) outstanding as on March 31, 2014**

(₹ in Lakhs)

Description of NCDs	Issue Date	Redemption Date	Number of NCDs	As on March 31, 2014*	As on March 31, 2013*
TCL NCD 'S' FY 2010-11	19-Nov-10	19-Nov-15	100	1,000	1,000
TCFSL NCD 'AA' FY 2012-13	16-Jul-12	1-Oct-15	40	400	400
TCFSL NCD 'E' FY 2012-13	4-May-12	4-Aug-15	50	500	500
TCFSL NCD 'AD' FY 2012-13	31-Jul-12	31-Jul-15	500	5,000	5,000
TCFSL NCD 'Z' FY 2012-13	13-Jul-12	13-Jul-15	50	500	500
TCFSL NCD 'AM' FY 2013-14	10-Jan-14	30-Jun-15	200	2,000	–
TCFSL NCD 'B' FY 2012-13	30-Apr-12	30-Jun-15	200	2,000	2,000
TCFSL NCD 'AW' FY 2013-14	28-Jan-14	30-Jun-15	100	1,000	–
TCFSL NCD 'AI' FY 2013-14	13-Dec-13	29-Jun-15	50	500	–
TCFSL NCD 'Y' FY 2012-13	19-Jun-12	19-Jun-15	50	500	500
TCFSL NCD 'AA' FY 2013-14	17-Oct-13	15-Jun-15	100	1,000	–
TCFSL NCD 'V' FY 2012-13	4-Jun-12	4-Jun-15	100	1,000	1,000
TCL NCD 'CE' FY 2011-12	24-Feb-12	1-Jun-15	180	1,800	1,800
TCFSL NCD 'U' FY 2012-13	28-May-12	27-May-15	400	4,000	4,000
TCFSL NCD 'T' FY 2012-13	25-May-12	25-May-15	140	1,400	1,400
TCFSL NCD 'I' FY 2013-14	21-May-13	21-May-15	2,000	20,000	–
TCFSL NCD 'BI' FY 2013-14	20-Feb-14	20-May-15	250	2,500	–
TCFSL NCD 'AE' FY 2013-14	21-Nov-13	19-May-15	400	4,000	–
TCFSL NCD 'AT' FY 2013-14	28-Jan-14	18-May-15	255	2,550	–
TCFSL NCD 'AQ' FY 2013-14	15-Jan-14	14-May-15	210	2,100	–
TCL NCD 'G' FY 2010-11	12-May-10	12-May-15	250	2,500	2,500
TCFSL NCD 'AR' FY 2013-14	16-Jan-14	12-May-15	150	1,500	–
TCFSL NCD 'AL' FY 2013-14	9-Jan-14	12-May-15	60	600	–
TCFSL NCD 'AO' FY 2013-14	13-Jan-14	11-May-15	100	1,000	–
TCFSL NCD 'AP' FY 2013-14	15-Jan-14	11-May-15	80	800	–
TCFSL NCD 'AH' FY 2013-14	12-Dec-13	8-May-15	240	2,400	–
TCFSL NCD 'C' FY 2013-14	7-May-13	7-May-15	250	2,500	–
TCFSL NCD 'AN' FY 2013-14	13-Jan-14	7-May-15	120	1,200	–
TCFSL NCD 'S' FY 2012-13	22-May-12	6-May-15	225	2,250	2,250
TCFSL NCD 'G' FY 2012-13	9-May-12	6-May-15	200	2,000	2,000
TCFSL NCD 'D' FY 2012-13	3-May-12	4-May-15	620	6,200	6,200
TCFSL NCD 'BO' FY 2013-14	28-Feb-14	4-May-15	510	5,100	–
TCFSL NCD 'BF' FY 2013-14	17-Feb-14	4-May-15	473	4,730	–
TCFSL NCD 'BK' FY 2013-14	21-Feb-14	4-May-15	430	4,300	–
TCFSL NCD 'BB' FY 2013-14	7-Feb-14	4-May-15	300	3,000	–
TCFSL NCD 'AZ' FY 2013-14	6-Feb-14	4-May-15	180	1,800	–
TCFSL NCD 'AG' FY 2013-14	11-Dec-13	4-May-15	50	500	–
TCFSL NCD 'C' FY 2012-13	2-May-12	30-Apr-15	500	5,000	5,000
TCFSL NCD 'AK' FY 2013-14	3-Jan-14	30-Apr-15	380	3,800	–
TCFSL NCD 'A' FY 2013-14	23-Apr-13	23-Apr-15	300	3,000	–
TCFSL NCD 'AV' FY 2013-14	28-Jan-14	23-Apr-15	220	2,200	–

**5.5 Particulars of Privately Placed Secured Non-Convertible Debentures (NCDs) outstanding as on March 31, 2014** (₹ in Lakhs)

Description of NCDs	Issue Date	Redemption Date	Number of NCDs	As on March 31, 2014*	As on March 31, 2013*
TCFSL NCD 'BQ' FY 2013-14	3-Mar-14	20-Apr-15	250	2,500	—
TCFSL NCD 'BN' FY 2013-14	28-Feb-14	20-Apr-15	120	1,200	—
TCFSL NCD 'BY' FY 2013-14	18-Mar-14	16-Apr-15	900	9,000	—
TCFSL NCD 'BE' FY 2013-14	14-Feb-14	16-Apr-15	80	800	—
TCFSL NCD 'BR' FY 2013-14	10-Mar-14	15-Apr-15	621	6,210	—
TCFSL NCD 'AS' FY 2013-14	17-Jan-14	15-Apr-15	300	3,000	—
TCFSL NCD 'AB' FY 2013-14	17-Oct-13	15-Apr-15	250	2,500	—
TCFSL NCD 'AX' FY 2013-14	6-Feb-14	15-Apr-15	190	1,900	—
TCFSL NCD 'AU' FY 2013-14	28-Jan-14	15-Apr-15	50	500	—
TCFSL NCD 'BU' FY 2013-14	14-Mar-14	14-Apr-15	744	7,440	—
TCFSL NCD 'BS' FY 2013-14	13-Mar-14	13-Apr-15	585	5,850	—
TCFSL NCD 'BG' FY 2013-14	18-Feb-14	13-Apr-15	100	1,000	—
TCFSL NCD 'A' FY 2012-13	25-Apr-12	10-Apr-15	200	2,000	2,000
TCFSL NCD 'CA' FY 2013-14	24-Mar-14	8-Apr-15	400	4,000	—
TCFSL NCD 'BL' FY 2013-14	24-Feb-14	7-Apr-15	765	7,650	—
TCFSL NCD 'BZ' FY 2013-14	18-Mar-14	7-Apr-15	561	5,610	—
TCFSL NCD 'BM' FY 2013-14	24-Feb-14	7-Apr-15	380	3,800	—
TCFSL NCD 'BJ' FY 2013-14	21-Feb-14	7-Apr-15	340	3,400	—
TCFSL NCD 'BC' FY 2013-14	12-Feb-14	7-Apr-15	290	2,900	—
TCFSL NCD 'BD' FY 2013-14	13-Feb-14	7-Apr-15	210	2,100	—
TCFSL NCD 'Z' FY 2013-14	10-Oct-13	7-Apr-15	100	1,000	—
TCFSL NCD 'BV' FY 2013-14	14-Mar-14	7-Apr-15	100	1,000	—
TCFSL NCD 'BT' FY 2013-14	14-Mar-14	6-Apr-15	900	9,000	—
TCFSL NCD 'BX' FY 2013-14	18-Mar-14	6-Apr-15	170	1,700	—
TCFSL NCD 'BA' FY 2013-14	7-Feb-14	6-Apr-15	160	1,600	—
TCL NCD 'CK' FY 2011-12	16-Mar-12	6-Apr-15	120	1,101	1,000
TCFSL NCD 'BP' FY 2013-14	28-Feb-14	6-Apr-15	100	1,000	—
TCFSL NCD 'BW' FY 2013-14	14-Mar-14	3-Apr-15	200	2,000	—
TCFSL NCD 'BH' FY 2013-14	18-Feb-14	2-Apr-15	570	5,700	—
TCFSL NCD 'AY' FY 2013-14	6-Feb-14	2-Apr-15	278	2,780	—
TCFSL NCD 'AD' FY 2013-14	8-Nov-13	25-Mar-15	300	3,000	—
TCL NCD 'CL' FY 2011-12	20-Mar-12	13-Mar-15	250	2,500	2,500
TCFSL NCD 'H' FY 2012-13	10-May-12	9-Mar-15	100	1,000	1,000
TCL NCD 'CI' FY 2011-12	7-Mar-12	6-Mar-15	100	1,000	1,000
TCL NCD 'CD' FY 2011-12	23-Feb-12	9-Feb-15	300	3,000	3,000
TCL NCD 'BY' FY 2011-12	1-Feb-12	3-Feb-15	50	500	500
TCL NCD 'BW' FY 2011-12	24-Jan-12	27-Jan-15	350	3,263	2,977
TCL NCD 'BX' FY 2011-12	25-Jan-12	23-Jan-15	50	500	500
TCL NCD 'BO' FY 2011-12	9-Jan-12	9-Jan-15	100	1,000	1,000
TCL NCD 'BS' FY 2011-12	19-Jan-12	7-Jan-15	80	800	800
TCL NCD 'BN' FY 2011-12	5-Jan-12	5-Jan-15	2,100	21,000	21,000

**5.5 Particulars of Privately Placed Secured Non-Convertible Debentures (NCDs) outstanding as on March 31, 2014**

(₹ in Lakhs)

Description of NCDs	Issue Date	Redemption Date	Number of NCDs	As on March 31, 2014*	As on March 31, 2013*
TCL NCD 'BM' FY 2011-12	30-Dec-11	29-Dec-14	200	1,877	1,711
TCFSL NCD 'AU' FY 2012-13	24-Dec-12	24-Dec-14	2,600	26,000	26,000
TCFSL NCD 'AT' FY 2012-13	24-Dec-12	24-Dec-14	2,000	–	20,000
TCL NCD 'BE' FY 2011-12	22-Dec-11	22-Dec-14	1,500	15,000	15,000
TCL NCD 'BR' FY 2011-12	19-Jan-12	19-Dec-14	350	3,500	3,500
TCFSL NCD 'I' FY 2012-13	10-May-12	15-Dec-14	100	1,000	1,000
TCL NCD 'AZ' FY 2011-12	12-Dec-11	12-Dec-14	150	1,500	1,500
TCL NCD 'BQ' FY 2011-12	13-Jan-12	11-Dec-14	130	1,300	1,300
TCL NCD 'BI' FY 2011-12	26-Dec-11	1-Dec-14	50	500	500
TCL NCD 'AU' FY 2011-12	29-Nov-11	25-Nov-14	165	1,650	1,650
TCFSL NCD 'AR' FY 2012-13	12-Nov-12	12-Nov-14	150	1,500	1,500
TCL NCD 'AJ' FY 2011-12	8-Nov-11	8-Nov-14	50	500	500
TCL NCD 'AG' FY 2011-12	31-Oct-11	4-Nov-14	250	2,500	2,500
TCL NCD 'AD' FY 2011-12	2-Nov-11	23-Oct-14	70	700	700
TCL NCD 'AK' FY 2011-12	8-Nov-11	23-Oct-14	30	300	300
TCFSL NCD 'AO' FY 2012-13	22-Oct-12	22-Oct-14	500	5,000	5,000
TCFSL NCD 'AN' FY 2012-13	11-Oct-12	10-Oct-14	500	5,000	5,000
TCFSL NCD 'AK' FY 2012-13	25-Sep-12	25-Sep-14	1,500	15,000	15,000
TCFSL NCD 'AL' FY 2012-13	25-Sep-12	25-Sep-14	900	9,000	9,000
TCL NCD 'P' FY 2011-12	19-Sep-11	11-Sep-14	350	3,500	3,500
TCFSL NCD 'AI' FY 2012-13	7-Sep-12	7-Sep-14	1,500	–	15,000
TCL NCD 'O' FY 2011-12	19-Sep-11	5-Sep-14	100	1,000	1,000
TCFSL NCD 'K' FY 2013-14	3-Jun-13	3-Sep-14	2,000	20,000	–
TCFSL NCD 'O' FY 2012-13	17-May-12	20-Aug-14	400	4,000	4,000
TCFSL NCD 'Q' FY 2012-13	17-May-12	20-Aug-14	250	2,500	2,500
TCL NCD 'L' FY 2009-10	17-Aug-09	18-Aug-14	200	2,000	2,000
TCL NCD 'I' FY 2011-12	29-Jul-11	29-Jul-14	250	2,500	2,500
TCL NCD 'H' FY 2011-12	29-Jul-11	29-Jul-14	18	180	180
TCFSL NCD 'N' FY 2013-14	28-Jun-13	28-Jul-14	251	2,510	–
TCFSL NCD 'AC' FY 2012-13	24-Jul-12	24-Jul-14	750	7,500	7,500
TCFSL NCD 'AB' FY 2012-13	20-Jul-12	18-Jul-14	1,000	10,000	10,000
TCFSL NCD 'N' FY 2012-13	17-May-12	17-Jul-14	350	3,500	3,500
TCFSL NCD 'P' FY 2012-13	17-May-12	17-Jul-14	250	2,500	2,500
TCL NCD 'BU' FY 2011-12	20-Jan-12	10-Jul-14	185	1,850	1,850
TCFSL NCD 'AV' FY 2012-13	11-Jan-13	23-Jun-14	190	1,900	1,900
TCFSL NCD 'X' FY 2012-13	21-Jun-12	20-Jun-14	1,000	10,000	10,000
TCFSL NCD 'B' FY 2013-14	18-Apr-13	23-May-14	400	4,000	–
TCFSL NCD 'L' FY 2012-13	14-May-12	14-May-14	500	5,000	5,000
TCFSL NCD 'K' FY 2012-13	14-May-12	14-May-14	400	4,000	4,000
TCL NCD 'CA' FY 2011-12	9-Feb-12	13-May-14	160	1,600	1,600
TCFSL NCD 'J' FY 2012-13	11-May-12	12-May-14	1,000	10,000	10,000

**5.5 Particulars of Privately Placed Secured Non-Convertible Debentures (NCDs) outstanding as on March 31, 2014**

(₹ in Lakhs)

Description of NCDs	Issue Date	Redemption Date	Number of NCDs	As on March 31, 2014*	As on March 31, 2013*
TCFSL NCD 'M' FY 2012-13	14-May-12	12-May-14	900	9,000	9,000
TCFSL NCD 'R' FY 2012-13	18-May-12	8-May-14	330	3,300	3,300
TCFSL NCD 'F' FY 2012-13	9-May-12	5-May-14	200	2,000	2,000
TCFSL NCD 'BB' FY 2012-13	23-Jan-13	30-Apr-14	125	1,250	1,250
TCL NCD 'CM' FY 2011-12	19-Mar-12	29-Apr-14	110	1,100	1,100
TCFSL NCD 'BG' FY 2012-13	26-Mar-13	25-Apr-14	569	5,690	5,690
TCFSL NCD 'AP' FY 2012-13	22-Oct-12	22-Apr-14	500	5,000	5,000
TCFSL NCD 'AW' FY 2012-13	11-Jan-13	16-Apr-14	160	1,600	1,600
TCFSL NCD 'BD' FY 2012-13	18-Feb-13	8-Apr-14	50	500	500
TCFSL NCD 'W' FY 2012-13	7-Jun-12	4-Apr-14	140	1,400	1,400
TCFSL NCD 'BH' FY 2012-13	28-Mar-13	3-Apr-14	100	1,000	1,000
TCFSL NCD 'BC' FY 2012-13	13-Feb-13	2-Apr-14	1,000	10,000	10,000
TCFSL NCD 'AF' FY 2012-13	13-Aug-12	13-Feb-14	1,500	–	15,000
TCL NCD 'BZ' FY 2011-12	3-Feb-12	3-Feb-14	110	–	1,100
TCL NCD 'F' FY 2011-12	27-Jul-11	15-Jan-14	64	–	640
TCL NCD 'BT' FY 2011-12	16-Jan-12	30-Dec-13	750	–	7,500
TCL NCD 'BL' FY 2011-12	28-Dec-11	23-Dec-13	56	–	563
TCL NCD 'BF' FY 2011-12	22-Dec-11	20-Dec-13	250	–	2,500
TCL NCD 'BH' FY 2011-12	23-Dec-11	19-Dec-13	141	–	1,406
TCL NCD 'BD' FY 2011-12	15-Dec-11	17-Dec-13	141	–	1,407
TCL NCD 'BB' FY 2011-12	12-Dec-11	4-Dec-13	141	–	1,410
TCL NCD 'BA' FY 2011-12	12-Dec-11	2-Dec-13	105	–	1,050
TCL NCD 'AT' FY 2011-12	28-Nov-11	25-Nov-13	85	–	850
TCL NCD 'AP' FY 2011-12	21-Nov-11	25-Nov-13	283	–	2,827
TCL NCD 'AS' FY 2011-12	28-Nov-11	18-Nov-13	57	–	570
TCL NCD 'AR' FY 2011-12	21-Nov-11	18-Nov-13	113	–	1,133
TCL NCD 'AQ' FY 2011-12	21-Nov-11	13-Nov-13	183	–	1,833
TCL NCD 'AN' FY 2011-12	9-Nov-11	8-Nov-13	250	–	2,500
TCFSL NCD 'AM' FY 2012-13	9-Oct-12	5-Nov-13	654	–	6,540
TCL NCD 'AL' FY 2011-12	8-Nov-11	3-Nov-13	50	–	500
TCL NCD 'AE' FY 2011-12	25-Oct-11	28-Oct-13	190	–	1,900
TCL NCD 'AF' FY 2011-12	25-Oct-11	25-Oct-13	150	–	1,500
TCL NCD 'Z' FY 2011-12	17-Oct-11	16-Oct-13	150	–	1,500
TCL NCD 'P' FY 2010-11	27-Sep-10	26-Sep-13	50	–	500
TCL NCD 'Q' FY 2011-12	19-Sep-11	26-Sep-13	393	–	3,927
TCL NCD 'T' FY 2011-12	29-Sep-11	26-Sep-13	450	–	4,501
TCL NCD 'S' FY 2011-12	27-Sep-11	13-Sep-13	50	–	500
TCL NCD 'N' FY 2011-12	23-Aug-11	3-Sep-13	250	–	2,500
TCL NCD 'CC' FY 2011-12	14-Feb-12	30-Aug-13	1,225	–	12,252
TCL NCD 'M' FY 2010-11	23-Aug-10	23-Aug-13	300	–	3,000
TCL NCD 'CG' FY 2011-12	28-Feb-12	14-Aug-13	40	–	400

**5.5 Particulars of Privately Placed Secured Non-Convertible Debentures (NCDs) outstanding as on March 31, 2014**

(₹ in Lakhs)

Description of NCDs	Issue Date	Redemption Date	Number of NCDs	As on March 31, 2014*	As on March 31, 2013*
TCL NCD 'L' FY 2011-12	12-Aug-11	12-Aug-13	400	–	4,000
TCL NCD 'G' FY 2011-12	29-Jul-11	29-Jul-13	17	–	170
TCL NCD 'K' FY 2011-12	12-Aug-11	29-Jul-13	100	–	1,000
TCL NCD 'I' FY 2010-11	26-Jul-10	26-Jul-13	250	–	2,500
TCL NCD 'R' FY 2010-11	15-Nov-10	26-Jul-13	100	–	1,000
TCL NCD 'J' FY 2011-12	26-Jul-11	26-Jul-13	632	–	6,322
TCL NCD 'Y' FY 2011-12	17-Oct-11	24-Jul-13	500	–	5,000
TCL NCD 'CB' FY 2011-12	13-Feb-12	22-Jul-13	63	–	630
TCL NCD 'E' FY 2011-12	21-Jul-11	18-Jul-13	250	–	2,500
TCL NCD 'D' FY 2011-12	15-Jul-11	15-Jul-13	400	–	4,000
TCL NCD 'BP' FY 2011-12	6-Jan-12	2-Jul-13	87	–	870
TCL NCD 'C' FY 2011-12	30-Jun-11	30-Jun-13	400	–	4,000
TCL NCD 'BJ' FY 2011-12	26-Dec-11	24-Jun-13	100	–	1,000
TCL NCD 'BK' FY 2011-12	26-Dec-11	20-Jun-13	200	–	2,000
TCL NCD 'B' FY 2011-12	30-Jun-11	17-Jun-13	100	–	1,000
TCL NCD 'BG' FY 2011-12	22-Dec-11	12-Jun-13	50	–	500
TCL NCD 'BC' FY 2011-12	12-Dec-11	5-Jun-13	150	–	1,500
TCL NCD 'AX' FY 2011-12	1-Dec-11	3-Jun-13	300	–	3,000
TCL NCD 'CJ' FY 2011-12	16-Mar-12	31-May-13	30	–	300
TCL NCD 'H' FY 2010-11	14-Jun-10	30-May-13	700	–	7,000
TCL NCD 'AY' FY 2011-12	1-Dec-11	30-May-13	269	–	2,690
TCL NCD 'AV' FY 2011-12	1-Dec-11	29-May-13	60	–	600
TCL NCD 'AW' FY 2011-12	1-Dec-11	28-May-13	150	–	1,500
TCL NCD 'CH' FY 2011-12	2-Mar-12	21-May-13	83	–	830
TCL NCD 'AO' FY 2011-12	11-Nov-11	16-May-13	800	–	8,000
TCL NCD 'V' FY 2011-12	7-Oct-11	15-May-13	500	–	5,000
TCL NCD 'AI' FY 2011-12	1-Nov-11	5-May-13	150	–	1,500
TCL NCD 'AB' FY 2011-12	25-Oct-11	26-Apr-13	250	–	2,500
TCL NCD 'AH' FY 2011-12	31-Oct-11	22-Apr-13	130	–	1,300
TCL NCD 'AC' FY 2011-12	25-Oct-11	20-Apr-13	100	–	1,000
TCL NCD 'Q' FY 2010-11	18-Oct-10	18-Apr-13	1,500	–	15,000
TCL NCD 'BV' FY 2011-12	20-Jan-12	12-Apr-13	150	–	1,500
TCL NCD 'W' FY 2011-12	12-Oct-11	9-Apr-13	100	–	1,000
TCL NCD 'CF' FY 2011-12	27-Feb-12	8-Apr-13	160	–	1,600
TCL NCD 'U' FY 2011-12	10-Oct-11	4-Apr-13	200	–	2,000
TCL NCD 'E' FY 2010-11	3-May-10	1-Apr-13	350	–	3,500
<b>TOTAL</b>				<b>682,251</b>	<b>628,080</b>
Of which current maturities classified under Current liabilities in note No. 9				(271,172)	(179,619)
<b>TOTAL</b>				<b>411,079</b>	<b>448,461</b>

\* Net of unamortised discount of ₹ 459 Lakhs (Previous Year : ₹ 2,680 Lakhs).

\* Note : Coupon rate of NCDs outstanding as on March 31, 2014 varies from 8.35% to 11.25% (Previous Year : Varies from 10% to 10.35%)

### 5.6 Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2014

Description of NCD	Issue Date	Put/Call option Date	Redemption Date	Number of NCDs	₹ in Lakhs
TCL NCD Option I (2014)	March 6, 2009	N.A.	March 5, 2019	310	310
TCL NCD Option II (2014)	March 6, 2009	N.A.	March 5, 2019	177,875	1,779
TCL NCD Option III (2014)	March 6, 2009	N.A.	March 5, 2019	1,497,029	14,970
TCL NCD Option IV (2014)	March 6, 2009	N.A.	March 5, 2019	1,175,939	11,759
<b>TOTAL</b>					<b>28,818</b>

Note : Coupon rate of above outstanding as on March 31, 2014 varies from 9.75% to 10.50%

Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2013.

Description of NCD	Issue Date	Put/Call option Date	Redemption Date	Number of NCDs	₹ in Lakhs
TCL NCD Option I (2009)	March 6, 2009	N.A.	March 5, 2014	1,540	1,540
TCL NCD Option II (2009)	March 6, 2009	N.A.	March 5, 2014	875,288	8,753
TCL NCD Option III (2009)	March 6, 2009	N.A.	March 5, 2014	3,026,458	30,265
TCL NCD Option IV (2009)	March 6, 2009	N.A.	March 5, 2014	1,994,454	19,944
<b>TOTAL</b>					<b>60,502</b>

Of the above, debentures aggregating to ₹ 60,502 Lakhs are due for redemption before March 31, 2014 consequent to the debenture holder exercising their put option which has been included in Current Liabilities (see note No. 9).

Note : Coupon rate of above outstanding as on March 31, 2013 varies from 9.75% to 10.50%

### 5.7 Particulars of unsecured redeemable non convertible subordinated debentures (Tier II Bonds) outstanding as on March 31, 2014

Description of NCD	Issue Date	Redemption Date	Number of NCDs	₹ in Lakhs*
TCL Tier II Bond 'A' FY 2009-10	4-Aug-09	4-Aug-19	391	3,910
TCL Tier II Bond 'B' FY 2009-10	9-Sep-09	9-Sep-19	1,704	17,040
TCL Tier II Bond 'C' FY 2009-10	28-Oct-09	28-Oct-19	1,479	7,395
TCL Tier II Bond 'D' FY 2009-10	28-Oct-09	28-Oct-19	1,580	7,900
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	3,269
TCL Tier II Bond 'G' FY 2009-10	18-Dec-09	18-Dec-19	3,000	15,000
TCL Tier II Bond 'H' FY 2009-10	24-Dec-09	24-Dec-19	1,000	5,000
<b>TOTAL</b>				<b>88,139</b>

\*Net of unamortised discount of ₹ 2,406 Lakhs

Note : Coupon rate of above outstanding as on March 31, 2014 varies from 9.8% to 10.5%

Particulars of unsecured redeemable non convertible subordinated debentures (Tier II Bonds) outstanding as on March 31, 2013.

Description of NCD	Issue Date	Redemption Date	Number of NCDs	₹ in Lakhs*
TCL Tier II Bond 'A' FY 2009-10	4-Aug-09	4-Aug-19	391	3,910
TCL Tier II Bond 'B' FY 2009-10	9-Sep-09	9-Sep-19	1,704	17,040
TCL Tier II Bond 'C' FY 2009-10	28-Oct-09	28-Oct-19	1,479	7,395
TCL Tier II Bond 'D' FY 2009-10	28-Oct-09	28-Oct-19	1,580	7,900
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	2,965
TCL Tier II Bond 'G' FY 2009-10	18-Dec-09	18-Dec-19	3,000	15,000
TCL Tier II Bond 'H' FY 2009-10	24-Dec-09	24-Dec-19	1,000	5,000
<b>TOTAL</b>				<b>87,835</b>

\*Net of unamortised discount of ₹ 2,710 Lakhs

Note : Coupon rate of above outstanding as on March 31, 2013 varies from 9.8% to 10.5%



**5.8 Particulars of unsecured non convertible perpetual debentures outstanding as on March 31, 2014**

Description of NCD	Issue Date	Number of NCDs	₹ in Lakhs
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
<b>TOTAL</b>			<b>10,000</b>

Note : Coupon rate of above outstanding as on March 31, 2014 varies from 10% to 11.25%

Particulars of unsecured non convertible perpetual debentures outstanding as on March 31, 2013

Description of NCD	Issue Date	Number of NCDs	₹ in Lakhs
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
<b>TOTAL</b>			<b>645</b>

Note : Coupon rate of above outstanding as on March 31, 2013 varies from 10% to 11.25%

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Funds Raised through Perpetual Debt Instruments	<b>9,355</b>	–
Amount outstanding at the end of year	<b>10,000</b>	645
Percentage of amount of Perpetual Debt Instruments of the amount of Tier I Capital	<b>3.28%</b>	0.22%
Financial year in which interest on Perpetual Debt Instruments is not paid on account of 'Lock-In Clause'.	N.A.	

**5.9 Public issue of Non-convertible debentures includes the debentures issued to Key Management Personnel ₹ 20 lakhs (Previous Year : ₹ 20 Lakhs).**

**6. LONG TERM LIABILITIES**

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
<b>(a) Others</b>		
(i) Interest accrued but not due on borrowings	5,923	9,418
(ii) Income received in advance	233	524
(iii) Payables for capital expenditure	–	2,644
<b>Total</b>	<b>6,156</b>	<b>12,586</b>

**7. LONG-TERM PROVISIONS**

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Provision for employee benefits	126	145
(b) Contingency provisions against Standard Assets	2,833	2,713
<b>Total</b>	<b>2,959</b>	<b>2,858</b>

**8. SHORT-TERM BORROWINGS**

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
<b>(a) Loans repayable on demand</b>		
<b>From Banks</b>		
<b>Secured</b>		
(i) Working capital loan repayable on demand (Refer Note No. 5.3 above and note below)	65,000	40,000
(ii) Bank Overdraft	247,279	244,867
<b>Unsecured</b>		
(i) Working capital loan repayable on demand (Refer Note No. 5.3 above and note below)	2,200	–
(ii) Bank Overdraft	–	20,000
<b>(b) Other loans and advances</b>		
<b>Unsecured</b>		
(i) Term Loans From Banks	20,000	10,000
(ii) Commercial paper [Net of unamortised discount of ₹ 7,257 Lakhs (as at March 31, 2013 : ₹ 4,570 Lakhs)]	265,598	264,230
(iii) Inter Corporate Deposits from Related Parties	33,090	200
(iv) Inter Corporate Deposits from Others	715	715
<b>Total</b>	<b>633,882</b>	<b>580,012</b>

**Notes**

8.1 Terms of repayment of term loans and other loans:

- Loan from banks and other includes ₹ 65,000 Lakhs (Previous Year: ₹ 40,000 Lakhs) repayable on demand.

8.2 Discount on Commercial Paper varies between 7.94% to 12.00%

**9. TRADE PAYABLES**

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
<b>(a) Due to micro and small enterprises (Refer Note below)</b>	–	–
<b>(b) Others</b>		
(i) Accrued employee benefit expenses	2,874	2,767
(ii) Accrued expenses	8,830	8,046
(iii) Others	12,667	14,850
<b>Total</b>	<b>24,371</b>	<b>25,663</b>

**Note:** The Company has received intimation from some “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the intimation received, there are no amounts unpaid as at the year end.

## 10. CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
<b>(a) Current maturities of long-term debt</b>		
<b>(i) Bonds/Debentures</b>		
<b>Secured</b>		
Privately Placed Non-Convertible Debentures (Refer Note 5.1 and 5.5 above) [Net of unamortised discount of ₹ 458 Lakhs (as at March 31, 2013: ₹ 1,671 Lakhs)]	271,172	179,619
Public issue of Non-Convertible Debentures (Refer Note No. 5.2 and 5.6 above)	–	60,502
<b>(ii) Term Loans</b>		
<b>Secured</b>		
From Banks (Refer Note No. 5.3 and 5.4 above)	187,500	135,000
<b>Unsecured</b>		
From Banks (Refer Note No. 5.3 and 5.4 above)	10,000	65,000
<b>(b) Interest accrued but not due on borrowings</b>	43,395	40,067
<b>(c) Income received in advance</b>	1,049	550
<b>(d) Unclaimed debenture application money and interest accrued thereon</b>	1	1
<b>(e) Other payables</b>		
(i) Security Deposit received	7,931	6,444
(ii) Statutory Dues	929	824
(iii) Payables for capital expenditure	3,837	420
(iv) Advance repayments from Customers	4,141	3,544
<b>Total</b>	<b>529,955</b>	<b>491,971</b>

## 11. SHORT TERM PROVISIONS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
<b>(a) Provision for employee benefits</b>	414	385
<b>(b) Provision - Others</b>		
(i) Contingent Provisions against Standard Assets	2,823	2,627
(ii) Provision for tax, net of advance tax	2,574	5,193
(iii) Provision for Interim Dividend	6,488	3,893
(iv) Tax on Interim Dividend	1,103	631
<b>Total</b>	<b>13,402</b>	<b>12,729</b>

## 12. FIXED ASSETS

(₹ in Lakhs)

Particulars	Gross Block			Accumulated depreciation and amortisation			Net Carrying Value			
	Opening balance as at April 1, 2013	Additions/ Adjustments	Deletions	Closing balance as at March 31, 2014	Opening balance as at April 1, 2013	Depreciation/ Amortisation for the period	Deletions/ Adjustments	Closing balance as at March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>TANGIBLE FIXED ASSETS</b>										
Buildings	4,813 (4,813)	104 (0)	- (0)	4,917 (4,813)	501 (309)	197 (192)	- (0)	698 (501)	4,219 (4,312)	4,312 (4,504)
Leasehold Improvements	2,785 (2,727)	457 (161)	- (103)	3,242 (2,785)	1,346 (1,022)	346 (373)	- (49)	1,692 (1,346)	1,550 (1,439)	1,439 (1,705)
Furniture & Fixtures	724 (730)	134 (47)	- (53)	858 (724)	374 (331)	93 (61)	- (18)	467 (374)	391 (350)	350 (399)
Computer Equipment	560 (569)	3 (2)	1 (11)	562 (560)	520 (495)	35 (36)	1 (11)	554 (520)	8 (40)	40 (74)
Office Equipment	1,112 (1,192)	72 (175)	- (255)	1,184 (1,112)	320 (276)	124 (132)	- (88)	444 (320)	740 (792)	792 (886)
Plant & Machinery	492 (385)	56 (150)	- (43)	548 (492)	147 (112)	54 (52)	- (17)	201 (147)	347 (345)	345 (303)
Vehicles	903 (671)	208 (504)	123 (272)	988 (903)	370 (413)	213 (189)	109 (232)	474 (370)	514 (533)	533 (258)
<b>ASSETS GIVEN UNDER OPERATING LEASE/RENTAL</b>										
Construction Equipment	11,523 (11,496)	8,640 (27)	722 (-)	19,441 (11,523)	3,022 (1,954)	1,492 (1,068)	309 (-)	4,205 (3,022)	15,236 (8,501)	8,501 (9,542)
Vehicles	8,228 (7,162)	2,056 (2,247)	2,092 (1,181)	8,192 (8,228)	3,035 (1,926)	1,977 (1,646)	1,285 (537)	3,727 (3,035)	4,465 (5,193)	5,193 (5,236)
Plant & Machinery	1,844 (1,054)	926 (790)	- (-)	2,770 (1,844)	433 (200)	236 (233)	- (-)	669 (433)	2,101 (1,411)	1,411 (824)
Computer Equipment	2,260 (94)	5,264 (2,166)	- (-)	7,524 (2,260)	315 (19)	1,058 (296)	- (-)	1,373 (315)	6,151 (1,945)	1,945 (75)
Furniture & Fixtures	- (0)	260 (0)	- (0)	260 (0)	- (0)	10 (0)	- (0)	10 (0)	250 (0)	- (0)
Office Equipments	309 (179)	120 (130)	- (-)	429 (309)	52 (12)	30 (40)	- (0)	82 (52)	347 (257)	257 (197)
<b>TANGIBLE FIXED ASSETS - TOTAL</b>	<b>35,553</b> (6,399)	<b>18,300</b> (1,918)	<b>2,938</b> (35,553)	<b>50,915</b> (7,069)	<b>10,435</b> (4,318)	<b>5,865</b> (952)	<b>1,704</b> (10,435)	<b>14,596</b> (25,118)	<b>36,319</b> (-)	<b>25,118</b>
<b>INTANGIBLE FIXED ASSETS (other than internally generated)</b>										
Goodwill	7,804 (7,804)	- (0)	- (0)	7,804 (7,804)	- (0)	- (0)	- (0)	- (0)	7,804 (7,804)	7,804 (7,804)
Software	270 (246)	259 (24)	- (0)	529 (270)	266 (225)	52 (41)	318 (0)	211 (266)	211 (4)	4 (21)
<b>INTANGIBLE FIXED ASSETS - TOTAL</b>	<b>8,074</b> (-)	<b>259</b> (24)	<b>-</b> (0)	<b>8,333</b> (8,074)	<b>266</b> (225)	<b>52</b> (41)	<b>-</b> (0)	<b>318</b> (266)	<b>8,015</b> (7,808)	<b>7,808</b> (7,825)
<b>Total</b>	<b>43,627</b>	<b>18,559</b>	<b>2,938</b>	<b>59,248</b>	<b>10,701</b>	<b>5,917</b>	<b>1,704</b>	<b>14,914</b>	<b>44,334</b>	<b>32,926</b>
Previous financial year										
Capital work-in-progress	88	152	-							
Intangible assets under development	-	259	-							
<b>Total</b>	<b>44,422</b>	<b>33,337</b>	<b>-</b>							

Figures in bracket relates to previous year.

**Note :** Rupee Liability has increased by Rs. 459 Lakhs (Previous Year : decrease of Rs. 124 lakhs) arising out of revaluation of the value of foreign currency loans for procurement of fixed assets. This increase has been adjusted in the carrying cost of respective fixed assets.

## 13. INVESTMENTS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014		As at March 31, 2013	
	Non-Current Investment	Current portion of Long Term Investment	Non-Current Investment	Current portion of Long Term Investment
<b>LONG TERM INVESTMENTS (at cost)</b>				
<b>Investment in Associates</b>				
<b>Unquoted :</b>				
Investment in Equity Shares	3,313	–	2,388	–
Investment in Security Receipts	777	–	–	–
<b>Investment in Others</b>				
<b>Quoted :</b>				
Investment in Equity Shares	23,499	19,405	23,499	–
Investment in Debentures	29,347	4,803	38,794	24,733
Investment in Government Securities	8,026	1,481	5,074	–
<b>Unquoted :</b>				
Investment in Equity Shares	1,406	–	3,155	–
Investment in Preference Shares	9,835	1,022	7,491	811
Investment in Debentures	23,760	17,458	33,967	13,539
Investment in Pass Through Certificates	6,435	719	6,184	726
<b>Sub-total</b>	<b>106,398</b>	<b>44,888</b>	<b>120,552</b>	<b>39,809</b>
Less: Provision for diminution in value of investments	(15,801)	(146)	(8,105)	(68)
<b>Total Long Term Investments</b>	<b>90,597</b>	<b>44,742</b>	<b>112,447</b>	<b>39,741</b>

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
<b>CURRENT INVESTMENTS (At lower of cost and fair value, unless otherwise stated)</b>		
<b>Quoted :</b>		
Investment in Debentures	8,510	5,845
<b>Unquoted :</b>		
Investment in Units of Mutual Funds	50	50
Investment in Pass Through Certificates	10,297	–
<b>Total Current Investments</b>	<b>18,857</b>	<b>5,895</b>

## TOTAL INVESTMENTS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014		As at March 31, 2013	
	Non-Current Investment	Current Investment	Non-Current Investment	Current Investment
<b>Total Investments</b>	<b>90,597</b>	<b>63,599</b>	<b>112,447</b>	<b>45,636</b>
Book value of Quoted investments	45,992	34,053	60,183	30,532
Market value of Quoted investments	48,070	39,315	51,615	30,743
Book value of Unquoted investments	44,605	29,546	52,264	15,104

**SCRIPT-WISE DETAILS OF INVESTMENTS AS ON MARCH 31, 2014**

(₹ in Lakhs)

PARTICULARS	Face value Per Unit ₹	No. of Units	As at March 31, 2014		As at March 31, 2013	
			Non-Current Investment	Current portion of Long Term Investment	Non-Current Investment	Current portion of Long Term Investment
<b>LONG TERM INVESTMENTS</b>						
<b>Investments in Associates</b>						
<b>Unquoted :</b>						
<b>Investment in Equity Shares (Non-Trade)</b>						
International Asset Reconstruction Company Pvt. Ltd.	10	13,946,295	3313	–	–	–
Precision Camshafts Limited			–	–	2,388	–
			3,313	–	2,388	–
<b>Investment in Security Receipts</b>						
International Asset Reconstruction Company Pvt. Ltd.	1,000	40,128	777	–	–	–
			777	–	–	–
<b>Investments in Others</b>						
<b>Quoted :</b>						
<b>Investment in Equity Shares (Non-Trade)</b>						
Hindustan Unilever Limited	1	2,000	5	–	5	–
Development Credit Bank Limited	10	6,587,210	6,917	–	6,917	–
Praj Industries Limited	2	13,422,400	16,577	–	16,577	–
State Bank of India	10	1,277,920	–	19,405	–	–
			23,499	19,405	23,499	–
<b>Investment in Debentures (Trade)</b>						
5% Trent Limited	1,000,000	100	1,000	–	1,000	–
8% JSW Techno Projects Management Limited	–	–	–	–	–	15,500
11.40% ABG Shipyard Limited	–	–	–	–	–	4,003
10.40% Meghmani Organics Limited	100,000	4,000	2,000	2,000	4,000	–
11.80% Elder Pharmaceuticals Limited	1,000,000	150	375	500	875	500
11.25% Lloyd Electric and Engineering Limited	–	–	–	–	1,333	667
12.75% Diamond Power Infra limited	100,000	1,700	1,360	340	1,700	–
10.75% Kiri Industries Limited	1,000,000	250	1,375	625	2,000	375
12.08% Shree Renuka Sugars Limited	–	–	–	–	3,300	3,300
10.75% Kiri Industries Limited -Series B	1,000,000	150	937	338	1,274	188
10.50% Tulip Telecom Limited- CDR	1,000,000	1,850	18,500	–	18,512	–
12.65% Consolidated Construction Consortium Limited	1,000,000	200	800	1,000	1,800	200
12.90% Godawari Power and Ispat Limited	1,000,000	300	3,000	–	3,000	–
			29,347	4,803	38,794	24,733
<b>Investment in Government Securities (Non-Trade)</b>						
6.07% GOI 2014	–	–	–	1,481	1,481	–
6.49% GOI 2015	–	–	499	–	499	–
6.90% GOI 2019	–	–	1,504	–	1,504	–
8.07% GOI 2017	–	–	1,989	–	–	–
8.07% GOI 2017	–	–	2,444	–	–	–
7.94% GOI 2021	–	–	1,590	–	1,590	–
			8,026	1,481	5,074	–



## SCRIPT-WISE DETAILS OF INVESTMENTS AS ON MARCH 31, 2014

(₹ in Lakhs)

PARTICULARS	Face value Per Unit ₹	No. of Units	As at March 31, 2014		As at March 31, 2013	
			Non-Current Investment	Current portion of Long Term Investment	Non-Current Investment	Current portion of Long Term Investment
<b>Unquoted :</b>						
<b>Investment in Equity Shares (Non-Trade)</b>						
QuikJet Cargo Airlines Private Limited	10	3,259,008	339	–	339	–
Lands End Properties Limited	10	1,990,000	199	–	199	–
International Asset Reconstruction Company Pvt. Ltd.			–	–	2421	–
Adithya Automotives Private Limited	10	1,396,500	140	–	140	–
Financial Plan Corporation Limited			–	–	56	–
Aricent Technologies Holdings Limited (formerly Flextronics Software Systems Limited)*	10	8	–	–	–	–
SKS Ispat & Power Ltd	10,000	3,202,905	728	–	–	–
			1,406	–	3,155	–
<b>Investment in Preference Shares (Non-Trade)</b>						
12% KCP Limited Cumulative Redeemable Preference Shares	10	15,000,000	–	800	800	700
14.75% QuikJet Cargo Airlines Private Limited Convertible Cumulative Redeemable Preference Shares		–	–	–	113	–
0.001% QuikJet Cargo Airlines Private Limited Convertible Cumulative Preference Shares	10	5,866,240	587	–	469	–
11.50% Mcnally Bharat Engineering Co Ltd Cumulative Non Convertible Redeemable Preference Shares	100	625,000	4,000	–	4,000	–
0.001% Spandana Spoorthy Financial Limited Optionally Convertible Cumulative Redeemable Preference Shares	10	20,400,000	1,734	204	1,938	102
11.35% Coromondal Engineering Pvt. Ltd	10	2,500,000	840	–	–	–
Varroc Engineering Pvt Ltd Series A CCPS	100	2,521,007	2,521	–	–	–
0.001% Share Microfin Limited Optionally Convertible Cumulative Redeemable Preference Shares	10	1,800,000	153	18	171	9
			9,835	1,022	7,491	811
<b>Investment in Debentures (Trade)</b>						
14% Ind Swiff Laboratories Limited	–	–	–	–	–	120
11.15% JBF Industries Limited	100,000	300	–	200	200	200
9% East Coast Constructions and Industries Limited	1,000	350,000	1,050	2,450	–	3,500
8% IOT Utkal Energy Services Limited	10	100,000,000	10,000	–	10,000	–
16% Hiranandani Realtors Private Limited - Series A	–	–	–	–	625	1,250
16% Hiranandani Realtors Private Limited - Series B	–	–	–	–	625	1,250
15% Hiranandani Realtors Private Limited - Series C	–	–	–	–	2,500	2,500
13.65% Metropolitan Infrahousing Private Limited	10,000,000	75	–	7,500	7,500	–
5.64% Mandava Holding Private Limited	50,000,000	8	–	2,218	2,218	2,218
8% JL Power Ventures Pvt Limited	10,000,000	38	3,800	–	3,800	–

**SCRIPT-WISE DETAILS OF INVESTMENTS AS ON MARCH 31, 2014**

(₹ in Lakhs)

PARTICULARS	Face value Per Unit ₹	No. of Units	As at March 31, 2014		As at March 31, 2013	
			Non-Current Investment	Current portion of Long Term Investment	Non-Current Investment	Current portion of Long Term Investment
12.40%TRIF Amritsar Projects Pvt. Ltd.	1,000,000	200	1,964	36	2,000	–
12.40%TRIF Amritsar Projects Pvt. Limited - Series C	1,000,000	150	1,473	27	–	–
12.40%TRIF Amritsar Projects Pvt. Limited - Series D	1,000,000	150	1,473	27	–	–
11% Cargo Solar Power Gujrat Limited	10,000	11,250	1,125	–	–	–
11% Cargo Solar Power Gujrat Limited	10,000	8,750	875	–	–	–
14.50% Arohi Infrastructure Private Limited	100	5,000,000	–	5,000	2,499	2,501
			21,760	17,458	31,967	13,539
<b>Investment in Debentures (Non-Trade)</b>						
10.90% Tata Motor Finance Limited	500,000	400	2,000	–	2,000	–
			2,000	–	2,000	–
<b>Investment in Pass Through Certificates</b>						
Jindal ITF Limited - Series A to E			6,435	719	6,184	726
			6,435	719	6,184	726
<b>Less: Provision for diminution in value of investments</b>			(15,801)	(146)	(8,105)	(68)
<b>Total Long Term Investments</b>			90,597	44,742	112,447	39,741
<b>CURRENT INVESTMENTS</b>						
<b>Quoted :</b>						
<b>Investment in Debentures (Non-Trade)</b>						
12.90% Cholamandalam Investment & Finance Company Limited	500,000	1,235		6,010		3,345
10.25% Shriram Commercial Vehicle Finance Limited	1,000,000	250		2,500		2,500
				8,510		5,845
<b>Unquoted :</b>						
<b>Investment in Pass Through Certificates</b>						
Tata Motors Limited - Series B				1,277		–
Tata Motors Limited - Series C				9,020		–
				10,297		–
<b>Investment in Units of Mutual Funds (Non-Trade)</b>						
HDFC Debt Fund For Cancer Cure	10	500,000		50		50
				50		50
<b>Total Current Investments</b>				18,857		5,895
<b>TOTAL INVESTMENTS</b>			90,597	63,599	112,447	45,636
Book value of Quoted investments			45,992	34,053	60,183	30,532
Market value of Quoted investments			48,070	39,315	51,615	30,743
Book value of Unquoted investments			44,605	29,546	52,264	15,104

\* amount less than ₹ 50,000.

## 14. DEFERRED TAX ASSET

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
<b>Deferred Tax Assets on :-</b>		
Provision for non-performing assets	6,261	4,033
Provision for Restructured Advances	941	–
Provision for Standard Assets	1,923	1,816
Depreciation on fixed assets	–	–
Employee benefits	183	224
Other deferred tax assets	818	649
<b>Deferred Tax Liabilities on :-</b>		
Debenture issue expenses	(265)	(315)
Depreciation on fixed assets	(2,301)	(1,176)
<b>Net Deferred Tax Asset</b>	<b>7,560</b>	<b>5,231</b>

Note : Includes adjustment of Rs.Nil (Previous Year : ₹ 633 Lakhs) on account of deferred tax liability arising in respect of tax depreciation on goodwill claimed for earlier years.

## 15. LOANS AND ADVANCES - FINANCING ACTIVITY

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
<b>NON-CURRENT</b>		
<b>(a) Secured Loans</b>		
(i) Considered good	849,113	809,059
(ii) Considered doubtful	5,225	2,203
	854,338	811,262
Less: Provision for doubtful loans	5,225	2,203
Less: Provisions against restructured standard assets	2,674	–
	846,439	809,059
<b>(b) Unsecured Loans</b>		
(i) Considered good	66,110	73,830
(ii) Considered doubtful	29	51
	66,139	73,881
Less: Provision for doubtful loans	29	51
	66,110	73,830
<b>TOTAL</b>	<b>912,549</b>	<b>882,889</b>
<b>CURRENT</b>		
<b>(a) Secured Loans</b>		
(i) Considered good	599,917	564,304
(ii) Considered doubtful	11,952	7,744
	611,869	572,048
<b>Less: Provision for doubtful loans</b>	<b>11,952</b>	<b>7,744</b>
<b>Less: Provisions against restructured standard assets</b>	<b>95</b>	<b>–</b>
	599,822	564,304
<b>(b) Unsecured Loans</b>		
(i) Considered good	538,506	458,771
(ii) Considered doubtful	1,214	1,869

**15. LOANS AND ADVANCES - FINANCING ACTIVITY**

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
	539,720	460,640
Less: Provision for doubtful loans	1,214	1,869
	538,506	458,771
<b>(c) Inter Corporate Deposits (Unsecured - considered good)</b>		
– Related Parties	–	354
<b>TOTAL</b>	<b>1,138,328</b>	<b>1,023,429</b>
<b>TOTAL - LOANS AND ADVANCES FINANCING ACTIVITY</b>	<b>2,050,877</b>	<b>1,906,318</b>

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

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
<b>Gross Investments:</b>		
– Within one year	6,685	525
– Later than one year and not later than five years	4,785	952
<b>Total</b>	<b>11,470</b>	<b>1,477</b>
<b>Unearned Finance Income:</b>		
– Within one year	992	145
– Later than one year and not later than five years	563	200
<b>Total</b>	<b>1,555</b>	<b>345</b>
<b>Present Value of Rentals:</b>		
– Within one year	5,693	380
– Later than one year and not later than five years	4,222	752
<b>Total</b>	<b>9,915</b>	<b>1,132</b>

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

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Capital Advances	3,680	41
(b) Loans and advances to related parties	1,770	1453
(c) Security Deposits	33	30
(d) Advance tax, net of Provision for Tax	1,048	387
(e) Others		
(i) Loan to TCL Employee Welfare Trust	7,296	7,304
(ii) Prepaid Expenses	271	189
<b>Total</b>	<b>14,098</b>	<b>9,404</b>

Note : Includes adjustment of Rs.Nil (Previous Year : ₹ 633 Lakhs) on account of write back of provision for tax for earlier years arising due to tax depreciation on goodwill.

## 17. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Interest Accrued on Investments	1,860	1,618
(b) Deferred Revenue Expenditure (to the extent not written off or adjusted) (Refer Note 21(a) below)	868	1,287
(c) Unamortised loan sourcing costs	2,254	1,904
<b>Total</b>	<b>4,982</b>	<b>4,809</b>

## 18. TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Over six months (from the date due for payment)		
(i) Secured, considered good	–	–
(ii) Unsecured, considered good	51	80
(iii) Doubtful	–	–
	<b>51</b>	<b>80</b>
Less: Provision for trade receivables	–	–
	<b>51</b>	<b>80</b>
(b) Others		
(i) Secured, considered good	–	–
(ii) Unsecured, considered good	311	301
(iii) Doubtful	–	–
	<b>311</b>	<b>301</b>
Less: Provision for trade receivables	–	–
	<b>311</b>	<b>301</b>
<b>Total</b>	<b>362</b>	<b>381</b>

## 19. CASH AND BANK BALANCES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Cash on hand	433	374
(b) Cheques and drafts on hand	1,214	875
(c) Balances with banks		
In Current accounts	24,365	9,192
In Deposit accounts (Refer note (i) and (ii) below)	1	10,001
<b>Total</b>	<b>26,013</b>	<b>20,442</b>

**Notes:**

- (i) Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is ₹ 26,012 Lakh (as at March 31, 2013 ₹10,441 Lakh).
- (ii) 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.

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

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Loans and advances to related parties	744	3,419
(b) Security Deposits	7,206	7,836
(c) Others		
(i) Advances to Vendors	1,695	1,593
(ii) Other advances	2,923	2,393
(iii) Shares/debentures application money	–	5
(iv) Loan and advances to employees	57	133
(v) Prepaid Expenses	243	145
(vi) Balances with government authorities	839	395
<b>Total</b>	<b>13,707</b>	<b>15,919</b>

**21. OTHER CURRENT ASSETS**

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Deferred Revenue Expenditure (to the extent not written off or adjusted) (Refer Note 21(a))	836	840
(b) Receivable on sale of Investment	1,381	269
Less : Provision for receivable on sale of Investment	135	31
	<b>1,246</b>	<b>238</b>
(c) Unamortised loan sourcing costs	3,106	2,841
(d) Interest accrued but not due on Investments	3,347	4,104
(e) Interest accrued and due on Investment	418	161
(f) Interest Accrued on Fixed Deposits	–	50
(g) Asset held for sale	400	–
(g) Other receivables	224	13
<b>Total</b>	<b>9,577</b>	<b>8,247</b>

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

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
<b>(a) Unamortised Share issue expenses</b>		
Opening balance	1,270	1,543
Add: Expenses incurred during the period	–	363
Less: written off during the period	629	636
Closing balance	<b>641</b>	<b>1,270</b>
<b>(b) Unamortised debenture issue expenses</b>		
Opening balance	826	827
Add: Expenses incurred during the period	167	187
Less: written off during the period	214	188
Closing balance	<b>779</b>	<b>826</b>
<b>(c) Unamortised loan processing charges</b>		
Opening balance	31	59
Add: Expenses incurred during the period	360	66
Less: written off during the period	107	94
Closing balance	<b>284</b>	<b>31</b>
	<b>1,704</b>	<b>2,127</b>

(₹ in Lakhs)

PARTICULARS	As at March 31, 2014		As at March 31, 2013	
	Non-Current	Current	Non-Current	Current
(a) Unamortised Share issue expenses	7	634	633	637
(b) Unamortised debenture issue expenses	601	178	649	177
(c) Unamortised loan processing charges	260	24	5	26
<b>Total</b>	<b>868</b>	<b>836</b>	<b>1,287</b>	<b>840</b>
<b>Grand Total</b>		<b>1,704</b>		<b>2,127</b>

**22. REVENUE FROM OPERATIONS**

(₹ in Lakhs)

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
(a) Interest Income		
(i) From Secured Loans	167,296	159,836
(ii) From Unsecured Loans	63,445	60,134
(b) Income from Bill Discounting	3,439	3,265
(c) Others	14,532	14,112
<b>Total</b>	<b>248,712</b>	<b>237,347</b>

**23. INVESTMENT INCOME**

(₹ in Lakhs)

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
(a) Dividend from Non-Current Investments	729	637
(b) Dividend from Mutual Funds [Current Investments]	1,110	–
(c) Profit on sale of Non-current Investments	4,011	2,210
(d) Profit on sale of Current Investments	167	2,096
(e) Interest on Non-Current Investments	12,094	19,122
(f) Interest on Current Investments	256	378
(g) Other investment income from Non-Current Investments	20	7
<b>Total</b>	<b>18,387</b>	<b>24,450</b>

**24. OTHER INCOME**

(₹ in Lakhs)

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
(a) Income from operating leases	7,597	6,010
(b) Income from services	14	149
(c) Interest Income on Fixed Deposits	1,084	67
(d) Miscellaneous Income	2,518	2,063
<b>Total</b>	<b>11,213</b>	<b>8,289</b>

**25. FINANCE COSTS**

(₹ in Lakhs)

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
(a) Interest expense		
(i) On fixed period loans	122,078	124,099
(ii) On others	11,242	3,490
(b) Discounting Charges		
(i) Discounting charges on commercial paper	33,159	32,138
(ii) Discounting charges on debentures	2,525	4,282
<b>Total</b>	<b>169,004</b>	<b>164,009</b>



**26. EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
(a) Salaries, wages and bonus	16,639	14,763
(b) Contribution to provident and other funds	848	894
(c) Staff welfare expenses	1,278	1,115
<b>Total</b>	<b>18,765</b>	<b>16,772</b>

**27. OTHER OPERATING EXPENSES**

(₹ in Lakhs)

PARTICULARS	For the Year ended March 31, 2014		For the Year ended March 31, 2013	
(a) Advertisement and publicity		2,735		3,229
(b) Data processing charges		213		91
(c) Donations		116		173
(d) Equipment hire charges		490		320
(e) Incentive / commission/ brokerage		5,528		4,916
(f) Information Technology expenses		5,299		4,003
(g) Insurance charges		257		260
(h) Legal and professional fees		1,955		1,425
(i) Loan processing fees		568		362
(j) Printing and stationery		532		411
(k) Provision for doubtful loans (net of recoveries)		13,946		8,570
(l) Write off - Loans and advances	7,393		2,971	
Less : Provision reversal on write off	(7,393)	–	(2,971)	–
(m) Contingent provision against Standard Assets		316		495
(n) Provision against Restructured Advances		2,769		–
(o) Provision for diminution in value of investments		7,878		4,861
(p) Power and fuel		664		651
(q) Repairs and maintenance				
(i) Buildings	10		44	
(ii) Annual maintenance charges	199		570	
(iii) Others	125	334	110	724
(r) Rent		1,991		2,340
(s) Rates and taxes		97		85
(t) Stamp charges		395		333
(u) Service providers' charges		4,308		4,166
(v) Security Charges		298		231
(w) Training and recruitment		544		538
(x) Telephone, telex and leased line		528		527
(y) Travelling and conveyance		1,987		1,497
(z) Other expenses		1,845		1,549
<b>Total</b>		<b>55,593</b>		<b>41,757</b>

**27. (a) Auditors' Remuneration (excluding Service Tax):**

(₹ in Lakhs)

PARTICULARS	2013-14	2012-13
Audit Fees	75	75
Tax Audit Fees	5	5
Other Services	4	4
Out of Pocket Expenses	1	1

(Auditors' remuneration is included in other expenses)

**27. (b) Expenditure in Foreign Currency**

(₹ in Lakhs)

PARTICULARS	2013-14	2012-13
Legal and professional fees	251	34
Salaries, wages and bonus	–	–
Advertisement and publicity	14	16
Travelling and conveyance	1	6
Training and recruitment	21	15
Other expenses	3	4

## 28 Contingent Liabilities and Commitments:

(a) There are no contingent liabilities as at March 31, 2014 (as on March 31, 2013 Nil).

(b) Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 155 Lakhs (as at March 31, 2013: ₹ 294 Lakhs).

## 29 Employee benefits

### Defined Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plans in the form of provident fund, family pension fund and superannuation fund. Provident fund and family pension fund cover all regular employees while the contribution to superannuation fund is at the option of the employee. Contributions towards superannuation are paid into a superannuation fund. The superannuation fund is managed by independent agencies while provident fund is managed by a trust fund set by the Company. While both the employees and the Company pay predetermined contributions into the provident fund, contributions into the family pension fund and the superannuation fund are made by only the Company. The contributions are based on a certain proportion of the employee's salary.

The Company recognised a charge of ₹ 599 Lakhs (Previous year ₹ 523 Lakhs) for provident fund and family pension fund contribution and ₹ 132 Lakhs (Previous year ₹ 139 Lakhs) 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 funds in Note No.26 Employee Benefit Expense). 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

Particulars	2013-14	2012-13
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	1,017	877
Current Service Cost	151	131
Interest Cost	80	74
Transfer under the scheme of arrangement	(165)	(110)
Actuarial Losses / (Gain)	(20)	88
Benefits Paid	(37)	(43)
Closing Defined Benefit Obligation	1,026	1017
<b>Change in the Fair Value of Assets</b>		
Opening Fair Value of Plan Assets	925	791
Acquisition Cost / Transfer	(165)	(110)
Expected Return on Plan Assets	78	70
Contributions by Employer	92	207
Actuarial Gains / (Losses)	16	(5)
Benefits paid	0	(28)
Closing Fair Value of Plan Assets	946	925

Particulars	2013-14	2012-13
<b>Reconciliation of present Value of the obligation and the Fair value of the plan Assets</b>		
Fair Value of plan assets at the end of the year	946	925
Present value of the defined obligations at the end of the year	1,026	1017
Funded status [Surplus / (Deficit)]	(80)	(92)
Unrecognised past service cost	–	–
Net Asset /(Liability) recognised in the balance sheet	(80)	(92)
<b>Net Gratuity cost for the year ended March 31, 2014</b>		
Service Cost	151	131
Interest on Defined benefit Obligation	80	74
Expected return on plan assets	(78)	(70)
Net actuarial loss recognised in the year	(36)	97
Net Gratuity Cost	117	232
<b>Categorization of plan assets is as follows</b>		
<b>Investment Pattern</b>		
Insurer managed funds:		
Government Securities	40%	30%
Deposit & money market securities	19%	15%
Debentures / Bonds	32%	47%
Equity Shares	9%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Assumptions</b>		
Discount Rate	9.30%	8.00%
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 5% thereafter.	7.50% p.a for first 5 years and 5% thereafter.
Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.	LIC (1994-96) Ultimate
Withdrawal Rate	0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years and more - 1%	0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years and more - 1%

Experience adjustment	2013-14	2012-13	2011-12	2010-11	2009-10
- On Plan Liabilities	7	7	6	NA	NA
- On Plan Assets	16	(5)	(8)	NA	NA
Present value of benefit obligation	(1,026)	(1017)	(877)	NA	NA
Fair value of Plan Assets	946	925	791	NA	NA
Excess of (obligation over plan assets)	(80)	(92)	(86)	NA	NA

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 ₹ 337 Lakhs (Previous year ₹ 100 Lakhs) to the gratuity fund in the year ending March 2015.

**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 2013-14 is ₹ 16 lakhs (Previous year ₹ 13 lakhs) and the provision as at March 31, 2014 is ₹ 64 lakhs (Previous year ₹ 61 lakhs).

**30. Disclosure as required by Accounting Standard (AS) – 18 on “Related Party Disclosures” notified under the Companies (Accounting Standard) Rules, 2006:**

**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 Cleantech Capital Ltd Tata Capital Pte. Limited TC Travel and Services Limited Tata Capital Housing Finance Limited Tata Capital Forex Limited (formerly known as TT Holdings & Services Limited)
Subsidiaries of ultimate holding company (with which the company had transactions)	Tata Sky Limited Ewart Investments Limited Tata Consultancy Services Limited Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Tata Consulting Engineers Limited Tata Realty and Infrastructure Limited Tata Housing Development Company Limited Tata Asset Management Limited e-Nxt Financials Limited Tata Investment Corporation Limited Tata Business Support Services Limited Infiniti Retail Limited Tata International Limited Tata Business Support Services Limited
Associates	International Asset Reconstruction Company Pvt. Ltd (w.e.f. July 7, 2013)
Key Management Personnel	Mr. Praveen P Kadle

**ii. Transactions with related parties :**

(₹ in Lakhs)

Sr. No.	Party Name	Nature of transaction	2013-14	2012-13
1	Tata Sons Limited (Ultimate Holding Company)	– Brand Equity Contribution	707	656
		– Other charges	68	49
		– Recovery of Rent	312	–
		Balance Receivable / (Payable)	(637)	(656)

**ii. Transactions with related parties :**

(₹ in Lakhs)

Sr. No.	Party Name	Nature of transaction	2013-14	2012-13
2	Tata Capital Limited (Holding Company)	– ICD received during year	155,172	128,150
		– ICD repaid during year	142,282	127,950
		– Security Deposit given	–	4,665
		Income - Preference share arranger fees	378	129
		Expenditure		
		– Interest expenses on ICD	1,202	596
		– Rent	720	432
		– Service Provider charges	37	–
		– Marketing & Managerial service fee	1,074	900
		– Interim dividend Payable on Equity Shares	6,488	3,893
		ICD outstanding	13,090	200
Balance Receivable / (Payable)	(93)	1,500		
3	Tata Securities Limited	ICD given during the year	–	1,750
		Income - Interest income on ICDs given	–	62
		Income – Distribution Income	2	–
		Reimbursement of expenses - Rent & Others	277	392
		Expenses – Brokerage expenses	198	22
		Expenses – Services Received	8	–
		ICD repaid during the year	–	3,200
		Balance Receivable		
		– ICD outstanding	–	–
		– Towards expenses incurred on their behalf	1,162	916
4	Tata Capital Pte. Limited	Reimbursement of expenses - Rent & Others	–	2
		Balance Receivable	1	8
5	TC Travel and Services Limited	ICD given during the year	–	1,630
		Interest on ICD	–	112
		Reimbursement of expenses - Rent & Others	95	–
		Expenses - Travel related services	210	673
		ICD repaid during the year	350	3,185
		– ICD outstanding	–	350
		– Interest on ICD receivable	–	4
		Balance Receivable / (Payable)	604	537
6	Tata Capital Housing Finance Limited	Loan Sourcing Expenses	91	281
		Reimbursement of expenses - Rent & Others	715	664
		Transfer of Employee	2	(6)
		Transfer of security deposit	–	34
		Expenses - Sourcing Fee	17	–
		Transfer of Fixed Assets	1	82
		Balance Receivable	117	139
7	Tata Capital Forex Limited	Reimbursement of expenses - Rent & Others	80	95
		Balance Receivable	28	36

**ii. Transactions with related parties :**

(₹ in Lakhs)

Sr. No.	Party Name	Nature of transaction	2013-14	2012-13
8	Tata Infrastructure Capital Limited	Income – Services provided	–	–
		Balance Receivable	–	2
9	e-Nxt Financials Limited	Service Provider Charges	3,705	2,535
		Operating Lease Income	25	–
		Processing Fee Received	2	–
		Syndication Fee Received	10	–
		Reimbursement of Expenses	15	–
		Loan given during the year	6,863	6,929
		Outstanding loan	–	1,500
		Balance receivable / (payable)	427	803
10	Tata Sky Limited	Invoice discounting during the year	7,301	4,769
		Interest received on loan given	248	98
		Invoice discounting – Outstanding	3,365	3,984
11	Tata Consultancy Services Limited	Expenditure		
		– IT outsourcing	4,953	4,003
		– Interest paid on ICD	1,624	250
		Advanced paid for SAP License Fee	–	965
		– ICD Accepted during year	28,000	15,000
		– ICD repaid during year	15,000	–
		ICD Outstanding	28,000	15,000
		Interest accrued on ICD	1,462	–
12	Tata AIG General Insurance Co. Limited	Expenditure - Insurance Expenses	191	75
		Claims received during the year	–	–
		Advertisement & Marketing Revenue	114	59
		Balance Receivable	–	51
13	Tata AIA Life Insurance Co. Limited	Shared Expenses	52	105
		Insurance Expense- Group Term Policy	12	–
		Balance Receivable	2	–
14	Infiniti Retail Limited	Expenses – Incentive & others	2	166
		Purchase of Fixed Assets	434	525
15	Tata Business Support Services Limited	Interest income & Processing Fees	272	314
		Expenses - Call Center & others	113	125
		Outstanding loan	2,161	2,489
16	Tata Cleantech Capital Limited	Reimbursement of expenses	64	–
		Employee Transfer	17	–
		Assignment of Portfolio	7,935	–
		Referral Fees Paid	155	–
		Management Fee Received	114	–
		Interest paid on ICD	232	–
		ICD issued & repaid during year	7,900	–
Balance Payable	(47)	53		



## ii. Transactions with related parties :

(₹ in Lakhs)

Sr. No.	Party Name	Nature of transaction	2013-14	2012-13
17	Ewart Investments Limited	Expenditure – Rent Expenses	9	–
		Security Deposit Outstanding	190	190
18	Tata International Ltd	Loan given during the year	–	21
		Expenditure - Marketing Charges	6	–
		Interest Income on Loan	1	–
		Outstanding loan	–	12
19	Tata Consulting Engineers Limited	Expenditure - Professional Charges	3	35
20	Tata Housing Development Company Limited	Income - Referral Fee	68	122
		Balance Receivable	13	49
21	International Asset Reconstruction Company Pvt. Ltd	Investment in Security Receipts	777	–
22	Tata Asset Management Limited	Income - Portfolio Management Service	45	35
		Balance Receivable	3	6
24	Key Management Personnel	Remuneration to KMP	–	–
		Interest on Non – convertible debentures	2	2
		Outstanding Debentures	20	20

31. 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:

Lease Payments	As at March 31, 2014	As at March 31, 2013
– Within one year	885	1,343
– Later than one year and not later than five years	2,363	4,674
– Later than five years	63	18

The amount charged towards lease rentals (as part of Rent expenditure) is ₹ 1,991 Lakhs (Previous year: ₹ 2,340 Lakhs).

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:

Lease Payments	As at March 31, 2014	As at March 31, 2013
– Within one year	6,106	4,980
– Later than one year and not later than five years	7,389	7,265
– Later than five years	–	–

## 32. Earnings per Share (EPS):

Particulars		2013-14	2012-13
Profit after tax	₹ in Lakhs	17,213	27,612
Less: Preference dividend (including Dividend distribution tax)	₹ in Lakhs	Nil	Nil
Profit after tax for Basic EPS	₹ in Lakhs	17,213	27,612

Weighted average number of Equity shares used in computing Basic earnings per share	Nos	<b>1,297,550,000</b>	1,297,550,000
Face value of equity shares	₹	<b>10</b>	10
<b>Basic earnings per share</b>	₹	<b>1.33</b>	2.13
Profit after tax for diluted EPS	₹ in Lakhs	<b>17,213</b>	27,612
Weighted Average Number of Equity Shares used in computing Basic earnings per share	Nos	<b>1,297,550,000</b>	1,297,550,000
Weighted average number of shares in computing Diluted earnings per share	Nos	<b>1,297,550,000</b>	1,297,550,000
Face value of equity shares	₹	<b>10</b>	10
<b>Diluted earnings per share</b>	₹	<b>1.33</b>	2.13

### 33. Segment Reporting

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

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
<b>I Segment Revenue</b>		
(a) Financing Activity	<b>261,095</b>	256,057
(b) Others	<b>17,217</b>	14,029
Total	<b>278,312</b>	270,086
Less : Inter Segment Revenue	–	–
<b>Total Income</b>	<b>278,312</b>	<b>270,086</b>
<b>II Segment Results</b>		
(a) Financing Activity	<b>37,420</b>	50,432
(b) Others	<b>(75)</b>	2,578
<b>Total</b>	<b>37,345</b>	<b>53,010</b>
Less : Unallocated Corporate Expenses	<b>9,261</b>	10,739
<b>Profit before taxation</b>	<b>28,084</b>	<b>42,271</b>
Less : Provision for taxation	<b>10,870</b>	14,659
<b>Profit after taxation</b>	<b>17,214</b>	<b>27,612</b>
	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>III Segment Assets</b>		
(a) Financing Activity	<b>2,196,061</b>	2,055,408
(b) Others	<b>94,403</b>	58,164
(c) Unallocated	<b>34,690</b>	45,062
<b>Total</b>	<b>2,325,154</b>	<b>2,158,634</b>
<b>IV Segment Liabilities</b>		
(a) Financing Activity	<b>1,950,684</b>	1,803,315
(b) Others	<b>41,838</b>	32,707
(c) Unallocated	<b>14,238</b>	14,471
<b>Total</b>	<b>2,006,760</b>	<b>1,850,493</b>

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
<b>V Capital Expenditure (Including Capital Work-In-Progress)</b>		
(a) Financing Activity	–	–
(b) Others	20,132	5,360
(c) Unallocated	969	324
<b>Total</b>	<b>21,101</b>	<b>5,684</b>
<b>VI Depreciation and Amortisation</b>		
(a) Financing Activity	405	400
(b) Others	4,803	3,303
(c) Unallocated	709	656
<b>Total</b>	<b>5,917</b>	<b>4,359</b>
<b>VII Significant Non-Cash Expenses Other than Depreciation and Amortisation</b>		
(a) Financing Activity	17,159	9,391
(b) Others	7,750	4,535
<b>Total</b>	<b>24,909</b>	<b>13,926</b>

**34. Derivative Instruments Exposures:**

The following derivative positions are open as at March 31, 2014. These transactions have been 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 1 (xv).

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.

Outstanding forward exchange contracts entered into by the Company as at March 31, 2014:-

Particulars	Buy / Sell	For the Year ended March 31, 2014		For the Year ended March 31, 2013	
		Yen (Million)	₹ in Lakh	Yen (Million)	₹ in Lakh
Forward Contracts (Payment for Capital Expenditure)	Buy	416	2,578	416	2,530

**35. Capital to Risk Assets Ratio (CRAR)**

Particulars	As at March 31, 2014	As at March 31, 2013
CRAR (%)	16.97%	17.49%
CRAR – Tier I Capital (%)	12.99%	13.24%
CRAR – Tier II Capital (%)	3.98%	4.25%

(₹ in Lakhs)

### 36. Disclosure on Accounts subject to restructuring

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Sl No	Type of Restructuring		Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
	Asset Classification	Details	Standard	Doubtful	Loss	Total	Standard	Doubtful	Loss	Total	Standard	Doubtful	Loss	Total	Standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2013 (Opening figures)*	No. of borrowers Amt. Provision thereon	4 29,399 -	- 3,349 349	- - -	6 32,748 349	- 996 -	- 9,395 1,536	- - -	56 10,944 1,776	7 30,395 -	38 12,744 1,885	- - -	62 43,691 2,125	38 12,744 1,885	17 552 240	- - -	62 43,691 2,125
2	Fresh restructuring during the year	No. of borrowers Amt. Provision thereon	2 12,974 2,468	- - -	- 13,381 2,478	2 13,381 2,478	- - -	6 - -	- - -	- - -	8 15,661 2,569	8 1,471 112	- - -	16 17,132 2,681	8 1,471 112	- - -	- - -	16 17,132 2,681
4	Upgradations of restructured accounts to Standard category	No. of borrowers Amt. Provision thereon	1 3,466 95	- (3,466) (307)	- - (212)	- - (212)	- - -	- - -	- - -	- - -	4 3,126 103	(4) (3,652) (372)	- - -	- (526) (269)	5 7,118 (679)	- - -	- - -	- (526) (481)
5	Restructured advances which ceases to attract higher provisioning and/or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers Amt. Provision thereon	(2) (4,085) -	- - -	- (4,085) -	(2) (4,085) -	- - -	- - -	- - -	- - -	(2) (4,085) -	- - -	- - -	(2) (4,085) -	- - -	- - -	- - -	(2) (4,085) -
6	Downgradations of restructured accounts during the FY	No. of borrowers Amt. Provision thereon	- (290) (52)	1 290 52	- - -	- - -	(1) (996) -	(4) (1,553) (723)	5 1,987 1,118	- (562) 395	(1) (996) -	(5) (1,843) (775)	6 2,277 1,170	- (562) 395	(1) (996) -	6 2,277 1,170	- - -	- (562) 395
7	Write-offs of restructured accounts during the FY	No. of borrowers Amt. Provision thereon	- (3,766) -	- - -	- (3,766) -	- - -	(2) (3,766) -	(11) (228) (47)	(14) (301) (122)	(27) (529) (169)	(2) (3,766) -	(11) (228) (47)	(14) (301) (122)	(27) (529) (169)	(2) (3,766) -	(14) (301) (122)	- - -	(27) (4,295) (169)
8	Restructured accounts as on 31st Mar, 2014 (Closing figures)*	No. of borrowers Amt. Provision thereon	5 37,988 2,563	1 290 (0)	6 38,279 2,615	6 38,279 2,615	10 5,813 204	25 5,026 496	8 2,238 1,236	43 13,077 1,937	15 43,801 2,767	25 5,026 496	9 2,528 1,288	49 51,356 4,552	25 5,026 496	9 2,528 1,288	- - -	49 51,356 4,552

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

- Note:**
1. Provision on restructured Advances includes provision on diminution in fair value amounting to ₹ 12.69 Crore.
  2. Fresh restructuring during the year includes Rs 407 Lakh of fresh /additional Sanction (1 account) to the existing restructured accounts.
  3. Write offs includes Rs.3,949 Lakh (9 accounts), Provision of Rs.50 Lakh) of reduction from existing restructured accounts by way of sale/recovery
- # This also includes provision made on opening standard restructured assets

## 37. Exposure to Real Estate Sector

(₹ in Lakhs)

Category	2013-14	2012-13
<b>i) Direct Exposure</b>		
<b>Residential Mortgages -</b>	<b>70,327</b>	49,959
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
– Individual housing loans up to ₹ 15 Lakhs	<b>1,536</b>	1,107
– Individual housing loans above ₹ 15 Lakhs	<b>68,791</b>	48,853
<b>Commercial Real Estate -</b>	<b>178,094</b>	132,098
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.		
Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
1. Residential	–	–
2. Commercial Real Estate	–	–
<b>ii) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	–	–

## 38. Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities (Based on RBI Guidelines)

For the year 2013-14

(₹ in Lakhs)

PARTICULARS	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 30/31 days (One month)	167,239	96,590	338,969	719
Over One months to 2 months	58,900	45,200	271,909	1,480
Over 2 months upto 3 months	86,900	24,543	78,272	–
Over 3 months to 6 months	312,540	55,700	212,934	–
Over 6 months to 1 year	355,530	57,370	285,105	2,678
Over 1 year to 3 years	311,180	27,541	610,708	30,628
Over 3 years to 5 years	169,000	28,818	149,705	19,255
Over 5 years	3,400	98,139	103,275	99,436
<b>Total</b>	<b>1,464,689</b>	<b>433,901</b>	<b>2,050,877</b>	<b>154,196</b>

For the year 2012-13

(₹ in Lakhs)

PARTICULARS	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 30/31 days (One month)	127,484	154,600	304,342	16,816
Over One months to 2 months	15,000	128,420	225,529	4,123
Over 2 months upto 3 months	130,000	40,700	60,005	15,500
Over 3 months to 6 months	142,499	115,080	171,367	14,167
Over 6 months to 1 year	269,884	133,137	278,420	5,924
Over 1 year to 3 years	20,000	253,590	635,035	48,221
Over 3 years to 5 years	–	123,600	137,605	30,658
Over 5 years	–	93,079	89,631	22,809
<b>Total</b>	<b>704,867</b>	<b>1,042,206</b>	<b>1,901,934</b>	<b>158,218</b>

39. Disclosure of details as required by Revised Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, earlier Para 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1999.

**Liabilities Side:**

(₹ in Lakhs)

PARTICULARS	Amount Outstanding		Amount Overdue	
	31.03.14	31.03.13	31.03.14	31.03.13
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	754,584	733,548	–	–
(ii) Unsecured	101,502	91,853	–	–
b) Deferred Credits	–	–	–	–
c) Term Loans	468,479	401,146	–	–
d) Inter-corporate loans and borrowing	43,267	915	–	–
e) Commercial Paper	265,598	264,230	–	–
f) Other loans				
(i) Loan from Bank				
– Working Capital Demand Loan	67,200	40,000	–	–
– Overdraft	247,279	264,867	–	–

**Assets side:**

(₹ in Lakhs)

Particulars	Amount Outstanding	
	2013-14	2012-13
2) Break up of Loans and Advances including bills receivables (other than those included in (3) below)		
a) Secured	695,046	644,651
b) Unsecured	604,616	532,955
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	9,961	1,133
(ii) Operating Lease	29,795	29,364
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	1,245	799
(ii) Repossessed assets	–	–
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	2,330	781
(ii) Other loans	707,885	696,635
4) Break up of Investments		
Current Investments:		
a) <b>Quoted:</b>		
(i) Shares: Equity	–	–
Preference	–	–
(ii) Debentures and Bonds	8,510	5,845
(iii) Units of Mutual Funds	–	–
(iv) Government Securities	–	–

## Assets side:

(₹ in Lakhs)

Particulars	Amount Outstanding	
	2013-14	2012-13
(v) Others	–	–
<b>b) Unquoted:</b>		
(i) Shares: Equity	–	–
Preference	–	–
(ii) Debentures and Bonds	–	–
(iii) Units of Mutual Funds	50	50
(iv) Government Securities	–	–
(v) Others (Pass through certificates)	10,297	–
<b>Long-Term Investments:</b>		
<b>a) Quoted:</b>		
(i) Shares: Equity (Net of provision)	28,298	16,642
Preference	–	–
(ii) Debentures and Bonds	33,735	63,127
(iii) Units of Mutual Funds	–	–
(iv) Government Securities	9,507	5,074
(v) Others	–	–
<b>b) Unquoted:</b>		
(i) Shares: Equity	4,380	5,396
Preference	10,270	7,528
(ii) Debentures and Bonds	41,218	47,484
(iii) Units of Mutual Funds	–	–
(iv) Government Securities	–	–
(v) Others		
– Pass through certificates	7154	6910
– Security Receipts	777	–

## 5) Borrower group-wise classification of assets financed as in (2) and (3) above

(₹ in Lakhs)

Particulars	Amount net of provisions					
	Secured		Unsecured		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
a) Related Parties						
(i) Subsidiaries	–	–	–	–	–	–
(ii) Companies in the same group	–	–	5,526	8,323	5,526	8,323
(iii) Other related Parties	–	–	–	208	–	208
b) Other than related parties	1,446,261	1,373,363	599,090	524,424	2,045,351	1,897,787
<b>TOTAL</b>	<b>1,446,261</b>	<b>1,373,363</b>	<b>604,616</b>	<b>532,955</b>	<b>2,050,877</b>	<b>1,906,318</b>



- 6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) (₹ in Lakhs)

PARTICULARS	Market Value/Break up or fair value or NAV		Book Value (Net of Provisions)	
	2013-14	2012-13	2013-14	2012-13
a) Related Parties				
1) Subsidiaries	–	–	–	–
2) Companies in the same group	–	–	–	–
3) Other related Parties	3,172	1,744	4,090	2,388
b) Other than related parties	157,018	146,793	150,106	155,695
<b>TOTAL</b>	<b>160,190</b>	<b>148,537</b>	<b>154,196</b>	<b>158,083</b>

**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**

(₹ in Lakhs)

PARTICULARS	2013-14	2012-13
a) Gross Non-Performing Assets		
1) Related parties	–	–
2) Other than related parties	98,354	47,220
b) Net Non-Performing Assets		
1) Related parties	–	–
2) Other than related parties	79,384	34,931
c) Assets acquired in satisfaction of debt	2,597	950

40. Loans and advances - Financing Activity (Secured) include ₹ 2,597 Lakhs (Previous Year : ₹ 950 Lakhs) being the value of equipment repossessed, necessary provision for which is made.
41. The company has reported frauds aggregating ₹ 0.40 crore (Previous year : ₹ 2.20 crore) based on management reporting to risk committee and to the RBI through prescribed returns.
42. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**F. K. Kavarana**  
(Director)

**Ishaat Hussain**  
(Director)

**F. N. Subedar**  
(Director)

**Hoshang N Sinor**  
(Director)

**Janki Ballabh**  
(Director)

**Praveen P. Kadle**  
(Managing Director & CEO)

**Govind Sankaranarayanan**  
(Chief Financial Officer &  
Chief Operating Officer -  
Corporate Affairs)

**Avan Doomasia**  
(Company Secretary)

Mumbai  
Date: May 8, 2014