TATA CAPITAL FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2014-15

DIRECTORS' REPORT

TO THE MEMBERS OF
TATA CAPITAL FINANCIAL SERVICES LIMITED

The Directors have pleasure in presenting the Fifth Annual Report and the Audited Financial Statements for the Financial Year ("FY") ended March 31, 2015.

1. BACKGROUND

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

TCFSL is headquartered in Mumbai and has a wide network of 104 offices across India.

2. INDUSTRY AND ECONOMIC SCENARIO

The Central and State elections were a mixed bag. India has a single party majority at the Centre after a long time, resulting in high policy intent, but, moderate action due to constraints. The Government's recent usage of the ordinance route to pass reforms in key issues such as land acquisition, coal auctions, mining and Foreign Direct Investment in insurance, reflects its conviction behind reforms and willingness to act outside of conventional avenues. The Government's flagship initiative 'Make in India' aims to promote manufacturing, which currently constitutes approximately 18% of the GDP versus a targeted 25%. India's unique combination of democracy, demography and demand would also help make it a suitable manufacturing destination.

The Finance Minister presented the Budget, which addresses some pending concerns such as (i) laying out a transformative tax regime in terms of GST, GAAR, phased reduction in corporate taxes, abolition of wealth tax (ii) higher public investments to kick start growth (iii) direct benefit transfers/Jan Dhan to streamline/plug leakages in subsidies delivery and (iv) institutionalization of inflation targeting monetary policy framework. However, it has extended the fiscal consolidation roadmap with fiscal deficit target of 3.9% in FY 2016; 3.5% in FY 2017 and 3% in FY 2018. Overall, the budget is a fine balancing act between fiscal consolidation and creating enabling conditions for growth and job creation.

India's growth story got a boost with the rebasing of GDP data. Based on the new series, the real GDP growth stands at 7.4% in FY 2014-15 and 6.9% in FY 2013-14 i.e. approximately 180 bps higher than earlier estimates. While the data shows that growth recovery has been swift and substantial, several on-ground indicators like growth in industrial output, credit and net tax revenues, suggest that activity is still sub-par. Even within the revised GDP data, fixed capital formation has been weak at 4% YOY, in FY 2015.

RBI commenced its easing cycle with an inter-meeting cut in January 2015. RBI kept rates unchanged in February 2015 policy and reiterated its guidance, 'further easing will be dependent on data that confirm continuing disinflationary pressures and sustained high quality fiscal consolidation'. The Government and RBI entered into an agreement on a framework for monetary policy. India imports 80% of its crude oil requirements and crude oil imports constitute 30% of India's total import bill. After factoring in petro product exports, a US$1/bbl decline in oil prices reduced the trade deficit by US$900 million, annually. Given the changes in the crude price assumption of 'net' oil import bill to come in at US$57 billion in FY 2016, which represents an approximate US$45 billion decline over the last two fiscal years, it is likely to help keep inflation under control. However, the international crude prices are firming up. If the trend continues, it could deal a blow to the low inflation scenario.

Closer home, the NBFCs in India, have evolved over the last fifty years to emerge as notable alternate sources of credit intermediation especially for the last mile credit delivery. Regulation of the NBFC sector over the last decade and a half has been incremental. As and when risks have been detected, they were sought to be addressed. RBI has taken major steps in FY 2014-15 to align asset classification norms with that of Banks (90 day norm phased in over 3 years). Higher Standard Asset provisioning has been put in place (0.40% against the existing 0.25%, phased in over 3 years). The sector will report higher NPAs in the initial period, however, the sector as a whole will emerge stronger after the implementation of these initiatives.

RBI issued many new guidelines for NBFCs. These include:

- identifying early, the stress in the system. NBFCs are required to identify stress in their portfolio by creating a sub-asset category viz. 'Special Mention Accounts' (SMA) and were also directed to report relevant credit information to the Central Repository of Information on Large Credits (CRILC);

- harmonizing the definition across classes of NBFCs and eliminating any benefits of asset reclassification in the process of restructuring; and
- stricter guidelines on outsourcing.

The industry will be stronger and safer because of the new regulations for well-run NBFCs. The year ahead will be challenging on the credit quality front. However, if the Government and private spending revive, partially assisted by interest rate cuts, FY 2015-16 could witness an improvement in asset quality and growth.

3. FINANCIAL RESULTS

3.1 The performance of the Company for the Financial Year ended March 31, 2015 is, summarized below:

(₹ in crore)

Particulars	FY 2014-15	FY 2013-14
Gross Income	3,065	2,783
Less:		
Finance Costs	1,819	1,690
Establishment, Administrative and Other Expenses	890	744
Amortisation of expenses	11	10
Depreciation	95	59
Profit Before Tax	**250**	**281**
Less: Provision for Tax	63	109
Profit After Tax	**187**	**172**
Amount brought forward from previous year	174	113
Amount available for appropriation	362	285
Appropriations		
Special Reserve Account	38	34
Debenture Redemption Reserve	–	–
Interim Dividend on Equity Shares	78	65
Dividend Distribution Tax	16	11
Surplus carried to Balance Sheet	**231**	**174**

3.2 The Company's book size increased by 9% from ₹ 19,734 crore in FY 2013-14 to ₹ 21,477 crore in FY 2014-15. Gross Income increased from ₹ 2,783 crore in FY 2013-14 to ₹ 3,065 crore in FY 2014-15, recording an increase of about 10%. The Company's Profit Before Tax was ₹ 250 crore (FY 2013-14: ₹ 281 crore) and the Profit After Tax increased by about 9% to ₹ 187 crore (FY 2013-14: ₹ 172 crore). The credit cost (including Standard Asset Provision) stood at ₹ 406 crore (FY 2013-14: ₹ 172 crore).

3.3 In FY 2014-15, the Gross and Net NPAs increased to 5.7% and 3.8%, respectively as compared to 4.5% and 3.7%, respectively in FY 2013-14. The increase in Gross NPA was mainly on account of worsening macroeconomic environment, resulting in higher Infrastructure and Retail business. In the year ended March 31, 2015, the Company had a Fee to Income Ratio of 21% (FY 2013-14: 19%) and Cost to Income Ratio of 48% (FY 2013-14: 48.5%). The Return on Asset and Return on Equity ratio as at March 31, 2015 was at 0.9% and 5.7%, as against 0.9% and 5.7%, respectively, as at March 31, 2014.

3.4 During FY 2014-15, no amount was transferred to the Company's Debenture Redemption Reserve ("DRR") since as at March 31, 2015, the DRR balance stood at ₹ 300 crore, which is in excess of the limits prescribed under the Companies Act, 2013 ("Act"), for maintaining DRR by NBFCs on its debentures issued to the Public.

3.5 Pursuant to RBI's Circular dated January 17, 2011, a provision at the rate of 0.25% on standard assets amounting to ₹ 4.6 crore was made in FY 2014-15 (FY 2013-14: ₹ 3.16 crore). RBI has issued a circular which will increase the said rate to 0.30% in FY 2015-16.

3.6 As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. On a conservative basis, an amount of ₹ 37.8 crore (FY 2013-14: ₹ 34.4 crore), being in excess of 20% of the profits, has been transferred to said Reserve.

4. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2015, was ₹ 1,297.55 crore, which was entirely held by TCL. There was no change in the Authorised or Paid-up Capital or Subscribed Capital during FY 2014-15.

5. DIVIDEND

During the year, the Company declared an Interim Dividend for FY 2014-15, at the rate of ₹ 0.60 per Equity Share (FY 2013-14: ₹ 0.50 per Equity Share). The Interim Dividend aggregated ₹ 77.85 crore (FY 2013-14 : ₹ 64.88 crore) and dividend distribution tax thereon was ₹ 15.57 crore (FY 2013-14: ₹ 11.03 crore).

In order to conserve the resources of the Company, the Directors do not recommend payment of any final dividend on the Equity Shares, for FY 2014-15.

6. REVIEW OF OPERATIONS OF THE COMPANY

6.1 Corporate Finance Division

The Corporate Finance Division ("CFD") has three broad business segments viz. Commercial Finance, Infrastructure Finance and Leasing Finance. The Closing Book of CFD stood at ₹ 15,438 crore (FY 2013-14: ₹ 14,894 crore), comprising Commercial Finance: ₹ 10,645 crore (68.9%), Infrastructure Finance: ₹ 4,370 crore (28.3%) and Leasing Finance: ₹ 423 crore (2.8%).

6.1.1 Commercial Finance:

The Commercial Finance segment specializes in product offerings ranging from vanilla term loans, working capital term loans, channel finance, bill discounting, equipment financing, lease rental discounting and promoter finance through structured products. This segment serves over 1,600 customers through its verticals viz. large corporates, mid-size corporates, supply chain & trade finance and equipment finance and has set up a Government Business vertical in FY 2014-15 which is working towards meeting the financial needs of government enterprises and public sector undertakings across the country. All the verticals are supported by the Competence Centre which focuses on debt syndications, down selling and new product development.

Despite low credit growth due to the very challenging business environment, the Commercial Finance ended FY 2014-15 with a book of ₹ 10,645 crore as compared to ₹ 8,978 crore at the end of FY 2013-14. This segment has disbursed loans of ₹ 35,150 crore during FY 2014-15 through its diverse, customer centric product offerings and earned total Net Interest Income and Fee income of ₹ 361 crore.

The five verticals of the Commercial Finance viz. supply chain & trade finance, large corporates, mid - market corporates, equipment finance and government business cater to all customer segments and had a book size of ₹ 5,236 crore, ₹ 2,804 crore, ₹ 1,986 crore, ₹ 330 crore and ₹ 289 crore, respectively, as at March 31, 2015.

The Commercial Finance Business is committed to being a complete financial solutions partner to its corporate clients, through high quality service levels and innovative products which provide value to its customers. Keeping the customer at the core of its strategy, this segment is planning to grow its portfolio while improving asset quality.

6.1.2 Infrastructure Finance:

The Infrastructure Finance segment has three main verticals viz. Construction Equipment Finance, Project Finance and Equipment Rentals.

In view of the subdued macroeconomic environment, companies operating in the Infrastructure space faced a difficult operating environment in FY 2014-15. The country's Infrastructure sector was also adversely affected by regulatory issues and delayed payments from Government bodies. These challenges also had an impact on the Company, resulting in reduced disbursement levels as compared to FY 2013-14 and increased stress on the portfolio quality. Considering the challenges, the Infrastructure Finance segment was cautious in extending new credit so as to maintain asset quality.

During FY 2014-15, Construction Equipment Finance continued to be amongst the top five players in the industry. While Project Finance worked with caution on account of a slowdown in the economy, the Equipment Rental business stabilized during the year. This segment disbursed fresh loans of ₹ 1,892 crore in FY 2014-15 (FY 2013-14: ₹ 2,425 crore) and closed the year with a decrease in the book size by 24% at ₹ 4,370 crore (FY 2013- 4: ₹ 5,717 crore).

A decision was taken that the Company would not undertake any new loan proposal related to Project Finance in FY 2015-16. TCFSL transferred, at commercial terms, a loan portfolio aggregating ₹ 350 crore, in March 2015, related to renewable/non-conventional energy, water management, energy efficiency, etc. to Tata Cleantech Capital Limited ("TCCL"), a fellow subsidiary. In addition, two loans aggregating ₹ 30 crore were transferred at book value, during the quarter ended June 30, 2014 based on a Memorandum of Understanding. TCCL will be undertaking the project finance business going forward.

A Remedial Group was established on April 1, 2015 with the primary responsibility of identifying, quantifying and minimizing the loss that could be incurred on impaired assets. This Group will focus on reduction in impaired asset portfolio through proactive asset management, disposals, practical solutions, debt re-structuring and portfolio monitoring, on an ongoing basis.

6.1.3 Leasing

In its second year of operations, the Leasing Business has built a varied and profitable asset portfolio. As on March 31, 2015, the outstanding book was about ₹ 423 crore, with exposure to diverse asset classes ranging from Capital Goods, Information Technology, Auto and Office Equipments. The Leasing Business has built a client roster comprising reputed customers from diverse industries. Operating leases constituted a significant component of its total sanctions of nearly ₹ 600 crore during FY 2014-15.

In FY 2015-16, the Leasing Business will focus on vendor programs with Original Equipment Manufacturers, large ticket deals and structured products to offer innovative asset financing solutions to the corporate sector.

6.2 Consumer Finance

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

Disbursements in FY 2014-15 aggregated ₹ 4,917 crore as compared to ₹ 3,655 crore in FY 2013-14, representing an increase of about 35%. Auto Loans continued to constitute the major share of disbursements at ₹ 1,944 crore in FY 2014-15 (FY 2013-14: ₹ 1,842 crore). A change in mix between new cars and old cars was initiated during FY 2014-15.

CFAB continued its focus on margin expansion. Net Interest Margin ("NIM") increased from 4.6% in FY 2013-14 to 5.3% in FY 2014-15 and the Cost to Income ratio reduced from 60.8% in FY 2013-14 to 57.3% in FY 2014-15.

CFAB's Closing Book of ₹ 7,306 crore (FY 2013-14: ₹ 6,096 crore) comprised Auto Loans of ₹ 2,495 crore (34%), Business Loans and Personal Loans of ₹ 1,637 crore (22%), Loans against Property of ₹ 2,350 crore (32%) and Other Products of ₹ 824 crore (11%). Loans against Property grew by 84% and Personal Loans & Business Loans by 46% in FY 2014-15, as compared to the previous year.

Going forward, CFAB plans to grow its business through ramping up high NIM focus products, balancing its product mix, growing fee based income, optimizing operating costs and improving collection efficiency for further enhancing its profitability.

6.3 Rural Finance

FY 2014-15 was a tough year for the rural economy due to natural factors like untimely monsoon and severe drought conditions. However, despite the subdued macroeconomic environment, the Closing Book of Rural Finance stood at ₹ 1,194 crore as compared to ₹ 760 crore in FY 2013-14, registering a growth of about 57%. Disbursals grew from ₹ 559 crore to ₹ 743 crore as at March 31, 2015.

Currently, the business operates out of 33 branches and 220 locations. Going forward, it plans to have a deeper penetration into the rural markets by tapping opportunities for lending in Agri Allied Value Chains and by entering new geographical locations.

6.4 <u>Tata Cards</u>

Tata Card is a white label credit card, launched in partnership with SBI Cards and Payments Services Limited. Tata Card is committed to developing long-term relationships with its customers by providing high-quality services and products through regular customer engagement in an easy and convenient manner. Tata Card offers Tata Platinum Card to corporates for their Travel and Entertainment expenses, by providing safety, convenience and security in using the card.

On the retail side, Tata Platinum and Tata Titanium Card are offered with unmatched rewards and benefits to the customer.

During the year, 'Landmark Limited' was added as a partner to "Empower", the flagship loyalty program of Tata Cards, providing myraid opportunities for the customer to earn rewards. "Empower" is designed to reward customers for every transaction by offering them convenient and hassle free redemption across partners – Croma, Titan, Westside, etc.

As of March 31, 2015, Tata Cards has a base of 1.47 lakh customers, up from 1.40 lakh customers as of March 31, 2014. Total annual spend for FY 2014-15 was ₹ 1,074 crore, up from ₹ 818 crore in FY 2013-14, resulting in a growth of 31% in spend, while industry grew by 24%. The targeted approach of the business to seize the e-commerce wave has resulted in growth of online spend by 127% over the previous year. The online spend aggregated ₹ 275 crore in FY 2014–15. Contribution from e-commerce was 29% in FY 2014-15 as compared to 17% in FY 2013-14.

7. OVERVIEW OF SUBSIDIARIES AND ASSOCIATES

As on March 31, 2015, the Company did not have any subsidiary and had one associate, International Asset Reconstruction Company Private Limited ("IARC").

IARC is registered under Section 3 of the SARFAESI Act, 2002, as a Securitisation and Reconstruction company with RBI. IARC was promoted in 2002 by professionals from the banking and financial services sector, for reconstruction of financial assets. TCFSL holds a 25.37% equity stake in IARC, which involved an investment of ₹ 33.1 crore. In FY 2014-15, IARC recorded Total Income of ₹ 33.5 crore (FY 2013-14: ₹ 21.5 crore) and Profit after Tax of ₹ 4.4 crore (FY 2013-14: ₹ 3.1 crore). As on March 31, 2015, IARC's paid-up equity share capital was ₹ 55 crore and Net Worth was ₹ 120 crore.

8. FINANCE

8.1 Resources

During FY 2014-15, the Company met its funding requirements through a combination of short term debt (comprising Commercial Papers, ICDs and Bank Loans) and long term debt (comprising Non-Convertible Debentures ("NCDs") and Bank Loans). During FY 2014-15, the Company issued Unsecured Debentures by way of Subordinated Debt of ₹ 410 crore and Secured Redeemable NCDs aggregating ₹ 5,288 crore (face value) through private placements.

The aggregate debt outstanding as at March 31, 2015 was ₹ 21,324.7 crore (of which, ₹ 11,229.4 crore was payable within one year).

The Debt/Equity ratio as on March 31, 2015 was 6.45 times.

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

8.2 Secured Redeemable NCDs issued to the Public ("Public NCDs")

In 2014, an offer for continuing the Public NCDs for a further period of 5 years with effect from March 5, 2014 was made, as a result of which, Public NCDs aggregating ₹ 288.2 crore were continued and Public NCDs aggregating ₹ 316.9 crore, were redeemed.

9. CREDIT RATING

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

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

10. 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 Board of Directors have adopted a Risk Management Policy.

The Risk Management Framework covers integrated risk management mainly comprising Credit Risk, Market Risk, Operational Risk, Fraud Risk and other 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.

11. 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.

12. INTERNAL FINANCIAL CONTROLS

During the course of FY 2014-15, the Management appointed an external consultant and formed a Cross Functional Team ("CFT") comprising Operating Managers, Internal Audit, Risk and Statutory Auditors to document and evaluate the effectiveness of the internal financial controls of the Company, broadly in accordance with the criteria established under the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The documentation of process maps, key controls and risk registers has been completed for key businesses and functions under the supervision of the CFT. Management testing was conducted on a sample basis and remedial action has been taken or agreed upon where control weaknesses were identified. The Management will put in place a more detailed testing plan for FY 2015-16. Based on the aforementioned, the Management believes adequate internal financial controls exist in relation to its Financial Statements.

13. INFORMATION TECHNOLOGY SUPPORT

Information Technology ("IT") at Tata Capital is on the verge of moving to the next level with a slew of key strategic projects that have been initiated and has achieved stability in its core systems, close to total automation of all its business processes. Tata Capital has entered into the digital space, with several new products and its customer portal is being constantly enhanced and currently offers the customers, a view of their entire relationship with Tata Capital. The customers can also apply for loans and complete the end to end process online and also download statements. The emphasis is on continual improvement and upgradation of systems and the underlying processes. Tata Capital launched a mobile application viz. 'Soham' for its corporate customers offering multiple features as also several applications for its retail customers and a suite of features on its ever evolving customer portal, from a sourcing, servicing and an improved customer experience perspective.

The assessment of IT capability maturity has been completed with a high score. There is a constant endeavour to move up the IT maturity curve (including benchmarking against internationally accepted IT Capability Maturity Framework) and to deliver value to businesses and customers. Several IT projects for FY 2015-16 that would give it a clear advantage and would benefit the stakeholders, have been identified. Tata Capital is also on a 'digitalisation' journey wherein it will deploy latest technology, covering the internet and cloud, analytics, social media and mobility areas.

Tata Capital is also in the process of changing the IT outsourcing model to rationalize and optimize the overall IT costs and is now moving into the leadership stage in its technology journey. The projects on the IT road map and the digital strategy initiative will enable Tata Capital to take the leadership position with the support of its IT partners and the business units representing a collaborative framework.

14. DIGITAL PLATFORM

In February 2014, Tata Capital launched its Digital Platform with an aim to build rich digital interface(s) and superior data mining and analytical tools to efficiently and effectively manage the entire customer life cycle viz. customer acquisition, service and retention.

The year saw Tata Capital go more digital with dedicated efforts towards building a holistic digital roadmap and efficient implementation of the same. Tata Capital aims to enhance digital acquisition, servicing and engagement, by effectively using various web platforms, social media and mobility.

Focus is on four digital properties viz. consumer durable loan e-card, online car store for new and used cars and customized car loans and a Tata Capital Mart which allows customers to rent and auction construction equipment. Mobility is another area of focus and Tata Capital has begun developmental work on key customer-relevant mobile applications. Tata Capital's Facebook page crossed 1 million subscribers and Twitter channel also saw greater engagement, clocking higher likes/followers and greater participation.

Looking ahead, Tata Capital will continue to embark on digital as a way of life and look for innovative and customer-centric digital solutions.

15. HUMAN RESOURCES

Tata Capital recognizes people as its most valuable asset and has built an open, transparent and meritocratic culture to nurture this asset.

Talent Management (Apex) is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within the organization. Focus on Behavioural & Leadership traits through learning and development interventions, job rotation is planned for the employees who constitute the Talent Pool.

Tata Capital has embarked on the journey of creating a High Performance Culture and has laid the foundation towards this. The exercise of building this culture began by the Senior Leadership Group ("SLG") working together, in a structured exercise, to identify Tata Capital's ten unique cultural attributes. Tata Capital's first Cultural Survey, on the ten identified attributes, conducted by the Gallup organisation, has given it a very healthy and positive score of 4.15 on a scale of 5.

Tata Capital was again recognized in October 2014, by the Confederation of Indian Industry ("CII") for its Human Resources practices, this time in the higher band of "Significant Achievement in HR Excellence". The CII Human Resource Excellence awards were established to promote awareness of HR Excellence as an increasingly important element of organizational performance management. The model used for assessment is based on the European Foundation for Quality Management (EFQM) Model, similar to the Tata Business Excellence Model (TBEM).

Tata Capital's focus on Employee Engagement has resulted in its overall Employee Engagement Scores (Q12), climbing steadily from 3.52 in 2009 to 4.15 in 2014 in surveys conducted by the Gallup organisation. Tata Capital won the Gallup Great Workplace Award for the year 2015, an award which recognizes exceptional performance in Employment Engagement at a global level.

As part of the journey to becoming a benchmark organization as far as HR practices are concerned, Tata Capital has also embarked on the journey of getting the People Capability Maturity Model ("P-CMM") assessment and certification by the Carnegie Mellon University. Today, Tata Capital is the first and only NBFC in India to be P-CMM assessed at Level 3.

Tata Capital's Learning & Development initiatives are focused on enhancing functional skills and competencies of its employees and its other Learning & Development interventions include Executive Development Programs, e-learning and various class room based training programmes.

The permanent employees on the rolls of the Company as on March 31, 2015, were 1,417.

16. CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

The Tata Group has always epitomized philanthropy, ethical practices and an untiring quest for national betterment. The Company's Corporate Social Responsibility ("CSR") policy outlines four thrust areas of development viz. Livelihood & Employability, Health, Education and Environment. The Company has many long term associations with NGOs that make a positive and measurable difference in each of the focus areas.

The Company believes in social equity and the principle of equal opportunity, irrespective of gender, religion, caste or creed. The Affirmative Action programme at the Company seeks to promote access to quality education and technical skills and competencies for members of the Scheduled Caste ("SC") and Schedule Tribe ("ST") communities, thus creating economic independence and sustainable livelihoods. The Vatsalya Ashramshala in Vikramgad, Maharashtra, is a residential school for tribal children, supported by Tata Capital. This initiative has seen very positive results.

In the annual assessment of Tata Capital's Affirmative Action strategy and agenda, conducted by Tata Quality Management Services, Tata Capital moved up a band and was placed in the score band of 426-450.

As per the provisions of Section 135 of the Act, the Company has constituted the CSR Committee comprising Mr. F.N. Subedar (Chairman), Mr. Pranab K. Choudhury, Mr. Mukund S. Dharmadhikari, Ms. Anuradha Thakur and Mr. Praveen P. Kadle as Members. During FY 2014-15, the Company spent ₹ 7.89 crore (being 2 percent of the average net profit of the Company in the three immediately preceding financial years calculated as per Section 198 of the Act) in projects covered under Schedule VII of the Act.

The CSR Policy was adopted by the Board and the same has been put up on the Company's website. The Annual Report on CSR activities is annexed herewith as 'Annexure A'.

17. COMPLIANCE

The Company has complied and continues to comply with all the applicable regulations and guidelines issued by 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 Capital Adequacy Ratio ("CAR") of the Company was 15.91% on March 31, 2015 against the CAR of 15% prescribed for the Company by RBI.

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.

18. **REGULATORY ACTION**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

19. **DEPOSITS**

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

20. **DETAILS OF LOANS, GUARANTEES AND INVESTMENTS**

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

At the Extraordinary General Meeting of the Company held on March 30, 2015, the Members had approved a limit of ₹ 3,500 crore for the Company to make investment in securities of other companies.

The details of investments made as covered under the provisions of Section 186 of the Act are given in Note No.13 to the Financial Statements.

21. **DIRECTORS**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. F. N. Subedar, is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and is eligible for re-appointment.

The appointment of Mr. Janki Ballabh, Independent Director, was formalized by the Board of Directors at its meeting held on May 8, 2014 and the Members appointed him as Independent Director at the AGM, with effect from June 30, 2014. Mr. Ballabh's term as Independent Director would be upto October 23, 2017 i.e. upon his attaining the age of 75 years as per the Guidelines on Retirement of Directors, circulated by Tata Sons Limited and adopted by the Board.

Mr. H. N. Sinor, Director, who retired by rotation at the AGM of the Company held on June 30, 2014, did not seek re-appointment at the AGM, in order to meet with the requirements under the Act relating to the number of directorships that an individual can hold. Accordingly, he ceased to be a Director from the close of business hours on June 30, 2014. Further, Mr. F. K. Kavarana, Director, also stepped down as Director of the Company, with effect from June 9, 2014 in accordance with the provisions contained in the Guidelines relating to the Retirement of Directors adopted by the Company, on his attaining the age of 70 years. Mr. Ishaat Hussain, Director, stepped down from the Board of the Company with effect from March 20, 2015, in order to meet with the requirements under the Act relating to the number of directorships that an individual can hold.

The Board of Directors place on record their appreciation of the significant contributions made by Mr. Sinor, Mr. Kavarana and Mr. Hussain during their tenure as Directors of the Company.

Mr. Pranab Kumar Choudhury, Mr. Mukund S Dharmadhikari and Ms. Anuradha E Thakur were appointed as Independent Directors on the Board of the Company, with effect from January 28, 2015 for a term of five years, in accordance with the provisions of Section 149 of the Act and the Rules framed thereunder. Their appointments were approved by the Members at an Extraordinary General Meeting of the Company held on March 30, 2015.

The Company has received declarations from the Independent Directors viz. Mr. Ballabh, Mr. Choudhury, Mr. Dharmadhikari and Ms. Thakur stating that they meet the criteria of independence as provided in Section 149(6) of the Act.

In the opinion of the Board, Mr. Ballabh, Mr. Choudhury, Mr. Dharmadhikari and Ms. Thakur fulfill the conditions specified in the Act and the Rules for appointment as Independent Directors and that they are independent of the Management.

The terms and conditions of the appointments of Independent Directors have been placed on the website of the Company, www.tatacapital.com.

Mr. Praveen P Kadle, Managing Director & CEO, was re-appointed as the Managing Director & CEO of the Company as also of Tata Capital Limited ("TCL"), the holding company, for a period of 5 years commencing September 18, 2012. The Nomination and Remuneration Committee and the Board of Directors of TCL, approved an Incentive Remuneration of ₹ 2.20 crore as payable to Mr. Kadle, for FY 2014-15. With this, the total remuneration of Mr. Kadle for FY 2014-15, is ₹ 4.15 crore. Mr. Kadle's entire remuneration is borne by TCL.

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

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee ("NRC"). The performance evaluation was carried out by seeking inputs from all the Directors/Members of the Committees, as the case may be and discussions with the Directors by the Chairman of the NRC. The criteria for evaluating the performance of the Board as a whole covered various aspects of the Board's functioning such as fulfillment of key responsibilities, structure of the Board and its composition, establishment and delineation of responsibilities of the Board Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, etc. The criteria for evaluation of individual Directors covered parameters such as attendance and contribution at meetings, guidance to Management, etc. The criteria for evaluation of the Board Committees covered areas related to degree of fulfillment of key responsibilities, adequacy of Board Committee composition, effectiveness of meetings, Committee dynamics, quality of relationship of the Committee with the Board and the Management, etc.

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

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

The Nomination and Remuneration Committee ("NRC") of the Company comprises Mr. Janki Ballabh (Chairman), Mr. Pranab Kumar Choudhury and Mr. Mukund S Dharmadhikari. The NRC develops the competency requirements of the Board based on the industry and strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board, as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence of all Directors before recommending them to the Board. Besides the above, the NRC ensures that the new Directors are familiarized with the operations of the Company and endeavours to provide relevant training to the Directors.

In accordance with the provisions of Section 178 of the Act, the Board of Directors have adopted a Policy on Board Diversity and Director Attributes and the Remuneration Policy. The Policy on Board Diversity and Director Attributes has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Remuneration Policy for Directors, Key Managerial Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company. The Policy on Board Diversity and Director Attributes as also the Remuneration Policy of the Company are attached as Annexure B and Annexure C, respectively.

The Directors have also adopted the 'Fit and Proper' Policy for ascertaining the 'fit and proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the Non Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 issued by the Reserve Bank of India.

24. KEY MANAGERIAL PERSONNEL

The appointments of Mr. Praveen P Kadle, Managing Director & CEO and Ms. Avan Doomasia, Company Secretary, as Key Managerial Personnel ("KMP") of the Company were formalized on May 8, 2014. During the year, the Board of Directors of the Company appointed Mr. Puneet Sharma as the Chief Financial Officer of the Company, with effect from May 9, 2014. The KMPs of the Company are also the KMPs of TCL, the holding company.

25. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the external consultants and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2014-15.

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

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

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

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

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

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

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

26. CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

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

The Company believes that good corporate governance practices enables 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 ("TCOC"), which articulates the values, ethics and business principles and serves as a guide to the Company, its directors and employees, supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the said TCOC. In addition, the Company has adopted Governance Guidelines on Board Effectiveness, a Code of Conduct for Prevention of Insider Trading, a Code of Corporate Disclosure Practices, a Vigil Mechanism, a Fair Practices Code, an Affirmative Action Policy, a Policy against Sexual Harassment in the Workplace, a Fit and Proper Policy for ascertaining the fit and proper criteria of the directors at the time of appointment and on a continuing basis, a Policy on Board Diversity and Director Attributes, a Code of Conduct for Non-Executive Directors, Internal Guidelines on Corporate Governance 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. Janki Ballabh, Mr. F. N. Subedar, Mr. Pranab Kumar Choudhury, Mr. Mukund S. Dharmadhikari, Ms. Anuradha Thakur and Mr. Praveen P Kadle. Mr. Janki Ballabh, Mr. Pranab Kumar Choudhury, Mr. Mukund S. Dharmadhikari and Ms. Anuradha Thakur are Independent Directors ("IDs") of the Company. Mr. F. N. Subedar is a Non-Executive Director ("NED"). Mr. Kadle is the Managing Director ("MD") & CEO of the Company. Mr. Kadle was re-appointed as the MD & CEO of the Company, in addition to his being the MD & CEO of TCL for a period of 5 years, with effect from September 18, 2012. The remuneration of Mr. Kadle is entirely borne by TCL. During FY 2014-15, ten Board Meetings were held. Details of Directors, their attendance at Board Meetings and at the previous AGM of the Company are given below:

Name of Director	Director Identification Number	Category	Board Meetings Attended	Whether present at previous AGM held on June 30, 2014
Mr. F. K. Kavarana*	00027689	Non – Executive	2	No
Mr. Ishaat Hussain*	00027891	Non – Executive	9	Yes
Mr. Janki Ballabh	00011206	Independent	10	Yes
Mr. H. N. Sinor*	00074905	Non – Executive	2	No
Mr. F. N. Subedar	00028428	Non – Executive	10	Yes
Mr. Pranab Kumar Choudhury*	00015470	Independent	3	No
Mr. Mukund S. Dharmadhikari*	05003224	Independent	3	No
Ms. Anuradha E. Thakur*	06702919	Independent	3	No
Mr. Praveen P. Kadle	00016814	MD & CEO	10	Yes

Notes:

(i) *In accordance with the Guidelines on Retirement of Directors adopted by the Board of Directors, Mr. F.K. Kavarana, Director, stepped down from the Board of the Company, w.e.f. the close of business hours on June 9, 2014;*

(ii) *Mr. H. N. Sinor, Director, retired by rotation at the AGM of the Company held on June 30, 2014 and did not seek re-appointment at the AGM, in order to comply with the provisions of the Act relating to the maximum number of directorships that a person can hold. Accordingly, he ceased to be a Director, w.e.f. the close of business hours on June 30, 2014;*

(iii) *Mr. Ishaat Hussain, vide his letter dated March 19, 2015, stepped down from the Board, w.e.f. March 20, 2015, in order to comply with the provisions of the Act relating to the maximum number of directorships that a person can hold; and*

(iv) *Mr. Pranab Kumar Choudhury, Mr. Mukund S Dharmadhikari and Ms. Anuradha E Thakur were appointed as Independent Directors on the Board of the Company, w.e.f. January 28, 2015.*

The Company paid Sitting Fees for attending meetings of the Board and the Committees of the Board and will pay Commission for FY 2014-15, within the maximum prescribed limits, to the Non-Executive Directors and Independent Directors (as recommended by the NRC and approved by the Board at their meetings held on May 5, 2015 and May 8, 2015, respectively).

Details of Sitting Fees and Commission are, given below:

Name of Director(s)	Sitting Fees paid for attending Board and Committee Meetings during FY 2014-15	Commission paid for FY 2013-14	Commission to be paid for FY 2014-15
Mr. F. K. Kavarana (upto June 9, 2014)	₹ 1,00,000	₹ 18,00,000	₹ 3,45,205
Mr. Ishaat Hussain (upto March 20, 2015)	₹ 8,80,000	₹ 18,00,000	₹ 18,00,000
Mr. Janki Ballabh	₹ 12,20,000	₹ 18,00,000	₹ 18,00,000
Mr. H. N. Sinor (upto June 30, 2014)	₹ 1,40,000	₹ 18,00,000	₹ 4,50,000
Mr. F. N. Subedar	₹ 6,45,000	₹ 18,00,000	₹ 18,00,000
Mr. Pranab Kumar Choudhury (from January 28, 2015)	₹ 2,25,000	–	₹ 3,10,685
Mr. Mukund S. Dharmadhikari (from January 28, 2015)	₹ 1,80,000	–	₹ 3,10,685
Ms. Anuradha Thakur (from January 28, 2015)	₹ 2,55,000	–	₹ 3,10,685

None of the Non-Executive Directors and Independent Directors had any pecuniary relationships or transactions with the Company during the year under review.

b. Committees of the Board

The Board has constituted Committees with specific terms of reference/scope to focus effectively on issues and ensure expedient resolution of diverse matters. These are the Audit Committee, Investment Credit Committee, Finance and Asset Liability Supervisory Committee, Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Committee for Review of Policies and Executive Committee of the Board. The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board at its next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions / noting.

Audit Committee

The Audit Committee comprises Mr. Janki Ballabh, Independent Director as Chairman, Mr. F.N. Subedar, Non-Independent Non-Executive Director, Mr. Mukund S. Dharmadhikari, Independent Director and Ms. Anuradha Thakur, Independent Director. The composition of the Audit Committee is in line with the provisions of Section 177 of the Act. All the Members have the ability to read and understand financial statements and have relevant finance and/or audit experience.

The Board has adopted an Audit Committee Charter which defines the composition of the Audit Committee, its authority, role, responsibilities and powers and reporting functions in accordance with the Act, requirements of the Listing Agreement for Debt Securities and Guidelines issued by RBI. The Charter is reviewed from time to time and 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 the Auditors and their remuneration, nature and scope of audit
– Ensure adequacy of internal controls and compliances and recommend remedial measures
– Review adequacy of the Internal Audit function

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

During FY 2014-15, eight Audit Committee Meetings were held. The attendance of the Members of the Audit Committee at its Meetings held during FY 2014-15, is given below:

Name of the Member	**Category**	**Audit Committee Meetings**	
		Held	**Attended**
Mr. Janki Ballabh	Independent	8	8
Mr. H. N. Sinor (upto June 30, 2014)	Non – Executive	8	1
Mr. F. N. Subedar	Non – Executive	8	8
Mr. Mukund S. Dharmadhikari* (w.e.f. January 28, 2015)	Independent	8	1
Ms. Anuradha E. Thakur* (w.e.f. January 28, 2015)	Independent	8	1
Mr. Praveen P. Kadle (between July 17, 2014 to January 28, 2015)	MD & CEO	8	5

*<u>*Note:</u>*
Mr. Mukund S. Dharmadhikari and Ms. Anuradha E. Thakur were appointed as Independent Directors on the Board of the Company, w.e.f. January 28, 2015. There was only one Audit Committee Meeting held between January 28, 2015 and March 31, 2015.

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

Besides the Members of the Committee, meetings of the Audit Committee are attended by the MD & CEO, Chief Financial Officer, Company Secretary, Statutory Auditors and Internal Auditor. 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 and the NRC had attended the last AGM of the Company. The Chairman of the Stakeholders Relationship Committee ("SRC") had authorized Mr. Janki Ballabh, Member of the SRC, to attend the last AGM, on his behalf.

c. **Means of Communication**

The Half-Yearly Results of the Company are 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 results, are also posted on the Company's website 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.

d. **General Information for Members and Debenture holders**

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 BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The following are the details of the Company's debentures issued to the public:

Type	ISIN	BSE		NSE	
		Scrip Code	Address	Series	Address
Option I	INE306N07BK0	934845	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. www.bseindia.com	N6	"Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai – 400051 www.nseindia.com
Option II	INE306N07BL8	934846		N7	
Option III	INE306N07BM6	934847		N8	
Option IV	INE306N07BN4	934848		N9	

The Debentures issued on a private placement basis are listed on the Wholesale Debt Market segment of the NSE. The Company has paid Annual Listing fees for FY 2014-15 to both the Stock Exchanges.

Details of Debenture Trustees and the Registrar and Transfer Agents for the Debentures are given below:

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 Tel: +91 22 2653 3333, Fax: +91 22 2653 3297 e-mail: investorgrievances.itcl@ilfsindia.com
IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001 Web: www.idbitrustee.com Tel: +91 22 4080 7000, Fax: +91 22 6631 1776 e-mail: itsl@idbitrustee.com

Registrar and Transfer Agents
Non – Convertible Debentures issued to the Public
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500008 Tel: +91 040-67161500 www.karvycomputershare.com
Non – Convertible Debentures issued on a Private Placement basis
Sharepro Services (India) Private Limited 13 AB, Samhita Warehousing Complex, Behind Sakinaka Telephone Exchange, Kurla Andheri Road, Sakinaka, Mumbai - 400072 Tel: +91 22 67720300, +91 22 67720400 www.shareproservices.com

As per the provisions of Section 125 of the Act, interest on application money, matured debentures and interest on matured debentures remaining unclaimed for a period of seven years from the date they become due for payment, have 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 yet 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 TCOC and the norms for using the Tata Brand identity.

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

Mr. Kamlesh Parekh, Head – Legal & Compliance is the Compliance Officer of the Company.

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.

27. VIGIL MECHANISM

The Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns or grievances. The said mechanism encompasses the Whistle Blower Policy, Fraud Risk Management Process, the Ethics mechanism under the TCOC, etc., and provides for adequate safeguards against victimization of persons who use such mechanism. It also provides direct access to the Chairman of the Audit Committee and the Chief Ethics Counsellor. The Vigil Mechanism, Whistle Blower Policy and TCOC have been put up on the Company's website.

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

The Company is committed to providing and promoting a safe and healthy work environment for all its employees.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a 'Prevention of Sexual Harassment' ("POSH") policy that is in line with the provisions of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules framed thereunder for prevention and redressal of complaints of sexual harassment at the workplace, along with a structured reporting and redressal mechanism. An Internal Complaints Committee, known as the POSH Committee has been constituted to inquire into complaints of sexual harassment and recommend appropriate action. The POSH Policy is displayed on the Company's Intranet and is also communicated to employees through e-mails and communication campaigns. Posters on the POSH Policy, giving contact details of the POSH Committee Members, are displayed in the Company's branch offices.

During FY 2014-15, the Company has received one complaint on sexual harassment, which is being addressed as per the POSH Policy.

29. STATUTORY AUDITORS

M/s. 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 AGM and are eligible for re-appointment.

Deloitte Haskins & Sells, Ahmedabad ("DHS-A"), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the AGM of the Company held on September 5, 2011, for FY 2011-12. Subsequently, DHS were appointed in place of DHS-A, at the AGM held on July 19, 2012 and were re-appointed at the AGM sheld on June 28, 2013 and June 30, 2014 and their current term expires at the conclusion of the ensuing AGMs. 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 four years as Statutory Auditors 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 Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

As per the provisions of the Act 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.

30. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act and the Guidelines prescribed by the RBI, as applicable.

31. EXPLANATION ON STATUTORY AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by DHS, in their Report dated May 8, 2015, on the Financial Statements of the Company for FY 2014-15.

32. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for FY 2014-15. The Secretarial Audit Report is annexed as Annexure D.

There are no qualifications, reservations or adverse remarks or disclaimers made by Messrs. Parikh & Associates in their Audit Report dated May 8, 2015 on the Secretarial and other related records of the Company for FY 2014-15.

33. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2015 and May 8, 2015, being the date of this Report.

34. PARTICULARS OF RELATED PARTY TRANSACTIONS

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

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

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

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

(A) <u>Conservation of energy</u>:

i. Steps taken / impact on conservation of energy:

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

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

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

iii. Capital investment on energy conservation equipments:

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

(B) Technology absorption:

i. The efforts made towards technology absorption;

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

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

(a) The details of technology imported;

(b) The year of import;

(c) Whether the technology been fully absorbed;

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

iv. The expenditure incurred on Research and Development.

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

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year under review was Nil and the Foreign Exchange Outgo during the year under review in terms of actual outflows, was ₹ 0.54 crore.

36. EXTRACT OF ANNUAL RETURN

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

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

The details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2015, is attached as Annexure H.

The details required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2015, form part of this Report.

38. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

39. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from RBI, Securities and Exchange Board of India, Registrar of Companies and other government and regulatory agencies and to convey their appreciation to TCL, the holding company, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation 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

Mumbai, May 8, 2015	**Janki Ballabh** Director	**Praveen P Kadle** Managing Director

Annexure A

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

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

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

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

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

   For details of the CSR Policy along with projects and programs, kindly refer to http://www.tatacapitalfinancialservices.com/Investorinfo.htm

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

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

   Mr. F. N. Subedar, Non – Executive Director (Chairman)

   Mr. Pranab Kumar Choudhury, Independent Director

   Mr. Mukund S. Dharmadhikari, Independent Director

   Ms. Anuradha E. Thakur, Independent Director

   Mr. Praveen P. Kadle, Managing Director & CEO

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

   (₹ in lakh)

Financial Year	Net Profit
FY 2011 - 12	28,136
FY 2012 - 13	48,454
FY 2013 -14	41,721
Average Net Profit	39,437

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

4. **CSR expenditure (2% of ₹ 39,437 lakh):**

   The CSR expenditure for FY 2014 – 15 aggregated to ₹ 789 lakh.

5. **Details of CSR spend during FY 2014-15:**

   a. Total amount to be spent: ₹ 789 lakh

   b. Amount unspent, if any: Nil

c. Manner in which the amount was spent during FY 2014-15 is detailed below:

(₹ in lakh)

Sr. No.	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the state and District where the projects or programs was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Sub heads:		Cumulative expenditure upto the reporting period	Amount spent Direct or through Implementing Agency
					Direct Expenditure on projects or programs	Overheads		
1	Support to promote Indian Classical music and promote new artists through programmes held in Mumbai and smaller cities	Art and Culture	Local area: Mumbai, Kolhapur and Nagpur, Maharashtra and Vododra, Gujarat	60.00	60.00	–	60.00	Implementing Agency: Maharashtra Lalit Kala Nidhi
2	Sponsorship of an Indian Classical Music concert, to be held on Guru Poornima, in aid of cancer patients. It serves the dual objective of - supporting Indian Classical Music and needy cancer patients	Art and Culture	Local area: Mumbai, Maharashtra	6.00	6.00	–	6.00	Implementing Agency: Music Group and Cultural Trust
3	Sponsorship of a musical program for the benefit of cancer patients	Art and Culture	Local area: Mumbai, Maharashtra	2.50	2.50	–	2.50	Implementing Agency: Courage India
4	Contribution towards relief and rehabilitation work in Jammu & Kashmir	Disaster Relief	Other: Jammu and Kashmir	25.09	25.09	–	25.09	Implementing Agency: Tata Relief Committee
5	Contribution to the Rotary Club of Bombay Sea Face Charities Trust for Education/Employability	Promoting Education	Other: PAN India	3.00	3.00	–	3.00	Implementing Agency: Rotary Club of Bombay Seaface
6	Contribution to Tata Medical Centre Trust, which is dedicated for treatment of cancer patients	Promoting healthcare including preventive healthcare	Others: Kolkatta, West Bengal	25.00	25.00	–	25.00	Implementing Agency: Tata Medical Center Trust
7	Supporting the training and employment of SC/ST youth in the hospitality sector	Employment enchancing Vocational skills	Local area: Aurangabad, Maharashtra and other: Dhammtari, Raipur	25.28	25.28	–	25.28	Implementing Agency: Pratham Education Foundation
8	Supporting the training and employment of SC/ST youth in Industry related trades	Employment enchancing Vocational skills	Local area: Chinchwad, Maharashtra	21.60	21.60	–	21.60	Direct
9	Promoting conservation and green practices in Corporates by supporting the Good Green Governance Awards and Srishti – a magazine dedicated to conservation	Environmental Sustainability	Other: Delhi	9.00	9.00	–	9.00	Direct
10	Promoting usage of renewable energy through solar power installations	Environmental Sustainability	Local area: Malavali Dist., Pune, Maharashtra	2.50	2.50	–	2.50	Implementing Agency: United ways of Mumbai

Sr. No.	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the state and District where the projects or programs was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Sub heads:		Cumulative expenditure upto the reporting period	Amount spent Direct or through Implementing Agency
					Direct Expenditure on projects or programs	Overheads		
11	Measuring and reporting CO_2 emissions for FY 2013-14	Environmental Sustainability	Other: PAN India	12.48	12.48	–	12.48	Direct
12	Reducing the carbon footprint by saving the electricity consumption of computers	Environmental Sustainability	Other: PAN India	11.00	11.00	–	11.00	Direct
13	Planting 30,000 trees in the periphery of the Sariska Tiger Reserve, Rajasthan	Environmental Sustainability	Other: Jaipur, Rajasthan	17.07	17.07	–	17.07	Implementing Agency: Pangea Eco Net Assets Pvt. Ltd.
14	Promoting usage of renewable energy through solar power installations	Environmental Sustainability	Local area: Nagpur, Maharashtra	200.00	200.00	–	200.00	Direct
15	Facilitating provision of a nutritious diet amongst salt pan workers	Eradicating Hunger, poverty and malnutrition	Other: Kutch, Gujarat	2.50	2.50	–	2.50	Implementing Agency: United ways of Mumbai
16	A pre-Diwali event that gives market access to grass root organizations: producers of art, craft and food products, in association with International Resources for Fairer Trade ("IRFT")	Livelihood enchancement project; Development of Handicrafts	Local area: Mumbai, Maharashtra	13.48	13.48	–	13.48	Implementing Agency: IRFT
17	Gnyansadhana College of Arts, Commerce and Science : Reimbursement of fees to SC/ST Students	Promoting Education	Local area: Thane, Maharashtra	1.13	1.13	–	1.13	Direct
18	Vatsalya Ashramshala at Vikramgad is part of our cluster development plan, wherein our intervention is planned to be a holistic one, spanning education and employment. TCFSL also contributes to infrastructure development at this school.	Promoting Education	Local area: Vikramgad, Maharashtra	30.00	30.00	–	30.00	Implementing Agency: Pragati Prathisthan
19	Pragati Pratishthan is a non-Governmental, non political and not for profit organization. The allocated budget is towards Infrastructure development (construction of toilet blocks and extension) for the school for speech and hearing impaired Adivasi children.	Promoting Education	Local area: Jawahar, Maharashtra	39.00	39.00	–	39.00	Implementing Agency: Pragati Prathisthan

Sr. No.	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the state and District where the projects or programs was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Sub heads:		Cumulative expenditure upto the reporting period	Amount spent Direct or through Implementing Agency
					Direct Expenditure on projects or programs	Overheads		
20	This initiative of Pratham is for increasing the basic learning ability of children from class III to V, in 50 primary schools of the Vikramgad area and will be a pilot for implementation across Maharashtra as Pratham has been engaged by the Govt. of Maharashtra to deploy Read India Initiative across the whole state	Promoting Education	Local area: Jawahar, Maharashtra	24.49	22.26	2.23	24.49	Implementing Agency: Pratham Education Foundation
21	This project with CRY focuses on children in the Tea Gardens of Jalpaiguri, West Bengal. TCFSL has sponsored towards the primary and secondary school education of children of Tea Estate workers. In addition, TCFSL supports the CRY Summit for CSR.	Promoting Education	Others: Dooars region, Jalpaidgudi Dist., West Bengal	20.13	17.35	2.78	20.13	Implementing Agency: CRY
22	TCFSL reimburses school fees and provides text books and notebooks to SC/ST students from Std. IX to XII in Elphinstone Techincal High School	Promoting Education	Local area: Mumbai, Maharashtra	0.75	0.75	-	0.75	Direct
23	Infrastructure Development at Yusuf Meherally School attended by children from extremely under privileged and economically backward families.	Promoting Education	Local area: Mumbai, Maharashtra	4.83	4.83	-	4.83	Implementing Agency: Rotary Club of Bombay Seaface
24	The TCFSL Financial Literacy programme is aimed towards increasing Financial Literacy for students from Std. VIII to X in urban and semi urban schools. TCFSL has conducted an extensive research, need assessment surveys and understanding the current status of Financial Literacy initiatives across India and preparation of a white paper on Financial Literacy by CERE our NGO partner for this project. The project involves creation of a digital learning module and an exclusive financial literacy website for school going students.	Promoting Education	Other: PAN India	59.22	57.18	2.04	59.22	Implementing Agency: Centre for Environmental Research and Education

Sr. No.	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the state and District where the projects or programs was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Sub heads:		Cumulative expenditure upto the reporting period	Amount spent Direct or through Implementing Agency
					Direct Expenditure on projects or programs	Overheads		
25	Partnership with Magic Bus for the Cluster development project at Vatsalya Ashramshala, Vikramgad. Magic Bus takes a holistic approach and helps the children in overall personality development through the intervention of sports	Promoting Education	Local area: Vikramgad, Maharashtra	16.25	14.77	1.48	16.25	Implementing Agency: Magic Bus India Foundation
26	Support for education for the children of a Municipal School in Thane through setting up of a library, a computer lab and an audio visual training facility	Promoting Education	Local area: Mumbai, Maharashtra	4.50	4.50	–	4.50	Implementing Agency: Umnag Foundation
27	Supporting Marathi Vidnyan Parishad Patrika, a science magazine which is dedicated to spreading the awareness of science	Promoting Education	Local area: Mumbai, Maharashtra	1.01	1.01	–	1.01	Direct
28	This is a Tata Group level Affirmative Action scholarship scheme. TCFSL had provided Scholarships to 5 bright SC/ST students through the 'Foundation for Academic Excellence and Access' (FAEA) every year	Promoting Education	Local area: Mumbai, Maharashtra	3.50	3.50	–	3.50	Direct
29	Providing scholarships for the education for deserving underpriviliged students nominated by employees	Promoting Education	Other: PAN India	7.93	7.93	–	7.93	Direct
30	Integration of hearing impaired children into mainstream society through cochlear implants and speech training therapy. Supporting staff salaries at AURED in order the sustain the quality of the training imparted to the children	Promoting education including special education	Local area: Mumbai, Maharashtra	40.20	39.71	0.49	40.20	Implementing Agency: Aural Education for the Hearing Imparied
31	Provision for a paediatric incubator for Dr. Hedgewar Hospital in Aurangabad to help the survival rate of premature babies	Promoting healthcare including preventive healthcare	Local area: Aurangabad, Maharashtra	11.18	11.18	–	11.18	Direct
32	Supporting Child Care facilities for pediatric cancer patients through St. Jude India Child Care Centre, Kharghar	Promoting healthcare including preventive healthcare	Local area: Mumbai, Maharashtra	10.98	10.98	–	10.98	Implementing Agency: St. Jude India Child Care Centres
33	Supporting identification and training of future badminton champions through the Prakash Padukone Badminton Academy.	Promoting nationally recognised sports	Other: Bangalore, Karnataka	40.00	40.00	-	40.00	Direct

Sr. No.	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the state and District where the projects or programs was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Sub heads:		Cumulative expenditure upto the reporting period	Amount spent Direct or through Implementing Agency
					Direct Expenditure on projects or programs	Overheads		
34	Administration Expenses (including off-roll Staff Cost) and Capacity Building including Volunteering	Capacity Building, including expenditure on administrative overheads	Other: PAN India	37.40	37.40	–	37.40	Direct
	Total			**789.00**	**779.98**	**9.02**	**789.00**	

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

Nil

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

Sd/-

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

Sd/-

Mr. Pranab Kumar Choudhury
Member, CSR Committee
(Independent Director)

Sd/-

Mr. Mukund S. Dharmadhikari
Member, CSR Committee
(Independent Director)

Sd/-

Ms. Anuradha E. Thakur
Member, CSR Committee
(Independent Director)

Sd/-

Mr. Praveen P. Kadle
Member, CSR Committee
(Managing Director & CEO)

Annexure B

POLICY ON BOARD DIVERSITY AND DIRECTOR ATTRIBUTES

1. PURPOSE

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

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

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

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

2. OBJECTIVES OF THE POLICY

The Objectives of the Policy include:

(i) Board to drive diversity and have an appropriate blend of functional and industry expertise;

(ii) While recommending the appointment of a director to, *inter alia*, consider the manner in which the function and domain expertise of the individual contributes to the overall skill domain mix of the Board;

(iii) To help the Company build a better Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;

(iv) To achieve an optimum and balanced Board, with a wide range of attributes;

(v) To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations; and

(vi) To have an optimum mix of Executive, Non-Executive and Independent Directors, including Women Directors.

3. POLICY STATEMENT

To meet the above Objectives:

(i) The Board of TCFSL will ensure that a transparent Board nomination process is in place that encourages diversity of thought, experience, skills, knowledge, perspective, age, nationality, gender, cultural and educational background;

(ii) It will be ensured that the Board has an appropriate blend of functional and industry expertise and skills;

(iii) The consideration and selection of candidates for appointment to the Board, will be based on merit which shall include a review of any candidate's integrity, experience, educational background, industry or related experience and more general experience;

(iv) Candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience and having the ability to devote sufficient time to the affairs of the Company, should be considered for appointment to the Board; and

(v) While recommending the appointment of a Director, the NRC will consider the criteria as laid down under the Act and applicable Regulations/Guidelines issued by Statutory and Regulatory authorities, as also those issued by Tata Sons Limited, from time to time, and the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

4. MEASURABLE OBJECTIVES

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

5. MONITORING AND REPORTING

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

Annexure C

REMUNERATION POLICY

1. COMPENSATION PHILOSOPHY

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

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

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

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

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

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

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

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

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

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

(i) Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid Sitting Fees (for attending the meetings of the Board and of Committees of the Board of which they may be Members) and Commission, within regulatory limits.

(ii) Within the parameters prescribed by law, the payment of Sitting Fees and Commission will be recommended by the NRC for the approval of the Board.

(iii) Overall remuneration (Sitting Fees and Commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration, the challenges faced by the Company and its future growth imperatives).

(iv) Overall remuneration should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration.

(v) Overall remuneration practices should be consistent with recognized best practices.

(vi) Quantum of Sitting Fees may be subject to review on a periodic basis, as required.

(vii) The aggregate Commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters, as may be decided by the Board.

(viii) The NRC will recommend to the Board, the quantum of Commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent at Board and Committee meetings, individual contribution at the meetings and contributions made by directors, other than at Board and Committee meetings.

(ix) In addition to the Sitting Fees and Commission, the Company may pay to any Director, such fair and reasonable expenditure, as may have been incurred by the director while performing his / her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board / Board Committee meetings, General Meetings, court convened meetings, meetings with Shareholders / Creditors / Management, site visits, induction and training (arranged by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his / her duties as a director.

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

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

Hence, remuneration should be:

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

(ii) In terms of remuneration mix or composition,

- the remuneration mix for the MD / EDs should be as per the contract approved by the Shareholders. In case of any change which is beyond the remuneration approved by the Shareholders, the same would require the approval of the Shareholders.
- basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- in addition to the basic/fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- the Company provides retirement benefits, as applicable.
- in addition to the basic/fixed salary, benefits, perquisites and allowances as provided above,

the Company may provide MD/EDs such remuneration by way of Commission, calculated with reference to the Net Profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on the performance of the MD / EDs as evaluated by the Board or the NRC and approved by the Board.

OR

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

2.3 Remuneration payable to Director for services rendered in other capacity

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

a. The services rendered are of a professional nature;

b. The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession; and

c. Approval of the Central Government has been received, if required, for paying the same.

2.4 Loans to employees

The Company may grant loans to its employees on such terms and conditions as may be determined by the Board or any Committee of the Board, from time to time, in accordance with applicable laws.

2.5 Policy implementation

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

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

Annexure D

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To,
The Members
Tata Capital Financial Services Limited

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

Based on our verification of Tata Capital Financial Services Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2015, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Tata Capital Financial Services Limited for the Financial Year ended on March 31, 2015, according to the provisions of:

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

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

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

(iv) Other laws including the laws relating to Non Banking Financial Companies, to the extent applicable to the Company as per the representations made by the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings, which are not in force as on the date of this Report;

(ii) The Listing Agreement for Debt Securities entered by the Company with National Stock Exchange of India Limited and BSE Limited with respect to Non-Convertible Debentures issued by the Company.

During the period under review, and as per the explanations given to us and the representations made by the management the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company as on March 31, 2015 is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notice for the Board/Committee Meetings was given at least seven days in advance to all the Directors for holding the Board/Committee Meetings. Agenda and detailed notes on Agenda were sent in advance, and there is a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the Management, were taken unanimously.

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

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

a. During the year, the Company had issued and redeemed the following Non-Convertible Debentures:

    (i) Issued 52,880 Secured Redeemable Non-Convertible Debentures for an aggregate amount of ₹ 5,288 crore

    (ii) Issued 4,100 Unsecured Redeemable Non-Convertible Debentures for an aggregate amount of ₹ 410 crore

    (iii) Redeemed 28,163 Secured Redeemable Non-Convertible Debentures for an aggregate amount of ₹ 2,816.30 crore.

b. The Members had passed a Special Resolution under Section 180(1)(c) of the Act, for borrowing monies, which may exceed the aggregate of the paid up capital of the Company and free reserves, such that the total outstanding amount so borrowed should not exceed ₹ 26,000 crore at any point of time.

c. The Members had passed a Special Resolution under Section 180(1)(a) of the Act, for creation of charge, mortgage and hypothecation on the assets of the Company for an outstanding aggregate value not exceeding ₹ 26,000 crore.

For **Parikh & Associates**
Company Secretaries

Jigyasa Ved
Partner
FCS No: 6488 CP No: 6018

Mumbai
May 8, 2015

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

Annexure I

To,
The Members
Tata Capital Financial Services Limited

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

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

For **Parikh & Associates**
Company Secretaries

Jigyasa Ved
Partner
FCS No: 6488 CP No: 6018

Mumbai
May 8, 2015

Annexure E

POLICY ON RELATED PARTY TRANSACTIONS

1. **Executive Summary**

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

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

The Policy covers the following sections:-

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

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

Definition:- Specifies the key definitions stated in the Act

Key Principles:-

a) Identification, Review of Related Party Transactions

b) Broad Parameters to Assess: Ordinary Course of Business

c) Broad Parameters to Assess: Arm's Length

d) Materiality Thresholds for Related Party Transactions

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

2. **Objective**

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

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

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

3. **Scope**

Accordingly, this Policy has been adopted to:

a) give an overview of the legal provisions applicable to Related Party Transactions

b) lay down the process for identifying Related Parties

c) identify factors for determinining whether a transaction with a Related Party is:

– on an Arm's Length basis

– in the Ordinary Course of Business

d) for approval / noting of Related Party Transactions.

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

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

4. Definition

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

5. Identification and Monitoring of Related Parties

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

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

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

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

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

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

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

6. Key Principles

A. Broad Parameters to assess - Ordinary Course of Business

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

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

B. Broad Parameters to assess – Arm's Length

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

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

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

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

(a) The Board has stipulated that transactions with related parties in the ordinary course of business and at arm's length that cross the monetary threshold ("***de minimis* threshold**") as set out below would require Audit Committee approval. The ***de minimis*** thresholds are:

(i) For transactions of a revenue nature, amounts exceeding the existing DOA;

(ii) For transactions of a capital nature, amounts exceeding the existing DOA; and

(iii) For transactions for which materiality levels are specifically mentioned in the Act (i) and (ii) above shall be capped at the materiality levels as stipulated in the table at sub-point (b) below, under 'Internal Thresholds for Approvals'.

(b) The Company has also set out Materiality Thresholds for Related Party Transactions as per the Act and internal thresholds for approvals.

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

7. **Disclosure**

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

Annexure F

Form No. AOC- 2

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

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

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

(₹ in lakh)

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements / transactions	Amount	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Tata Capital Limited	Holding Company	a) Issue of Unsecured, Redeemable, Non Convertible, Subordinate Debentures as Tier-II Capital	20,000	10 years	Yield @ 9.37% p.a. Subordinated in status to other creditors	–
			b) ICDs accepted during the year	2,53,819	Tenor upto 1 year	Cost of Funds for previous month plus 25 bps	–
			c) ICDs repaid during the year	2,64,309	Tenor upto 1 year	Not Applicable	–
			d) Dividend paid during the year	6,488	Not Applicable	Dividend for FY 2013-14, at the rate of ₹ 0.50 per Equity Share of ₹ 10 each of the Company	–
			e) Dividend Payable	7,785	Not Applicable	Interim Dividend for FY 2014-15, at the rate of ₹ 0.60 per Equity Share of ₹ 10 each of the Company	–
2	e-Nxt Financials Limited	Fellow Subsidiary	Service Provider Charges	4,558	Tenor upto 5 years	Service level agreement and Manpower based agreement for Outsourcing services between the Company and e-Nxt Financials Limited ("e-Nxt"). Key services provided by e-Nxt mainly includes File processing, Central Operations, Branch Operation, Field Investigation, Collection and Customer Call centre	–

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements / transactions	Amount	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
3	Tata Consultancy Services Limited (“TCS”)	Fellow Subsidiary	a) IT outsourcing expenses	4,986	Tenor upto 7 years	Service level agreement for Information Technology services, including Hardware and Software support entered into between the Company and TCS.	–
			b) ICDs repaid during the year	28,000	Tenor upto 1 year	Not Applicable	–
4	Tata Cleantech Capital Limited ("TCCL")	Fellow Subsidiary	Assignment of Portfolio	38,003	Not Applicable	Based on the Memorandum of Understanding entered into between the companies on July 23, 2013, two loans aggregating ₹ 30 crore were transferred at book value from the Company to TCCL during the quarter ended June 2014. Based on the Independent valuation report and Memorandum of Understanding, a loan portfolio aggregating ₹ 350 crore was transferred at commercial terms by the Company to TCCL in March 2015.	–

Note: Appropriate approvals have been taken for Related Party Transactions

For and on behalf of the Board of Directors

Mumbai
May 8, 2015

Janki Ballabh
Director

Praveen P. Kadle
Managing Director & CEO

Annexure G

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN: U67100MH2010PLC210201

ii) Registration Date (Date of Incorporation): November 19, 2010

iii) Name of the Company: Tata Capital Financial Services Limited

iv) a) Category: Company limited by shares

b) Sub-Category of the Company: Indian Non-Government Company

v) Address of the Registered office and contact details:

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

Contact details:

Tel: +91 022 6745 9000 / +91 022 6606 9000

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

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

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

Non – Convertible Debentures issued to the Public	Non – Convertible Debentures issued on a Private Placement basis
Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 008 Tel: +91 040 67161500 Fax: +91 040 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: +91 022 67720300, +91 022 67720400 Fax: +91 022 28508927 www.shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Financing Activity	64920	91

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Tata Capital Limited One Forbes, Dr. V.B. Gandhi Marg, Fort, Mumbai – 400 001	U65990MH1991PLC060670	Holding Company	100%	Section 2(46)
2	International Asset Reconstruction Company Private Limited 709, 7th Floor, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi - 110001	U74999DL2002PTC117357	Associate Company	25.37%	Section 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup As Percentage Of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	129,75,50,000	129,75,50,000	100	–	129,75,50,000	129,75,50,000	100	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	–	129,75,50,000	129,75,50,000	100	–	129,75,50,000	129,75,50,000	100	–
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**–**	**129,75,50,000**	**129,75,50,000**	**100**	**–**	**129,75,50,000**	**129,75,50,000**	**100**	**–**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A+B+C)	**–**	**129,75,50,000**	**129,75,50,000**	**100**	**–**	**129,75,50,000**	**129,75,50,000**	**100**	**–**

(ii) Shareholding of Promoters

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

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	129,75,50,000	100	129,75,50,000	100

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

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

(₹ in lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness At the beginning of the financial year				
i) Principal Amount	14,31,307	4,35,600	41,805	19,08,712
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	45,955	3,363	–	49,318
Total (i+ii+iii)	**14,77,262**	**4,38,963**	**41,805**	**19,58,030**
Change in Indebtedness during the financial year				
• Addition	11,66,457	21,69,770	2,58,319	35,94,546
• Reduction	(10,28,401)	(20,50,075)	(2,92,309)	(33,70,785)
Net Change	1,38,056	1,19,695	(33,990)	2,23,761
Indebtedness At the end of the financial year				
i) Principal Amount	15,69,363	5,55,295	7,815	21,32,473
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	50,943	4,080	–	55,024
Total (i+ii+iii)	**16,20,306**	**5,59,375**	**7,815**	**21,87,497**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission - as % of profit - others, specify…	–	–
5.	Others, please specify	–	–
	Total (A)	**–**	**–**
	Ceiling as per the Act		₹ 1,923 lakh

Note:
Mr. Praveen P. Kadle, Managing Director & CEO, is also the Managing Director & CEO of Tata Capital Limited (“TCL”), the holding company and his entire remuneration is borne by TCL.

B. **Remuneration to other directors:**

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of the Directors				Total Amount
1.	Independent Directors	Mr. Janki Ballabh	Mr. Pranab Kumar Choudhury	Mr. Mukund S. Dharmadhikari	Ms. Anuradha E. Thakur	
	• Fee for attending board / committee meetings	12.2	2.25	1.8	2.55	18.8
	• Commission	18	–	–	–	18
	• Others, please specify	–	–	–	–	–
	Total (1)	30.2	2.25	1.8	2.55	36.8
2.	Other Non-Executive Directors	Mr. Ishaat Hussain	Mr. F. N. Subedar	Mr. F K Kavarana	Mr. H.N. Sinor	
	• Fee for attending board / committee meetings	8.8	6.45	1	1.4	17.65
	• Commission	18	18	18	18	72
	• Others, please specify	–	–	–	–	–
	Total (2)	26.8	24.45	19	19.4	89.65
	Total (B)=(1+2)					126.45
	Total Managerial Remuneration					126.45
	Overall Ceiling as per the Act					4,231

Notes:

1. *The Remuneration details as mentioned above include sitting fees paid in FY 2014-15 and commission paid for FY 2013-14 in FY 2014-15*
2. *Mr. F. K. Kavarana ceased to be Director w.e.f. June 9, 2014*
3. *Mr. H. N. Sinor ceased to be Director w.e.f. June 30, 2014*
4. *Mr. Pranab Kumar Choudhury, Mr. Mukund S Dharmadhikari and Ms. Anuradha E. Thakur were appointed as Independent Directors w.e.f. January 28, 2015*
5. *Mr. Ishaat Hussain ceased to be Director w.e.f. March 20, 2015*

C. **Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Ms. Avan Doomasia Company Secretary	Mr. Puneet Sharma CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	56.12	–	56.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	1.92	–	1.92
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Ms. Avan Doomasia Company Secretary	Mr. Puneet Sharma CFO	Total
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission - as % of profit - others, specify…	–	–	–	–
5.	Others, please specify	–	–	–	–
	Total	**–**	**58.04**	**–**	**58.04**

Notes:

1. *Mr. Praveen P Kadle, Managing Director & CEO, is also the Managing Director & CEO of Tata Capital Limited ("TCL"), the holding company and his entire remuneration is borne by TCL.*
2. *Mr. Puneet Sharma, Chief Financial Officer, is also the Chief Financial Officer of TCL, the holding company and his entire remuneration is borne by TCL.*
3. *Details of remuneration of Ms. Avan Doomasia, Company Secretary are provided from April 1, 2014 to January 1, 2015. The details of remuneration from January 2, 2015 to March 31, 2015 are not mentioned since she was also appointed as the Company Secretary of TCL and accordingly, her remuneration is borne by TCL.*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -

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

Annexure H

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

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

The ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2014-15 is, as under:

Name of Director(s)	Ratio to Median
Mr. F. K. Kavarana (upto June 9, 2014)	2.31:1
Mr. Ishaat Hussain (upto March 20, 2015)	3.26:1
Mr. Janki Ballabh	3.68:1
Mr. H. N. Sinor (upto June 30, 2014)	2.36:1
Mr. F. N. Subedar	2.98:1
Mr. Pranab Kumar Choudhury (from January 28, 2015)	0.27:1
Mr. Mukund S. Dharmadhikari (from January 28, 2015)	0.22:1
Ms. Anuradha E. Thakur (from January 28, 2015)	0.31:1

Mr. Praveen P Kadle is the Managing Director & CEO of the Company and Tata Capital Limited ("TCL"), the holding company. Mr. Kadle does not draw any remuneration from the Company and his entire remuneration is borne by TCL. In view of the above, the ratio of his remuneration to the median remuneration of employees, has not been computed.

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

The percentage increase in remuneration of the Directors in FY 2014-15 is, given below:

Name of Director(s)	% Increase in Remuneration
Mr. F. K. Kavarana (upto June 9, 2014)	(13.6)
Mr. Ishaat Hussain (upto March 20, 2015) *	68.9
Mr. Janki Ballabh	7.5
Mr. H. N. Sinor (upto June 30, 2014)	(24.5)
Mr. F. N. Subedar	1.5
Mr. Pranab Kumar Choudhury (from January 28, 2015)	–
Mr. Mukund S. Dharmadhikari (from January 28, 2015)	–
Ms. Anuradha E. Thakur (from January 28, 2015)	–

**It may be noted that Commission for FY 2012-13 paid in FY 2013-14 to Mr. Hussain was for the period commencing September 2012 to March 2013, consequent upon Mr. Hussain ceasing to be the Executive Director of Tata Sons Limited, the ultimate holding company, with effect from September 2, 2012 and hence, being eligible for Commission from September 2012.*

Mr. Praveen P Kadle is the Managing Director & CEO of the Company and TCL and does not draw any remuneration from the Company. His entire remuneration is borne by TCL.

Mr. Puneet Sharma is the Chief Financial Officer of the Company and TCL and does not draw any remuneration from the Company. His entire remuneration is borne by TCL.

Ms. Avan Doomasia, Company Secretary, was also appointed as the Company Secretary of TCL, with effect from January 2, 2015. Accordingly, her services were transferred to TCL, with effect from the said date. As a consequence thereof, the remuneration of Ms. Doomasia was borne by the Company from April 1, 2014 to January 1, 2015 and for the period January 2, 2015 to March 31, 2015, by TCL. The percentage decrease in remuneration of the Company Secretary is 2.8%, on an annualized basis.

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

   There is a decrease in the median remuneration of employees in FY 2014-15 by 16% as compared to FY 2013-14.

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

   The permanent employees on the rolls of the Company as on March 31, 2015, were 1,417.

5. **The explanation on the relationship between average increase in remuneration and Company performance.**

   The average increase in remuneration of the employees for FY 2014-15 is 6.8%. The Profit Before Tax decreased from ₹ 281 crore in FY 2013-14 to ₹ 250 crore in FY 2014-15, a decrease of about 11.03%. The Company and Business Unit / Functional performance are measured against Annual budgets / targets, set as per the Balanced Score Card (BSC).

   Individual performance is measured against Key Result Areas (KRA) set at the beginning of year after considering any revision of target over the year. The rating of Annual Performance review is considered for the purpose of computing the Performance Pay. Rating is on a 5 point scale.

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

6. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.**

   The remuneration of Key Managerial Personnel declined by 2.8% in FY 2014-15 as compared to FY 2013-14. The Profit Before Tax decreased from ₹ 281 crore in FY 2013-14 to ₹ 250 crore in FY 2014-15 a decrease of about 11.03%.

   Mr. Praveen P. Kadle, Managing Director & CEO and Mr. Puneet Sharma, Chief Financial Officer, do not receive any remuneration from the Company, since their remuneration is borne by TCL. Hence, their remuneration has not been considered in the total remuneration of the KMPs in comparison with the performance of the Company.

   Ms. Avan Doomasia, Company Secretary, was also appointed as the Company Secretary of TCL, with effect from January 2, 2015. Accordingly, her services were transferred to TCL, with effect from the said date. As a consequence thereof, the remuneration of Ms. Doomasia was borne by the Company from April 1, 2014 to January 1, 2015 and for the period January 2, 2015 to March 31, 2015, by TCL. Hence, her remuneration has been considered on an annualized basis.

7. **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the networth of the company as at the close of the current financial year and previous financial year.**

   TCFSL is a listed company since its debentures are listed on the National Stock Exchange of India Limited and BSE Limited. Details of variations in the Networth of the Company is, given below:

(₹ in crore)

Particulars	As on March 31, 2015	As on March 31, 2014	Variation
Networth	3,203	3,119	2.69%

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

The average percentage increase in the salaries of employees other than that of managerial personnel is 6.8% as compared to that of the percentage increase in the overall managerial remuneration of 9.23%. This has been due to increase in the amount of sitting fees and the number of meetings of the Board and its Committees.

9. **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.**

For details, please refer to point no. 6 above.

10. **The key parameters for any variable components of remuneration availed by the Directors.**

The key parameters for variable components of remuneration availed by Non - Executive Directors and Independent Directors is based on the Company's performance, profits, returns to investors as also the criteria combining attendance at Meetings, contribution thereat and contribution other than at Meetings.

Mr. Praveen P. Kadle, Managing Director & CEO, does not receive any remuneration from the Company. Hence, key parameters for variable component of remuneration availed by the Managing Director & CEO, is not applicable.

11. **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.**

Mr. Janki Ballabh, Independent Director, is the highest paid Director. The remuneration of Mr. Ballabh comprises Sitting Fees and Commission. Mr. Praveen P. Kadle, Managing Director & CEO, does not receive any remuneration from the Company since his entire remuneration is borne by TCL.

The remuneration received by Mr. Ballabh in FY 2014-15 is ₹ 30,20,000. The ratio of the remuneration of Mr. Ballabh to that of the employees who are not Directors but receive remuneration in excess of Mr. Ballabh during FY 2014-15 are, as under:

Particulars	Ratio
Ratio of Remuneration of the highest paid Director to that of the highest paid employee, who received remuneration in excess of the highest paid Director	0.14:1
Ratio of Remuneration of the highest paid Director to that of the Median Remuneration of employees, who received Remuneration in excess of the highest paid Director	0.72:1

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

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

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. **Industry structure and developments**

   Please refer to Para 2 of the Directors' Report.

2. **Opportunities and Threats**

   There are several large and profitable opportunities for NBFCs and the sector plays an important role in the Indian financial system. The key is for the NBFC sector to grow in a prudential manner while focusing on financial innovation and in having in place, the adequate risk management systems and procedures before entering into risky areas. The regulator constantly endeavours to balance the multiple objectives of financial stability, consumer and depositor protection and regulatory arbitrage concerns.

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

   It will be critical to retain talent at the right cost for effectively building a high performance organization with an engaged and young workforce.

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

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

   Please refer to Para 6 of the Directors' Report.

4. **Outlook**

   The Outlook of the Company for the year ahead is to diversify risk and stabilize its asset quality. The Corporate Finance Division will adopt a cautious approach and focus on customer relationships. This division will look to grow its supply chain, structured finance and leasing business. A specialized Remedial team will focus on the recovery and rehabilitation of non performing assets. The Consumer Finance Division will focus on changes in product mix and improving penetration in high yield segments. The Rural Finance Business is a thrust area and it shall increase its geographic presence and seed the agri and allied business strategy. The Company as a whole, will focus on cross selling opportunities.

5. **Risks and Concerns**

   Credit risk, Market risk, Operational risk and Liquidity risk are the key risks faced by the Company. The Company takes risk management seriously and its procedures and policies in the area are well defined and considered appropriate for the assessment and management of individual risk categories. The Company has a well qualified and experienced Risk Management and Treasury team to manage the same.

   Except for some unforeseen and extreme event, the Company is well placed on the liquidity front and appropriate policies exist for underwriting credit risk. The Company endeavors to continuously learn and modifies its policies to manage the aforementioned risks.

6. **Internal control systems and their adequacy**

   Please refer to Para 11 of the Directors' Report.

7. **Discussion on financial performance with respect to operational performance**

   Please refer to Para 3 of the Directors' Report.

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

   Please refer to Para 15 of the Directors' Report.

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS 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, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and the explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed 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 the internal financial control relevant to the Company's preparation ofthe financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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, of the state of affairs of the Company as at March 31, 2015, and its profitand its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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

  i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the financial statements.

  ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts. The Company does not have any outstanding derivative contracts as at the year end.

  iii. As at the year end, there were no amounts that were required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

SANJIV V. PILGAONKAR
Partner

Mumbai,

(Membership No. 39826)

May 08,2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

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 fixed assets.

   (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

2. According to the information and explanations given to us, the nature of the Company's business is such that it is not required to hold any inventories. Therefore, the provisions of paragraph 3(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, secured or unsecured loans, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. The nature of the Company's business is such that it does not involve purchase of inventories and sale of goods. During the course of our audit, we have not observed any major weaknesses in such internal control system.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

6. In our opinion, the provisions of clause (3)(vi) of the Order are not applicable to the Company as the Company is not engaged in the production of goods or in providing services covered by the Companies (Cost Records and Audit) Rules, 2014.

7. According to the information and explanations given to us, in respect of statutory dues:

   (a) The Company has been regular in depositing undisputed dues in respect of Provident Fund, Income Tax, Profession Tax, Service Tax, Employees' State Insurance,Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

   (b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Profession Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material Statutory Dues in arrears as at March 31, 2015 for a Period of more than six months from the date they became payable.

   (c) Details of dues of Value Added Tax which have not been deposited as at March 31, 2015 on account of disputes are given below:

Particulars	**Period to which the amount relates**	**Forum where the dispute is pending**	**Amount (₹ lakh)**
Value Added Tax	FY - 2013-14	Joint Commissioner	1
	FY - 2012-13	Deputy Commissioner	4
	FY - 2014-15	Commercial Tax officer	218

   There were no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise and Cess which have not been deposited as on March 31, 2015 on account of disputes.

   (d) There are no amounts payable in respect of Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

8. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or debenture holders. Further, in our opinion and according to information and explanations given to us, the Company has not taken any loan from financial institutions.
10. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company having regard to the extent of ownership of the entities on whose behalf the guarantee were given.
11. According to the information and explanations given to us, the term loans availed during the year by the Company has been applied for the purpose for which it was obtained.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)

Mumbai,

May 08,2015

BALANCE SHEET AS AT MARCH 31, 2015

(₹ in Lakh)

	Note No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	3	**129,755**	129,755
(b) Reserves and Surplus	4	**198,668**	189,277
		328,423	**319,032**
2. Non-current liabilities			
(a) Long-term borrowings	5	**1,007,462**	788,751
(b) Other long-term liabilities	6	**11,298**	6,156
(c) Long-term provisions	7	**3,180**	2,977
		1,021,940	**797,884**
3. Current liabilities			
(a) Short-term borrowings	8	**707,776**	641,167
(b) Trade payables	9	**27,371**	24,255
(c) Other current liabilities	10	**482,119**	538,419
(d) Short-term provisions	11	**6,771**	5,793
		1,224,037	**1,209,634**
TOTAL		**2,574,400**	**2,326,550**
II. ASSETS			
1. Non-Current assets			
(a) Fixed Assets	12		
(i) Tangible assets		**49,902**	36,319
(ii) Intangible assets		**8,704**	8,015
(iii) Capital work-in-progress		**663**	88
		59,269	**44,422**
(b) Non-current investments	13	**88,687**	27,324
(c) Deferred tax assets (net)	14	**15,841**	7,560
(d) Long-term Loans and advances - financing activity	15	**1,053,659**	967,672
(e) Long-term Loans and advances - others	16	**18,898**	14,098
(f) Other non-current assets	17	**3,666**	3,081
		1,180,751	**1,019,735**
2. Current assets			
(a) Current investments	13	**1,048**	21,958
(b) Trade receivables	18	**1,039**	1,671
(c) Cash and bank balances	19	**4,359**	26,013
(d) Short-term Loans and advances - financing activity	15	**1,301,399**	1,195,697
(e) Short-term Loans and advances - others	20	**16,736**	11,338
(f) Other current assets	21	**9,799**	5,716
		1,334,380	**1,262,393**
TOTAL		**2,574,400**	**2,326,550**
See accompanying notes forming part of the financial statements	**1-47**		

In terms of our report attached

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

Sanjiv V. Pilgaonkar
Partner

Mumbai
Date : May 08, 2015

For and on behalf of the Board of Directors

Janki Ballabh
(Director)

Pranab Kumar Choudhury
(Director)

Mukund S. Dharmadhikari
(Director)

Anuradha E. Thakur
(Director)

F. N. Subedar
(Director)

Praveen P. Kadle
(Managing Director & CEO)

Puneet Sharma
(Chief Financial Officer)

Avan Doomasia
(Company Secretary)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lakh)

		Note No.	For the Year ended March 31, 2015	For the Year ended March 31, 2014
I	Revenue from operations	22	**279,035**	260,842
II	Investment income	23	**9,915**	6,613
III	Other income	24	**17,586**	10,858
IV	**Total Revenue (I + II + III)**		**306,536**	**278,313**
V	**Expenses :**			
	Finance costs	25	**181,944**	169,004
	Employee benefit expenses	26	**21,699**	18,821
	Other operating expenses	27	**67,258**	55,548
	Depreciation and amortisation	12	**9,511**	5,917
	Amortisation of expenses		**1,091**	950
	Total expenses		**281,503**	**250,240**
VI	**Profit before tax (IV -V)**		**25,033**	**28,073**
VII	**Tax expense:**			
	(1) Current tax		**14,909**	13,189
	(2) Deferred tax		**(8,609)**	(2,329)
	Total Tax expense		**6,300**	**10,860**
VIII	**Profit for the year (VI - VII)**		**18,733**	**17,213**
IX	**Earnings per equity shares:**			
	(1) Basic (in Rupees)		**1.44**	1.33
	(2) Diluted (in Rupees)		**1.44**	1.33
	Face Value per share (Amount in ₹)		**10**	10
	See accompanying notes forming part of the financial statements	1-47		

In terms of our report attached

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

Sanjiv V. Pilgaonkar
Partner

Mumbai
Date : May 08, 2015

For and on behalf of the Board of Directors

Janki Ballabh
(Director)

Pranab Kumar Choudhury
(Director)

Mukund S. Dharmadhikari
(Director)

Anuradha E. Thakur
(Director)

F. N. Subedar
(Director)

Praveen P. Kadle
(Managing Director & CEO)

Puneet Sharma
(Chief Financial Officer)

Avan Doomasia
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lakh)

		Note No.	For the Year ended March 31, 2015	For the Year ended March 31, 2014
1	**CASH FLOW USED IN OPERATING ACTIVITIES**			
	Profit before tax		**25,033**	28,073
	Adjustments for :			
	Amortisation of share/debenture issue expenses/loan processing expenses		**1,091**	950
	Depreciation and amortisation		**9,511**	5,917
	Loss on sale of fixed assets		**2**	209
	Interest expenses		**137,024**	132,863
	Discounting charges on commercial paper		**42,384**	33,159
	Discounting charges on Collateralised Borrowings and Lending Obligations (CBLO)		**1,748**	457
	Discounting charges on debentures		**788**	2,525
	Interest income		**(260,013)**	(245,953)
	Income from investments		**(9,915)**	(6,613)
	Interest income on fixed deposits		**–**	(1,084)
	Loss on sale of investment		**1,073**	–
	Provision for Leave encashment		**152**	19
	Provision for mark-to-market loss on investments		**60**	–
	(Reversal)/Provision for diminution in value of investments (net)		**(6,653)**	7,750
	Provision against trade receivables		**1**	–
	Contingent provision against standard assets		**460**	316
	Contingent provision against restructured advances (net)		**369**	2,769
	Provision against assets held for sale		**89**	–
	Provision for doubtful loans (net)		**39,638**	14,074
	Operating Profit before working capital changes and adjustments for interest received, interest paid and dividend received		**(17,158)**	**(24,569)**
	Adjustments for :			
	(Increase)/Decrease in trade receivables		**631**	(212)
	(Increase) in Loans and advances - financing activity		**(251,272)**	(137,083)
	(Increase)/Decrease in Loans and advances - others		**(4,595)**	1,665
	Increase in other liabilities and provisions		**9,037**	675
	Cash used in operations before adjustments for interest received, interest paid and dividend received		**(263,357)**	**(159,524)**
	Interest paid		**(174,977)**	(172,339)
	Interest received		**260,357**	245,601
	Dividend received		**851**	1,647
	Cash used in operations		**(177,126)**	(84,615)
	Taxes paid		**(15,160)**	(16,480)
	NET CASH USED IN OPERATING ACTIVITIES		**(192,286)**	**(101,095)**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lakh)

		Note No.	For the Year ended March 31, 2015	For the Year ended March 31, 2014
2	**CASH FLOW USED IN INVESTING ACTIVITIES**			
	Purchase of fixed assets (including capital advances)		**(33,528)**	(21,101)
	Proceeds from sale of fixed assets		**2,135**	1,025
	Purchase of long-term investments		**(43,751)**	(32,484)
	Purchase of mutual fund units		**(3,079,000)**	(4,704,400)
	Proceeds from sale of mutual fund units		**3,079,616**	4,704,567
	Proceeds from sale of long-term investments		**30,218**	9,426
	Fixed deposits with banks having maturity over 3 months		**–**	(2,000)
	Fixed deposits matured		**–**	12,000
	NET CASH USED IN INVESTING ACTIVITIES		**(44,310)**	**(32,967)**
3	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Debenture issue/loan processing expenses		**(392)**	(527)
	Interim dividend paid on equity shares (including dividend distribution tax)		**(7,591)**	(4,524)
	Net proceeds of short-term borrowings		**64,774**	53,221
	Proceeds from long-term borrowings		**791,400**	627,595
	Repayment of long-term borrowings		**(633,250)**	(526,132)
	NET CASH FROM FINANCING ACTIVITIES		**214,941**	**149,633**
	NET DECREASE IN CASH AND CASH EQUIVALENTS		**(21,655)**	**15,571**
	CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**26,013**	**10,441**
	CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**4,358**	**26,012**
	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		**4,358**	26,012
	Add : Restricted Cash		**1**	1
	CASH AND BANK BALANCES AS AT THE END OF THE YEAR [REFER NOTE NO. 19]		**4,359**	**26,013**
	See accompanying notes forming part of the financial statements	1-47		

In terms of our report attached

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

Sanjiv V. Pilgaonkar
Partner

Mumbai
Date : May 08, 2015

For and on behalf of the Board of Directors

Janki Ballabh
(Director)

Pranab Kumar Choudhury
(Director)

Mukund S. Dharmadhikari
(Director)

Anuradha E. Thakur
(Director)

F. N. Subedar
(Director)

Praveen P. Kadle
(Managing Director & CEO)

Puneet Sharma
(Chief Financial Officer)

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the Act”), as applicable. Further, the Company follows the Reserve Bank of India (RBI) Directions issued for Non-Banking Financial Companies (NBFC). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

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

ii. Use of Estimates

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

iii. Revenue recognition

a. Income on Loan transactions

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 and debentures/bonds in the nature of advance 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 installments 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 Assets) 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 of acquisition including any cost attributable for bringing asset to its working condition, which comprises of purchase consideration and other directly attributable costs of bringing the assets to their working condition for their intended use less accumulated depreciation.

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.

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

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

c. **Capital work-in-progress:**

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

vii. **Depreciation and Amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Computer Equipment and Vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc.

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 year in which they are purchased.

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life
Leasehold Improvements	Lease Period (ranging from 1 to 9 years)
Construction Equipment	8 to 13.5 years
Furniture and Fixtures	Owned : 10 years
	Leased : 10 years
Computer Equipment	Owned : 3 to 5 years
	Leased: 5 years
Office Equipment	Owned : 5 years
	Leased : 5 years
Vehicles	Own Vehicles : 4 years
	Lease Vehicles : 4 years
Software Licences	Owned : 4 to 10 years
	Leased : 0 to 5 years
Buildings	25 years
Plant & Machinery	Owned : 4 years
	Leased : 4 to 10 years
Networking Assets	4 years

viii. **Leases**

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

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

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

ix. **Deferred revenue expenditure**

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

Ancillary costs in the nature of 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.

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

x. Employee Benefits

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

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. 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.

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

Defined benefit plans

For defined benefit plans in the form of gratuity 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 year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of short-term compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

xi. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has present obligations, as result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation. Contingent liabilities are not recognised but disclosed in the financial statements. A Contingent asset is neither recognised nor disclosed in the financial statements.

xii. 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.

xiii. 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.

xiv. Taxation

Income Tax

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

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

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

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

xv. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits.

xvi. Operating Cycle

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

xvii. Business segment

The Company's reportable segments consist of "Financing Activity", "Investment Activity" and "Others". The "Financing Activity" segment consists of asset financing, term loans (corporate and retail), channel financing and bill discounting. The "Investment Activity" segment includes corporate investments and "Others" segment primarily includes treasury activities, advisory services, wealth management, distribution of financial products and leasing. Revenue and expense directly attributable to segments are reported under each reportable segment. Expenses not directly identifiable to each of the segments have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

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 year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2015

3. SHARE CAPITAL

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
AUTHORISED		
2,500,000,000 (as at March 31, 2014: 2,500,000,000 shares) Equity shares of ₹ 10 each	**250,000**	250,000
	250,000	250,000
ISSUED, SUBSCRIBED & PAID UP		
1,297,550,000 (as at March 31, 2014: 1,297,550,000 shares) Equity shares of ₹ 10 each fully paid up	**129,755**	129,755
Total	**129,755**	**129,755**

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

Particulars	No. of shares	₹ in Lakh
Opening Share Capital as on April 01, 2013	**1,297,550,000**	**129,755**
Additions during the year		
Equity Shares Capital	**–**	–
Closing Share Capital as on March 31, 2014		
Equity Face Value ₹ 10 fully paid up	**1,297,550,000**	**129,755**
Additions during the year		
Equity Shares Capital	**–**	–
Closing Share Capital as on March 31, 2015		
Equity Face Value ₹ 10 fully paid up	**1,297,550,000**	**129,755**

3. (b). Rights, preferences and restrictions attached to 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	₹ in Lakh
Tata Capital Limited (Holding Company)	Opening Balance as on April 1, 2013	**1,297,550,000**	129,755
	Closing Balance as on March 31, 2014	**1,297,550,000**	129,755
	Closing Balance as on March 31, 2015	**1,297,550,000**	129,755

4. RESERVES AND SURPLUS

(₹ in Lakh)

PARTICULARS	As at March 31, 2015		As at March 31, 2014	
(a) Securities Premium Account				
Opening Balance		**129,500**		129,500
Closing Balance		**129,500**		**129,500**
(b) Debenture Redemption Reserve				
Opening Balance		**30,000**		30,000
Closing Balance		**30,000**		**30,000**
(c) Special Reserve Account				
Opening Balance		**12,339**		8,896
Add: Transfer from Surplus in the Statement of Profit and Loss		**3,775**		3,443
Closing Balance		**16,114**		**12,339**
(d) Surplus in Statement of Profit and Loss				
Opening Balance		**17,438**		**11,259**
Add: Profit for the year		**18,733**		17,213
Profit available for Appropriations		**36,171**		**28,472**
Less : Appropriations				
– Transfer to Special Reserve Account	**3,775**		3,443	
– Interim Dividend	**7,785**		6,488	
– Tax on Interim Dividend	**1,557**	**13,117**	1,103	**11,034**
Closing Balance		**23,054**		**17,438**
TOTAL - RESERVES AND SURPLUS		**198,668**		**189,277**

Notes:

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

a) ₹ 3,775 Lakh (Previous Year: ₹ 3,443 Lakh) 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.

b) During the year ended March 31, 2015, interim dividend of ₹ 0.60 per share (Previous Year : ₹ 0.50 per share) is recognised as amount distributable to equity shareholders. The corresponding amount has been distributed and tax thereon paid post the Balance Sheet date.

5. LONG-TERM BORROWINGS

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Debentures		
Secured		
Privately Placed Non-Convertible Debentures (Refer Note Nos. 5.1 and 5.5 below) [Net of unamortised discount of Rs Nil (as at March 31, 2014: ₹ 1 Lakh)]	**603,460**	411,079
Public issue of Non-Convertible Debentures (Refer Note Nos. 5.2 & 5.6 below)	**28,818**	28,818
Unsecured		
Non-Convertible Subordinated Debentures (Refer Note No. 5.7 below) [Net of unamortised discount of Rs 2,076 Lakh (as at March 31, 2014 : ₹ 2,406 Lakh)]	**129,469**	88,139
Non-Convertible Perpetual Debentures (Refer Note No. 5.8 below)	**10,000**	10,000
(b) Term loans		
Secured		
From Banks (Refer Note Nos. 5.3 & 5.4 below)	**175,000**	220,000
Unsecured		
From Banks (Refer Note No.5.4 below)	**60,000**	30,000
(ii) From Others	**–**	–
(c) Other loans and advances		
Unsecured		
Inter Corporate Deposits from others	**715**	715
Total	**1,007,462**	**788,751**

Notes:

5.1. Privately Placed Non-Convertible Debentures are secured by pari passu charge on the specific immovable property, specified receivables arising out of loan, lease, hire purchase transactions and to the extent of shortfall in asset cover by a pari passu charge on the current assets of the Company.

5.2. Public issue of Non-Convertible Debentures are secured by a pari passu charge on the specific immovable property, receivables against unsecured loans, bills discounted and trade advances and other current assets of the Company.

5.3. Loans and advances from banks are secured by pari passu charge on the current assets of the Company.

Terms of repayment of term loans and rate of interest:

5.4 As per terms of agreements loan from banks classified under long term borrowing, short term borrowing and current liabilities aggregating ₹ 325,000 Lakh (Previous Year: ₹ 467,500 Lakh) are repayable at maturity ranging between 23 and 36 months from the date of respective loan. Rate of Interest term loan varies between 9.40 % to 10.50%

5.5 Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2015

(₹ in Lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2015*		As on March 31, 2014*	
			Number of NCDs	₹ in Lakh	Number of NCDs	₹ in Lakh
TCFSL NCD 'S' FY 2014-15 - Option IV	9-Oct-14	6-Dec-24	40	400	–	–
TCFSL NCD 'S' FY 2014-15 - Option II	9-Oct-14	20-Nov-24	103	1,030	–	–
TCFSL NCD 'AH' FY 2012-13	5-Sep-12	5-Sep-22	500	5,000	500	3,400
TCFSL NCD 'B' FY 2014-15	20-Jun-14	9-Jul-19	250	2,500	–	–
TCL NCD 'AA' FY 2011-12	21-Oct-11	21-Oct-18	150	1,500	150	1,500
TCL NCD 'R' FY 2011-12	23-Sep-11	23-Sep-18	100	1,000	100	1,000
TCFSL NCD 'O' FY 2013-14	20-Aug-13	20-Aug-18	430	4,300	430	4,300
TCL NCD 'M' FY 2011-12	17-Aug-11	17-Aug-18	40	400	40	400
TCFSL NCD 'J' FY 2013-14	28-May-13	28-May-18	250	2,500	250	2,500
TCFSL NCD 'G' FY 2013-14	22-May-13	22-May-18	2,000	20,000	2,000	20,000
TCFSL NCD 'H' FY 2013-14	22-May-13	22-May-18	250	2,500	250	2,500
TCFSL NCD 'E' FY 2013-14	7-May-13	7-May-18	500	5,000	500	5,000
TCFSL NCD 'D' FY 2013-14	7-May-13	7-May-18	200	2,000	200	2,000
TCFSL NCD 'A' FY 2013-14	23-Apr-13	23-Apr-18	850	8,500	850	8,500
TCFSL NCD 'U' FY 2014-15	21-Oct-14	5-Apr-18	100	1,000	–	–
TCFSL NCD 'AB' FY 2014-15 - Option III	21-Nov-14	3-Apr-18	150	1,500	–	–
TCFSL NCD 'BF' FY 2012-13	26-Mar-13	26-Mar-18	50	500	50	500
TCFSL NCD 'AC' FY 2014-15	25-Nov-14	23-Mar-18	2,000	20,000	–	–
TCFSL NCD 'AB' FY 2014-15 - Option I	21-Nov-14	9-Mar-18	380	3,800	–	–
TCFSL NCD 'Z' FY 2014-15	19-Nov-14	2-Mar-18	740	7,400	–	–
TCFSL NCD 'X' FY 2014-15 - Option I	14-Nov-14	12-Feb-18	1,700	17,000	–	–
TCFSL NCD 'W' FY 2014-15 - Option I	12-Nov-14	2-Feb-18	1,400	14,000	–	–
TCFSL NCD 'V' FY 2014-15 - Option I	27-Oct-14	29-Jan-18	145	1,450	–	–
TCFSL NCD 'V' FY 2014-15 - Option II	27-Oct-14	24-Jan-18	500	5,000	–	–
TCFSL NCD 'AZ' FY 2012-13	22-Jan-13	22-Jan-18	3,000	30,000	3,000	30,000
TCFSL NCD 'AY' FY 2012-13	22-Jan-13	22-Jan-18	2,000	20,000	2,000	20,000
TCFSL NCD 'BA' FY 2012-13	22-Jan-13	22-Jan-18	250	2,500	250	2,500
TCFSL NCD 'AX' FY 2012-13	16-Jan-13	16-Jan-18	650	6,500	650	6,500
TCFSL NCD 'T' FY 2014-15 - Option IV	13-Oct-14	15-Jan-18	150	1,500	–	–
TCFSL NCD 'T' FY 2014-15 - Option V	13-Oct-14	10-Jan-18	250	2,500	–	–
TCFSL NCD 'T' FY 2014-15 - Option III	13-Oct-14	4-Jan-18	100	1,000	–	–
TCFSL NCD 'S' FY 2014-15 - Option V	9-Oct-14	8-Dec-17	22	220	–	–
TCFSL NCD 'AS' FY 2012-13	5-Dec-12	5-Dec-17	250	2,500	250	2,500
TCFSL NCD 'S' FY 2014-15 - Option I	9-Oct-14	29-Nov-17	50	500	–	–
TCFSL NCD 'R' FY 2014-15 - Option III	30-Sep-14	27-Nov-17	50	500	–	–
TCFSL NCD 'P' FY 2014-15	19-Sep-14	24-Nov-17	100	1,000	–	–
TCFSL NCD 'Q' FY 2014-15	24-Sep-14	20-Nov-17	100	1,000	–	–
TCFSL NCD 'R' FY 2014-15 - Option II	30-Sep-14	20-Nov-17	100	1,000	–	–
TCFSL NCD 'R' FY 2014-15 - Option I	30-Sep-14	15-Nov-17	2,000	20,000	–	–
TCFSL NCD 'AQ' FY 2012-13	12-Nov-12	10-Nov-17	300	3,000	300	3,000
TCFSL NCD 'AJ' FY 2012-13	9-Nov-12	9-Nov-17	5,000	50,000	5,000	50,000
TCFSL NCD 'K' FY 2014-15 - Option III	7-Aug-14	20-Oct-17	70	700	–	–
TCFSL NCD 'N' FY 2014-15	10-Sep-14	18-Oct-17	85	850	–	–
TCFSL NCD 'K' FY 2014-15 - Option II	7-Aug-14	9-Oct-17	210	2,100	–	–
TCFSL NCD 'K' FY 2014-15 - Option I	7-Aug-14	29-Sep-17	100	1,000	–	–
TCFSL NCD 'J' FY 2014-15	6-Aug-14	28-Sep-17	100	1,000	–	–

5.5 Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2015 (Contd...)

(₹ in Lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2015*		As on March 31, 2014*	
			Number of NCDs	₹ in Lakh	Number of NCDs	₹ in Lakh
TCFSL NCD 'AK' FY 2014-15 Option III	15-Jan-15	27-Sep-17	880	8,800	–	–
TCFSL NCD '0' FY 2014-15	12-Sep-14	26-Sep-17	320	3,200	–	–
TCFSL NCD 'L' FY 2014-15 - Option II	1-Sep-14	20-Sep-17	85	850	–	–
TCFSL NCD 'AG' FY 2012-13	10-Sep-12	8-Sep-17	100	1,000	100	1,000
TCFSL NCD 'I' FY 2014-15 - Option II	4-Aug-14	4-Sep-17	250	2,500	–	–
TCFSL NCD 'G' FY 2014-15	16-Jul-14	1-Sep-17	144	1,440	–	–
TCFSL NCD 'R' FY 2013-14	26-Aug-13	25-Aug-17	300	3,000	300	3,000
TCL NCD 'M' FY 2011-12	17-Aug-11	17-Aug-17	30	300	30	300
TCFSL NCD 'AE' FY 2012-13	9-Aug-12	9-Aug-17	200	2,000	200	2,000
TCFSL NCD 'D' FY 2014-15	10-Jul-14	14-Jul-17	2,500	25,000	–	–
TCFSL NCD 'A' FY 2014-15 - Option II	26-May-14	10-Jul-17	800	8,000	–	–
TCFSL NCD 'AX' FY 2014-15 Option I	20-Mar-15	2-May-17	187	1,870	–	–
TCFSL NCD 'AV' FY 2014-15 Option II	10-Mar-15	10-Apr-17	500	5,000	–	–
TCFSL NCD 'T' FY 2014-15 - Option II	13-Oct-14	24-Mar-17	1,600	16,000	–	–
TCFSL NCD 'AD' FY 2014-15	2-Dec-14	24-Mar-17	1,000	10,000	–	–
TCFSL NCD 'AY' FY 2014-15 Option II	24-Mar-15	17-Mar-17	250	2,500	–	–
TCFSL NCD 'AB' FY 2014-15 - Option II	21-Nov-14	16-Mar-17	200	2,000	–	–
TCFSL NCD 'AA' FY 2014-15	20-Nov-14	10-Mar-17	950	9,500	–	–
TCFSL NCD 'X' FY 2013-14	16-Sep-13	6-Mar-17	220	2,200	220	2,200
TCFSL NCD 'AW' FY 2014-15	18-Mar-15	2-Mar-17	3,000	30,000	–	–
TCFSL NCD 'AU' FY 2014-15 Option IV	5-Mar-15	27-Feb-17	500	5,000	–	–
TCFSL NCD 'AV' FY 2014-15 Option I	10-Mar-15	27-Feb-17	5,550	55,500	–	–
TCFSL NCD 'Y' FY 2014-15	18-Nov-14	24-Feb-17	100	1,000	–	–
TCFSL NCD 'AU' FY 2014-15 Option III	5-Mar-15	23-Feb-17	110	1,100	–	–
TCFSL NCD 'AU' FY 2014-15 Option II	5-Mar-15	16-Feb-17	126	1,260	–	–
TCFSL NCD 'P' FY 2013-14	22-Aug-13	15-Feb-17	500	5,000	500	5,000
TCFSL NCD 'W' FY 2014-15 - Option II	12-Nov-14	3-Feb-17	100	1,000	–	–
TCFSL NCD 'X' FY 2014-15 - Option II	14-Nov-14	2-Feb-17	150	1,500	–	–
TCFSL NCD 'AS' FY 2014-15	27-Feb-15	19-Jan-17	100	1,000	–	–
TCFSL NCD 'AT' FY 2014-15 Option I	2-Mar-15	12-Jan-17	650	6,500	–	–
TCFSL NCD 'AR' FY 2014-15 Option II	26-Feb-15	15-Dec-16	100	1,000	–	–
TCFSL NCD 'T' FY 2014-15 - Option I	13-Oct-14	9-Dec-16	1,500	15,000	–	–
TCFSL NCD 'AR' FY 2014-15 Option III	26-Feb-15	8-Dec-16	250	2,500	–	–
TCFSL NCD 'AR' FY 2014-15 Option I	26-Feb-15	6-Dec-16	325	3,250	–	–
TCFSL NCD 'AJ' FY 2013-14	13-Dec-13	5-Dec-16	45	450	45	450
TCFSL NCD 'S' FY 2014-15 - Option III	9-Oct-14	2-Dec-16	100	1,000	–	–
TCFSL NCD 'AQ' FY 2014-15	20-Feb-15	30-Nov-16	60	600	–	–
TCFSL NCD 'AP' FY 2014-15 Option III	6-Feb-15	29-Nov-16	1,000	10,000	–	–
TCFSL NCD 'AN' FY 2014-15	29-Jan-15	11-Nov-16	3,000	30,000	–	–
TCFSL NCD 'AC' FY 2013-14	8-Nov-13	11-Nov-16	55	550	55	550
TCL NCD 'AM' FY 2011-12	10-Nov-11	10-Nov-16	100	1,000	100	1,000
TCFSL NCD 'AF' FY 2013-14	2-Dec-13	7-Nov-16	50	500	50	500
TCFSL NCD 'L' FY 2014-15 - Option I	1-Sep-14	27-Oct-16	4,000	40,000	–	–
TCFSL NCD 'H' FY 2014-15	24-Jul-14	26-Oct-16	750	7,500	–	–
TCFSL NCD 'AL' FY 2014-15	20-Jan-15	20-Oct-16	210	2,100	–	–
TCFSL NCD 'AX' FY 2014-15 Option II	20-Mar-15	18-Oct-16	80	800	–	–

5.5 Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2015 (Contd...)

(₹ in Lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2015*		As on March 31, 2014*	
			Number of NCDs	₹ in Lakh	Number of NCDs	₹ in Lakh
TCFSL NCD 'AK' FY 2014-15 Option II	15-Jan-15	17-Oct-16	59	590	–	–
TCFSL NCD 'AH' FY 2014-15 - Option I	16-Dec-14	5-Oct-16	151	1,510	–	–
TCFSL NCD 'F' FY 2014-15 Option II	14-Jul-14	29-Sep-16	100	1,000	–	–
TCFSL NCD 'AK' FY 2014-15 Option I	15-Jan-15	26-Sep-16	97	970	–	–
TCFSL NCD 'AI' FY 2014-15	13-Jan-15	23-Sep-16	110	1,100	–	–
TCFSL NCD 'AJ' FY 2014-15	14-Jan-15	21-Sep-16	162	1,620	–	–
TCFSL NCD 'AH' FY 2014-15 - Option II	16-Dec-14	14-Sep-16	40	400	–	–
TCFSL NCD 'AH' FY 2014-15 - Option III	16-Dec-14	13-Sep-16	90	900	–	–
TCFSL NCD 'Y' FY 2013-14	24-Sep-13	8-Sep-16	400	4,000	400	4,000
TCFSL NCD 'V' FY 2013-14	5-Sep-13	5-Sep-16	50	500	50	500
TCFSL NCD 'U' FY 2013-14	3-Sep-13	2-Sep-16	250	2,500	250	2,500
TCFSL NCD 'W' FY 2013-14	13-Sep-13	2-Sep-16	30	300	30	300
TCFSL NCD 'T' FY 2013-14	3-Sep-13	30-Aug-16	62	620	62	620
TCFSL NCD 'S' FY 2013-14	30-Aug-13	22-Aug-16	99	990	99	990
TCL NCD 'M' FY 2011-12	17-Aug-11	17-Aug-16	30	300	30	300
TCFSL NCD 'Q' FY 2013-14	23-Aug-13	8-Aug-16	40	400	40	400
TCFSL NCD 'E' FY 2014-15 Option II	11-Jul-14	4-Aug-16	750	7,500	–	–
TCFSL NCD 'AG' FY 2014-15 - Option I	10-Dec-14	4-Aug-16	50	500	–	–
TCFSL NCD 'E' FY 2014-15 Option I	11-Jul-14	2-Aug-16	1,500	15,000	–	–
TCFSL NCD 'AF' FY 2014-15 - Option II	8-Dec-14	2-Aug-16	170	1,700	–	–
TCFSL NCD 'AG' FY 2014-15 - Option II	10-Dec-14	1-Aug-16	250	2,500	–	–
TCFSL NCD 'AF' FY 2014-15 - Option I	8-Dec-14	27-Jul-16	750	7,500	–	–
TCFSL NCD 'C' FY 2014-15 Option II	9-Jul-14	11-Jul-16	350	3,500	–	–
TCFSL NCD 'AE' FY 2014-15 - Option III	4-Dec-14	8-Jul-16	130	1,300	–	–
TCFSL NCD 'A' FY 2014-15 - Option I	26-May-14	21-Jun-16	800	8,000	–	–
TCFSL NCD 'AE' FY 2014-15 - Option I	4-Dec-14	26-May-16	1,500	15,000	–	–
TCFSL NCD 'BE' FY 2012-13	12-Mar-13	10-May-16	30	300	30	300
TCFSL NCD 'AU' FY 2014-15 Option I	5-Mar-15	6-May-16	115	1,150	–	–
TCL NCD 'A' FY 2011-12	27-Apr-11	27-Apr-16	370	3,700	370	3,700
TCFSL NCD 'AT' FY 2014-15 Option II	2-Mar-15	22-Apr-16	170	1,700	–	–
TCFSL NCD 'AP' FY 2014-15 Option II	4-Feb-15	15-Apr-16	100	1,000	–	–
TCFSL NCD 'I' FY 2014-15 - Option I	4-Aug-14	25-Mar-16	650	6,500	–	–
TCFSL NCD 'M' FY 2014-15	4-Sep-14	25-Mar-16	500	5,000	–	–
TCFSL NCD 'AY' FY 2014-15 Option I	24-Mar-15	11-Mar-16	150	1,500	–	–
TCFSL NCD 'AM' FY 2014-15	23-Jan-15	1-Mar-16	250	2,500	–	–
TCFSL NCD 'AF' FY 2014-15 - Option III	8-Dec-14	19-Jan-16	50	500	–	–
TCL NCD 'W' FY 2010-11	19-Jan-11	19-Jan-16	440	4,400	440	4,400
TCFSL NCD 'AP' FY 2014-15 Option I	4-Feb-15	24-Dec-15	500	5,000	–	–
TCFSL NCD 'C' FY 2014-15 Option I	9-Jul-14	15-Dec-15	250	2,500	–	–
TCFSL NCD 'AO' FY 2014-15	2-Feb-15	14-Dec-15	500	5,000	–	–
TCL NCD 'T' FY 2010-11	2-Dec-10	2-Dec-15	50	500	50	500
TCFSL NCD 'AE' FY 2014-15 - Option II	4-Dec-14	26-Nov-15	164	1,640	–	–
TCL NCD 'S' FY 2010-11	19-Nov-10	19-Nov-15	100	1,000	100	1,000
TCFSL NCD 'AA' FY 2012-13	16-Jul-12	1-Oct-15	40	400	40	400
TCFSL NCD 'E' FY 2012-13	4-May-12	4-Aug-15	50	500	50	500
TCFSL NCD 'AD' FY 2012-13	31-Jul-12	31-Jul-15	500	5,000	500	5,000

5.5 Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2015 (Contd...)

(₹ in Lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2015*		As on March 31, 2014*	
			Number of NCDs	₹ in Lakh	Number of NCDs	₹ in Lakh
TCFSL NCD 'Z' FY 2012-13	13-Jul-12	13-Jul-15	**50**	**500**	50	500
TCFSL NCD 'AM' FY 2013-14	10-Jan-14	30-Jun-15	**200**	**2,000**	200	2,000
TCFSL NCD 'B' FY 2012-13	30-Apr-12	30-Jun-15	**200**	**2,000**	200	2,000
TCFSL NCD 'AW' FY 2013-14	28-Jan-14	30-Jun-15	**100**	**1,000**	100	1,000
TCFSL NCD 'AI' FY 2013-14	13-Dec-13	29-Jun-15	**50**	**500**	50	500
TCFSL NCD 'Y' FY 2012-13	19-Jun-12	19-Jun-15	**50**	**500**	50	500
TCFSL NCD 'AA' FY 2013-14	17-Oct-13	15-Jun-15	**100**	**1,000**	100	1,000
TCFSL NCD 'V' FY 2012-13	4-Jun-12	4-Jun-15	**100**	**1,000**	100	1,000
TCL NCD 'CE' FY 2011-12	24-Feb-12	1-Jun-15	**180**	**1,800**	180	1,800
TCFSL NCD 'U' FY 2012-13	28-May-12	27-May-15	**400**	**4,000**	400	4,000
TCFSL NCD 'T' FY 2012-13	25-May-12	25-May-15	**140**	**1,400**	140	1,400
TCFSL NCD 'I' FY 2013-14	21-May-13	21-May-15	**1,000**	**10,000**	2,000	20,000
TCFSL NCD 'BI' FY 2013-14	20-Feb-14	20-May-15	**250**	**2,500**	250	2,500
TCFSL NCD 'AE' FY 2013-14	21-Nov-13	19-May-15	**400**	**4,000**	400	4,000
TCFSL NCD 'AT' FY 2013-14	28-Jan-14	18-May-15	**255**	**2,550**	255	2,550
TCFSL NCD 'AQ' FY 2013-14	15-Jan-14	14-May-15	**210**	**2,100**	210	2,100
TCL NCD 'G' FY 2010-11	12-May-10	12-May-15	**250**	**2,500**	250	2,500
TCFSL NCD 'AR' FY 2013-14	16-Jan-14	12-May-15	**150**	**1,500**	150	1,500
TCFSL NCD 'AL' FY 2013-14	9-Jan-14	12-May-15	**60**	**600**	60	600
TCFSL NCD 'AO' FY 2013-14	13-Jan-14	11-May-15	**100**	**1,000**	100	1,000
TCFSL NCD 'AP' FY 2013-14	15-Jan-14	11-May-15	**80**	**800**	80	800
TCFSL NCD 'AH' FY 2013-14	12-Dec-13	8-May-15	**240**	**2,400**	240	2,400
TCFSL NCD 'C' FY 2013-14	7-May-13	7-May-15	**250**	**2,500**	250	2,500
TCFSL NCD 'AN' FY 2013-14	13-Jan-14	7-May-15	**120**	**1,200**	120	1,200
TCFSL NCD 'S' FY 2012-13	22-May-12	6-May-15	**225**	**2,250**	225	2,250
TCFSL NCD 'G' FY 2012-13	9-May-12	6-May-15	**200**	**2,000**	200	2,000
TCFSL NCD 'D' FY 2012-13	3-May-12	4-May-15	**620**	**6,200**	620	6,200
TCFSL NCD 'BO' FY 2013-14	28-Feb-14	4-May-15	**510**	**5,100**	510	5,100
TCFSL NCD 'BF' FY 2013-14	17-Feb-14	4-May-15	**473**	**4,730**	473	4,730
TCFSL NCD 'BK' FY 2013-14	21-Feb-14	4-May-15	**430**	**4,300**	430	4,300
TCFSL NCD 'BB' FY 2013-14	7-Feb-14	4-May-15	**300**	**3,000**	300	3,000
TCFSL NCD 'AZ' FY 2013-14	6-Feb-14	4-May-15	**180**	**1,800**	180	1,800
TCFSL NCD 'AG' FY 2013-14	11-Dec-13	4-May-15	**50**	**500**	50	500
TCFSL NCD 'C' FY 2012-13	2-May-12	30-Apr-15	**500**	**5,000**	500	5,000
TCFSL NCD 'AK' FY 2013-14	3-Jan-14	30-Apr-15	**380**	**3,800**	380	3,800
TCFSL NCD 'A' FY 2013-14	23-Apr-13	23-Apr-15	**300**	**3,000**	300	3,000
TCFSL NCD 'AV' FY 2013-14	28-Jan-14	23-Apr-15	**220**	**2,200**	220	2,200
TCFSL NCD 'BQ' FY 2013-14	3-Mar-14	20-Apr-15	**250**	**2,500**	250	2,500
TCFSL NCD 'BN' FY 2013-14	28-Feb-14	20-Apr-15	**120**	**1,200**	120	1,200
TCFSL NCD 'BY' FY 2013-14	18-Mar-14	16-Apr-15	**900**	**9,000**	900	9,000
TCFSL NCD 'BE' FY 2013-14	14-Feb-14	16-Apr-15	**80**	**800**	80	800
TCFSL NCD 'BR' FY 2013-14	10-Mar-14	15-Apr-15	**621**	**6,210**	621	6,210
TCFSL NCD 'AS' FY 2013-14	17-Jan-14	15-Apr-15	**300**	**3,000**	300	3,000
TCFSL NCD 'AB' FY 2013-14	17-Oct-13	15-Apr-15	**250**	**2,500**	250	2,500
TCFSL NCD 'AX' FY 2013-14	6-Feb-14	15-Apr-15	**190**	**1,900**	190	1,900
TCFSL NCD 'AU' FY 2013-14	28-Jan-14	15-Apr-15	**50**	**500**	50	500

5.5 Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2015 (Contd...)

(₹ in Lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2015*		As on March 31, 2014*	
			Number of NCDs	₹ in Lakh	Number of NCDs	₹ in Lakh
TCFSL NCD 'BU' FY 2013-14	14-Mar-14	14-Apr-15	744	7,440	744	7,440
TCFSL NCD 'BS' FY 2013-14	13-Mar-14	13-Apr-15	585	5,850	585	5,850
TCFSL NCD 'BG' FY 2013-14	18-Feb-14	13-Apr-15	100	1,000	100	1,000
TCFSL NCD 'A' FY 2012-13	25-Apr-12	10-Apr-15	200	2,000	200	2,000
TCFSL NCD 'CA' FY 2013-14	24-Mar-14	8-Apr-15	400	4,000	400	4,000
TCFSL NCD 'BL' FY 2013-14	24-Feb-14	7-Apr-15	765	7,650	765	7,650
TCFSL NCD 'BZ' FY 2013-14	18-Mar-14	7-Apr-15	561	5,610	561	5,610
TCFSL NCD 'BM' FY 2013-14	24-Feb-14	7-Apr-15	380	3,800	380	3,800
TCFSL NCD 'BJ' FY 2013-14	21-Feb-14	7-Apr-15	340	3,400	340	3,400
TCFSL NCD 'BC' FY 2013-14	12-Feb-14	7-Apr-15	290	2,900	290	2,900
TCFSL NCD 'BD' FY 2013-14	13-Feb-14	7-Apr-15	210	2,100	210	2,100
TCFSL NCD 'Z' FY 2013-14	10-Oct-13	7-Apr-15	100	1,000	100	1,000
TCFSL NCD 'BV' FY 2013-14	14-Mar-14	7-Apr-15	100	1,000	100	1,000
TCFSL NCD 'BT' FY 2013-14	14-Mar-14	6-Apr-15	900	9,000	900	9,000
TCFSL NCD 'BX' FY 2013-14	18-Mar-14	6-Apr-15	170	1,700	170	1,700
TCFSL NCD 'BA' FY 2013-14	7-Feb-14	6-Apr-15	160	1,600	160	1,600
TCL NCD 'CK' FY 2011-12	16-Mar-12	6-Apr-15	120	1,198	120	1,101
TCFSL NCD 'BP' FY 2013-14	28-Feb-14	6-Apr-15	100	1,000	100	1,000
TCFSL NCD 'BW' FY 2013-14	14-Mar-14	31-Mar-15	–	–	200	2,000
TCFSL NCD 'BH' FY 2013-14	18-Feb-14	31-Mar-15	–	–	570	5,700
TCFSL NCD 'AY' FY 2013-14	6-Feb-14	31-Mar-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
TCFSL NCD 'H' FY 2012-13	10-May-12	9-Mar-15	–	–	100	1,000
TCL NCD 'CI' FY 2011-12	7-Mar-12	6-Mar-15	–	–	100	1,000
TCL NCD 'CD' FY 2011-12	23-Feb-12	9-Feb-15	–	–	300	3,000
TCL NCD 'BY' FY 2011-12	1-Feb-12	3-Feb-15	–	–	50	500
TCL NCD 'BW' FY 2011-12	24-Jan-12	27-Jan-15	–	–	350	3,263
TCL NCD 'BX' FY 2011-12	25-Jan-12	23-Jan-15	–	–	50	500
TCL NCD 'BO' FY 2011-12	9-Jan-12	9-Jan-15	–	–	100	1,000
TCL NCD 'BS' FY 2011-12	19-Jan-12	7-Jan-15	–	–	80	800
TCL NCD 'BN' FY 2011-12	5-Jan-12	5-Jan-15	–	–	2,100	21,000
TCL NCD 'BM' FY 2011-12	30-Dec-11	29-Dec-14	–	–	200	1,877
TCFSL NCD 'AU' FY 2012-13	24-Dec-12	24-Dec-14	–	–	2,600	26,000
TCFSL NCD 'AT' FY 2012-13	24-Dec-12	24-Dec-14	–	–	–	–
TCL NCD 'BE' FY 2011-12	22-Dec-11	22-Dec-14	–	–	1,500	15,000
TCL NCD 'BR' FY 2011-12	19-Jan-12	19-Dec-14	–	–	350	3,500
TCFSL NCD 'I' FY 2012-13	10-May-12	15-Dec-14	–	–	100	1,000
TCL NCD 'AZ' FY 2011-12	12-Dec-11	12-Dec-14	–	–	150	1,500
TCL NCD 'BQ' FY 2011-12	13-Jan-12	11-Dec-14	–	–	130	1,300
TCL NCD 'BI' FY 2011-12	26-Dec-11	1-Dec-14	–	–	50	500
TCL NCD 'AU' FY 2011-12	29-Nov-11	25-Nov-14	–	–	165	1,650
TCFSL NCD 'AR' FY 2012-13	12-Nov-12	12-Nov-14	–	–	150	1,500
TCL NCD 'AJ' FY 2011-12	8-Nov-11	8-Nov-14	–	–	50	500
TCL NCD 'AG' FY 2011-12	31-Oct-11	4-Nov-14	–	–	250	2,500
TCL NCD 'AD' FY 2011-12	2-Nov-11	23-Oct-14	–	–	70	700

5.5 Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2015 (Contd...)

(₹ in Lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2015*		As on March 31, 2014*	
			Number of NCDs	₹ in Lakh	Number of NCDs	₹ in Lakh
TCL NCD 'AK' FY 2011-12	8-Nov-11	23-Oct-14	–	–	30	300
TCFSL NCD 'AO' FY 2012-13	22-Oct-12	22-Oct-14	–	–	500	5,000
TCFSL NCD 'AN' FY 2012-13	11-Oct-12	10-Oct-14	–	–	500	5,000
TCFSL NCD 'AK' FY 2012-13	25-Sep-12	25-Sep-14	–	–	1,500	15,000
TCFSL NCD 'AL' FY 2012-13	25-Sep-12	25-Sep-14	–	–	900	9,000
TCL NCD 'P' FY 2011-12	19-Sep-11	11-Sep-14	–	–	350	3,500
TCFSL NCD 'AI' FY 2012-13	7-Sep-12	7-Sep-14	–	–	–	–
TCL NCD 'O' FY 2011-12	19-Sep-11	5-Sep-14	–	–	100	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
TCFSL NCD 'Q' FY 2012-13	17-May-12	20-Aug-14	–	–	250	2,500
TCL NCD 'L' FY 2009-10	17-Aug-09	18-Aug-14	–	–	200	2,000
TCL NCD 'I' FY 2011-12	29-Jul-11	29-Jul-14	–	–	250	2,500
TCL NCD 'H' FY 2011-12	29-Jul-11	29-Jul-14	–	–	18	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
TCFSL NCD 'AB' FY 2012-13	20-Jul-12	18-Jul-14	–	–	1,000	10,000
TCFSL NCD 'N' FY 2012-13	17-May-12	17-Jul-14	–	–	350	3,500
TCFSL NCD 'P' FY 2012-13	17-May-12	17-Jul-14	–	–	250	2,500
TCL NCD 'BU' FY 2011-12	20-Jan-12	10-Jul-14	–	–	185	1,850
TCFSL NCD 'AV' FY 2012-13	11-Jan-13	23-Jun-14	–	–	190	1,900
TCFSL NCD 'X' FY 2012-13	21-Jun-12	20-Jun-14	–	–	1,000	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
TCFSL NCD 'K' FY 2012-13	14-May-12	14-May-14	–	–	400	4,000
TCL NCD 'CA' FY 2011-12	9-Feb-12	13-May-14	–	–	160	1,600
TCFSL NCD 'J' FY 2012-13	11-May-12	12-May-14	–	–	1,000	10,000
TCFSL NCD 'M' FY 2012-13	14-May-12	12-May-14	–	–	900	9,000
TCFSL NCD 'R' FY 2012-13	18-May-12	8-May-14	–	–	330	3,300
TCFSL NCD 'F' FY 2012-13	9-May-12	5-May-14	–	–	200	2,000
TCFSL NCD 'BB' FY 2012-13	23-Jan-13	30-Apr-14	–	–	125	1,250
TCL NCD 'CM' FY 2011-12	19-Mar-12	29-Apr-14	–	–	110	1,100
TCFSL NCD 'BG' FY 2012-13	26-Mar-13	25-Apr-14	–	–	569	5,690
TCFSL NCD 'AP' FY 2012-13	22-Oct-12	22-Apr-14	–	–	500	5,000
TCFSL NCD 'AW' FY 2012-13	11-Jan-13	16-Apr-14	–	–	160	1,600
TCFSL NCD 'BD' FY 2012-13	18-Feb-13	8-Apr-14	–	–	50	500
TCFSL NCD 'W' FY 2012-13	7-Jun-12	4-Apr-14	–	–	140	1,400
TCFSL NCD 'BH' FY 2012-13	28-Mar-13	3-Apr-14	–	–	100	1,000
TCFSL NCD 'BC' FY 2012-13	13-Feb-13	2-Apr-14	–	–	1,000	10,000
TOTAL				**920,998**		**682,251**
Of which current maturities classified under "Current liabilities" in note No. 10				**(317,538)**		(271,172)
TOTAL				**603,460**		**411,079**

* Net of unamortised discount of ₹ 2 Lakh (Previous Year : ₹ 459 Lakh)..

* Note : Coupon rate of "NCDs" outstanding as on March 31, 2015 varies from 8.35% to 11.25% (Previous Year : Varies from 8.35% to 11.25%)

5.6 Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2015

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

Note : Coupon rate of above outstanding as on March 31, 2015 varies from 9.75% to 10.50%.

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

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

Note : Coupon rate of above outstanding as on March 31, 2014 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, 2015

Description of NCD	Issue Date	Redemption Date	Number of NCDs	₹ in Lakh*
TCFSL Tier II Bond ‘D’ FY 2014-15	31-Mar-15	31-Mar-25	2,000	20,000
TCFSL Tier II Bond ‘C’ FY 2014-15	30-Jan-15	30-Jan-25	750	7,500
TCFSL Tier II Bond ‘B’ FY 2014-15	7-Jan-15	7-Jan-25	350	3,500
TCFSL Tier II Bond ‘A’ FY 2014-15	26-Sep-14	25-Sep-24	1,000	10,000
TCL Tier II Bond ‘H’ FY 2009-10	24-Dec-09	24-Dec-19	1,000	5,000
TCL Tier II Bond ‘G’ FY 2009-10	18-Dec-09	18-Dec-19	3,000	15,000
TCL Tier II Bond ‘E’ FY 2009-10	15-Dec-09	15-Dec-19	5,725	28,625
TCL Tier II Bond ‘F’ FY 2009-10	30-Nov-09	30-Nov-19	1,135	3,599
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 ‘B’ FY 2009-10	9-Sep-09	9-Sep-19	1,704	17,040
TCL Tier II Bond ‘A’ FY 2009-10	4-Aug-09	4-Aug-19	391	3,910
Total				**129,469**

*Net of unamortised discount of ₹ 2,076 Lakh

Note : Coupon rate of above outstanding as on March 31, 2015 varies from 9.3% to 10.5%

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 Lakh*
TCL Tier II Bond ‘H’ FY 2009-10	24-Dec-09	24-Dec-19	1,000	5,000
TCL Tier II Bond ‘G’ FY 2009-10	18-Dec-09	18-Dec-19	3,000	15,000
TCL Tier II Bond ‘E’ FY 2009-10	15-Dec-09	15-Dec-19	5,725	28,625
TCL Tier II Bond ‘F’ FY 2009-10	30-Nov-09	30-Nov-19	1,135	3,269
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 ‘B’ FY 2009-10	9-Sep-09	9-Sep-19	1,704	17,040
TCL Tier II Bond ‘A’ FY 2009-10	4-Aug-09	4-Aug-19	391	3,910
Total				**88,139**

*Net of unamortised discount of ₹ 2,406 Lakh

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

5.8 Particulars of unsecured non convertible perpetual debentures outstanding as on March 31, 2015

Description of NCD	Issue Date	Number of NCDs	₹ in Lakh
TCL Perpetual 'A' FY 2010-11	15-Nov-10	15	75
TCL Perpetual 'B' FY 2010-11	14-Jan-11	18	90
TCL Perpetual 'A' FY 2011-12	5-May-11	20	100
TCL Perpetual 'B' FY 2011-12	8-Aug-11	61	305
TCL Perpetual 'C' FY 2011-12	28-Sep-11	10	50
TCL Perpetual 'D' FY 2011-12	7-Nov-11	5	25
TCFSL Perpetual 'A' FY 2013-14	27-Mar-14	1871	9,355
Total			**10,000**

Note : Coupon rate of above outstanding as on March 31, 2015 varies from 10% to 11.25%

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

Description of NCD	Issue Date	Number of NCDs	₹ in Lakh
TCL Perpetual 'A' FY 2010-11	15-Nov-10	15	75
TCL Perpetual 'B' FY 2010-11	14-Jan-11	18	90
TCL Perpetual 'A' FY 2011-12	5-May-11	20	100
TCL Perpetual 'B' FY 2011-12	8-Aug-11	61	305
TCL Perpetual 'C' FY 2011-12	28-Sep-11	10	50
TCL Perpetual 'D' FY 2011-12	7-Nov-11	5	25
TCFSL Perpetual 'A' FY 2013-14	27-Mar-14	1871	9,355
Total			**10,000**

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

Particulars	**Year Ended March 31, 2015**	**Year Ended March 31, 2014**
Funds Raised through Perpetual Debt Instruments	**–**	9,355
Amount outstanding at the end of year	**10,000**	10,000
Percentage of amount of Perpetual Debt Instruments of the amount of Tier I Capital	**3.45%**	3.28%
Financial year in which interest on Perpetual Debt Instruments is not paid on account of 'Lock-In Clause'.	N.A.	

5.9 Unsecured redeemable Non-convertible subordinated debentures includes the debentures issued to Key Management Personnel ₹ 20 Lakh (Previous Year : ₹ 20 Lakh).

6. LONG-TERM LIABILITIES

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(i) Interest accrued but not due on borrowings	**7,213**	5,923
(ii) Income received in advance	**349**	233
(iii) Sundry liabilities account (interest capitalisation)	**3,736**	–
Total	**11,298**	**6,156**

7. LONG-TERM PROVISIONS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Provision for employee benefits	**156**	144
(b) Contingent provision against Standard Assets (Refer Note No. 34)	**3,024**	2,833
Total	**3,180**	**2,977**

8. SHORT-TERM BORROWINGS

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Loans repayable on demand		
From Banks		
Secured		
(i) Working capital demand loan (Refer Note No. 5.3 above)	**48,500**	65,000
(ii) Bank Overdraft (Refer Note No. 5.3 above)	**259,045**	247,279
Unsecured		
(i) Working capital demand loan	**–**	2,200
(b) Collateralised Borrowings and Lending Obligations (CBLO) (Secured)		
[Net of unamortised discount of ₹ 64 Lakh (as at March 31, 2014: ₹ Nil)] (Refer Note Nos. 8.2 and 8.3 below)	**46,936**	–
(c) Other loans and advances		
Unsecured		
(i) Term Loans From Banks (Refer Note No.5.4 below)	**–**	20,000
(ii) Commercial paper (Refer Note No. 8.1 below)		
[Net of unamortised discount of ₹ 7,555 Lakh (as at March 31, 2014 : ₹ 7,257 Lakh)	**346,195**	265,598
(iii) Inter Corporate Deposits from Related Parties	**2,600**	33,090
(iv) Inter Corporate Deposits from Others	**4,500**	8,000
Total	**707,776**	**641,167**

Notes

8.1 Discount on commercial paper varies between 8.26 % to 9.80% (Previous year : 8.85% to 11%)

8.2 Discount on Collateralised Borrowings and Lending Obligations (CBLO) varies between 7.09 % to 10% (Previous year : 6.25% to 10.23%)

8.3. Collateralised Borrowings and Lending Obligations (CBLO) are secured by the Company's investment in Government Securities and are repayable in 7 days.

9. TRADE PAYABLES

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Others		
(i) Accrued employee benefit expenses	**2,909**	2,874
(ii) Accrued expenses	**10,609**	8,596
(iii) Payable to Related Parties	**94**	93
(iv) Others	**13,759**	12,692
Total	**27,371**	**24,255**

Note: The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

(₹ in Lakh)

	Particulars	For the year ended	
		March 31, 2015	March 31, 2014
(a)	Amounts outstanding but not due as at year end	–	–
(b)	Amounts due but unpaid as at year end	–	–
(c)	Amounts paid after appointed date during the year	–	–
(d)	Amount of interest accrued and unpaid as at year end	–	–
(e)	The amount of further interest due and payable even in the succeeding year	–	–
Total		**–**	**–**

10. OTHER CURRENT LIABILITIES

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Current maturities of long-term debt		
(i) Debentures		
Secured		
Privately Placed Non-Convertible Debentures (Refer Note Nos 5.1 and 5.5 above) [Net of unamortised discount of ₹ 2 Lakh (as at March 31, 2014: ₹ 458 Lakh)]	**317,538**	271,172
(ii) Term Loans		
Secured		
From Banks (Refer Note Nos. 5.3 and 5.4 above)	**90,000**	187,500
Unsecured		
From Banks (Refer Note No. 5.4 above)	**–**	10,000
(b) Interest accrued but not due on borrowings	**47,810**	43,395
(c) Income received in advance	**1,952**	1,688
(d) Unclaimed debenture application money and interest accrued thereon	**1**	1
(e) Interim dividend payable	**7,785**	6,488
(f) Tax payable on Interim dividend	**1,557**	1,103
(g) Other payables		
(i) Security deposit received	**8,722**	7,931
(ii) Statutory dues	**621**	918
(iii) Payables for capital expenditure	**370**	3,837
(iv) Advances from customers	**3,919**	1,630
(iv) Sundry liabilities account (interest capitalisation)	**1,081**	2,540
(v) Others	**763**	216
Total	**482,119**	**538,419**

11. SHORT-TERM PROVISIONS

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Provision for employee benefits	**548**	396
(b) Provision - Others		
(i) Contingent provision against Standard Assets (Refer Note No. 34)	**3,092**	2,823
(ii) Provision for tax, net of advance tax	**3,131**	2,574
Total	**6,771**	**5,793**

12. FIXED ASSETS

(₹ in Lakh)

Particulars	Gross Block				Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2014	Additions/ Adjustments	Deletions	Closing balance as at March 31, 2015	Opening balance as at April 1, 2014	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing Balance as at March 31, 2015	As at March 31, 2015
TANGIBLE ASSETS									
Buildings	**4,917**	**58**	**–**	**4,975**	**698**	**200**	**–**	**898**	**4,077**
	4,813	*104*	*–*	*4,917*	*501*	*197*	*–*	*698*	*4,219*
Leasehold Improvements	**3,242**	**277**	**–**	**3,519**	**1,692**	**363**	**–**	**2,055**	**1,464**
	2,785	*457*	*–*	*3,242*	*1,346*	*346*	*–*	*1,692*	*1,550*
Furniture & Fixtures	**858**	**124**	**–**	**982**	**467**	**97**	**–**	**564**	**418**
	724	*134*	*–*	*858*	*374*	*93*	*–*	*467*	*391*
Computer Equipment	**562**	**–**	**11**	**551**	**554**	**7**	**10**	**551**	**–**
	560	*3*	*1*	*562*	*520*	*35*	*1*	*554*	*8*
Office Equipment	**1,184**	**30**	**–**	**1,214**	**444**	**423**	**–**	**867**	**347**
	1,112	*72*	*–*	*1,184*	*320*	*124*	*–*	*444*	*740*
Plant & Machinery	**548**	**28**	**–**	**576**	**201**	**57**	**–**	**258**	**318**
	492	*56*	*–*	*548*	*147*	*54*	*–*	*201*	*347*
Vehicles	**988**	**169**	**114**	**1,043**	**474**	**227**	**94**	**607**	**436**
	903	*208*	*123*	*988*	*370*	*213*	*109*	*474*	*514*
ASSETS GIVEN UNDER OPERATING LEASE/RENTAL									
Construction Equipment	**19,441**	**4,422**	**2,750**	**21,113**	**4,088**	**1,981**	**1,386**	**4,683**	**16,430**
	11,523	*8,640*	*722*	*19,441*	*3,022*	*1,375*	*309*	*4,088*	*15,353*
Vehicles	**8,192**	**1,636**	**2,713**	**7,115**	**3,727**	**1,666**	**1,961**	**3,432**	**3,683**
	8,228	*2,056*	*2,092*	*8,192*	*3,035*	*1,977*	*1,285*	*3,727*	*4,465*
Plant & Machinery	**2,800**	**4,548**	**–**	**7,348**	**691**	**429**	**–**	**1,120**	**6,228**
	1,844	*956*	*–*	*2,800*	*433*	*258*	*–*	*691*	*2,109*
Computer Equipment	**7,524**	**12,639**	**–**	**20,163**	**1,464**	**3,409**	**–**	**4,873**	**15,290**
	2,260	*5,264*	*–*	*7,524*	*315*	*1,150*	*–*	*1,465*	*6,059*
Furniture & Fixtures	**260**	**276**	**–**	**536**	**10**	**55**	**–**	**65**	**471**
	–	*260*	*–*	*260*	*–*	*10*	*–*	*10*	*250*
Office Equipments	**399**	**681**	**–**	**1,080**	**86**	**254**	**–**	**340**	**740**
	309	*90*	*–*	*399*	*52*	*33*	*–*	*85*	*314*
TANGIBLE ASSETS - TOTAL	**50,915**	**24,888**	**5,588**	**70,215**	**14,596**	**9,168**	**3,451**	**20,313**	**49,902**
	35,553	*18,300*	*2,938*	*50,915*	*10,435*	*5,865*	*1,704*	*14,596*	*36,319*
INTANGIBLE ASSETS (other than internally generated)									
Goodwill	**7,804**	**–**	**–**	**7,804**	**–**	**–**	**–**	**–**	**7,804**
	7,804	*–*	*–*	*7,804*	*–*	*–*	*–*	*–*	*7,804*
Software	**529**	**1,032**	**–**	**1,561**	**318**	**343**	**–**	**661**	**900**
	270	*259*	*–*	*529*	*266*	*52*	*–*	*318*	*211*
INTANGIBLE ASSETS - TOTAL	**8,333**	**1,032**	**–**	**9,365**	**318**	**343**	**–**	**661**	**8,704**
	8,074	*259*	*–*	*8,333*	*266*	*52*	*–*	*318*	*8,015*
Total	**59,248**	**25,920**	**5,588**	79,580	**14,914**	**9,511**	**3,451**	**20,974**	**58,606**
Previous financial year	*43,627*	*18,559*	*2,938*	*59,248*	*10,701*	*5,917*	*1,704*	*14,914*	*44,334*
Capital work-in-progress									**663**
Total									**59,269**
									44,422

Note: **1.** Rupee Liability has increased by Nil (Previous Year : increase of ₹ 459 Lakh) 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.

2. Previous year figures are given in Italics

13. INVESTMENTS

(₹ in Lakh)

PARTICULARS	As at March 31, 2015		As at March 31, 2014	
	Non-Current Investments	Current portion of Non-Current Investments	Non-Current Investments	Current portion of Non-Current Investments
LONG-TERM INVESTMENTS (at cost)				
Investment in Associates				
Unquoted :				
Investment in Equity Shares	**3,313**	**–**	3,313	–
Investment in Security Receipts	**882**	**–**	777	–
Investment in Others				
Quoted :				
Investment in Equity Shares	**22,374**	**–**	23,499	19,405
Investment in Government Securities	**48,459**	**500**	8,026	1,481
Unquoted :				
Investment in Equity Shares	**18,458**	**–**	1,406	–
Investment in Preference Shares	**4,075**	**389**	5,835	1,022
Sub-total	**97,561**	**889**	**42,856**	**21,908**
Less: Provision for diminution in value of investments	**(8,874)**	**(3)**	(15,532)	–
Total Long-Term Investments	**88,687**	**886**	**27,324**	**21,908**

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
CURRENT INVESTMENTS (At lower of cost and fair value, unless otherwise stated)		
Quoted :		
Investment in Equity Shares	**112**	–
Investment in Units of Mutual Funds	**50**	50
	162	50
Total Current Investments	**162**	**50**

TOTAL INVESTMENTS

(₹ in Lakh)

PARTICULARS	As at March 31, 2015		As at March 31, 2014	
	Non-Current Investments	Current Investments	Non-Current Investments	Current Investments
Total Investments	**88,687**	**1,048**	**27,324**	**21,958**
Book value of Quoted investments	**61,972**	**662**	16,914	20,936
Market value of Quoted investments	**64,119**	**662**	18,724	26,002
Book value of Unquoted investments	**26,715**	**386**	10,410	1,022

SCRIP-WISE DETAILS OF INVESTMENTS:

(₹ in Lakh)

PARTICULARS	Face value Per Unit ₹	No. of Units	As at March 31, 2015		As at March 31, 2014	
			Non-Current Investments	Current portion of Long Term Investments	Non-Current Investments	Current portion of Long Term Investments
LONG-TERM INVESTMENTS						
Investments in Associates						
Unquoted						
Investment in Equity Shares (Non-Trade)						
International Asset Reconstruction Company Pvt. Ltd.	10	13,946,295	**3,313**	**–**	3313	–
			3,313	**–**	3,313	–
Investment in Security Receipts						
International Asset Reconstruction Company Pvt. Ltd.	1,000	88,214	**882**	**–**	777	–
			882	**–**	777	–
Investments in Others						
Quoted :						
Investment in Equity Shares (Non-Trade)						
Hindustan Unilever Limited	1	2,000	**5**	**–**	5	–
Development Credit Bank Limited	10	5,516,000	**5,792**	**–**	6,917	–
Praj Industries Limited	2	13,422,400	**16,577**	**–**	16,577	–
State Bank of India Limited			**–**	**–**	–	19,405
			22,374	**–**	23,499	19,405
Investment in Government Securities (Non-Trade)						
6.07% GOI 2014			**–**	**–**	–	1,481
6.49% GOI 2015	100	500,000	**–**	**500**	499	–
6.90% GOI 2019	100	1,500,000	**1,502**	**–**	1,504	–
8.07% GOI 2017	100	2,000,000	**1,994**	**–**	1,989	–
7.16% GOI 2023	100	7,500,000	**6,935**	**–**	–	–
7.80% GOI 2020	100	6,500,000	**6,347**	**–**	–	–
8.12% GOI 2020	100	8,000,000	**7,937**	**–**	–	–
8.35% GOI 2022	100	10,000,000	**9,995**	**–**	–	–
8.83% GOI 2023	100	8,000,000	**8,231**	**–**	–	–
8.40% GOI 2024	100	1,500,000	**1,502**	**–**	–	–
8.07% GOI 2017	100	2,500,000	**2,468**	**–**	2,444	–
7.94% GOI 2021	100	1,500,000	**1,548**	**–**	1,590	–
			48,459	**500**	**8,026**	**1,481**
Unquoted :						
Investment in Equity Shares (Non-Trade)						
QuikJet Cargo Airlines Private Limited			**–**	**–**	339	–
Lands End Properties Limited	10	1,990,000	**199**	**–**	199	–
Shriram Properties Private Limited	10	1,913,465	**2,773**	**–**	–	
Adithya Automotives Private Limited	10	1,396,500	**140**	**–**	140	–
Tata Tele Services Limited (Refer note no. 40)	10	62,250,000	**14,318**	**–**	–	–
Aricent Technologies Holdings Limited *	10	8	**–**	**–**	–	–
SKS Ispat & Power Limited	10	4,524,245	**1,028**	**–**	728	–
			18,458	**–**	**1,406**	**–**

SCRIP-WISE DETAILS OF INVESTMENTS: (Contd...)

(₹ in Lakh)

PARTICULARS	Face value Per Unit ₹	No. of Units	As at March 31, 2015		As at March 31, 2014	
			Non-Current Investments	Current portion of Long Term Investments	Non-Current Investments	Current portion of Long Term Investments
Investment in Preference Shares (Non-Trade)						
12% KCP Limited Cumulative Redeemable Preference Shares	10	15,000,000	**–**	**–**	–	800
0.001% QuikJet Cargo Airlines Private Limited Cumulative Convertible Preference Shares	10	4,688,519	**–**	**–**	587	–
0.001% Spandana Spoorthy Financial Limited Optionally Cumulative Convertible Redeemable Preference Shares	10	20,400,000	**1,428**	**357**	1,734	204
11.35% Coromondal Engineering Private Limited			**–**	**–**	840	–
Varroc Engineering Pvt Ltd Series A Cumulative Convertible Preference Shares	100	2,521,007	**2,521**	**–**	2,521	–
0.001% Share Microfin Limited Optionally Cumulative Convertible Redeemable Preference Shares	10	1,575,000	**126**	**32**	153	18
			4,075	**389**	**5,835**	**1,022**
Less: Provision for diminution in value of investments			**(8,874)**	**(3)**	(15,532)	–
Total Long-Term Investments			**88,687**	**886**	**27,324**	**21,908**
CURRENT INVESTMENTS						
Quoted :						
Investment in Equity Shares						
IVRCL LIMITED	2	706,149		**112**		–
				112		–
Investment in Units of Mutual Funds						
HDFC Debt Fund For Cancer Cure	10	500,000		**50**		50
				50		50
Total Current Investments				**162**		**50**
TOTAL INVESTMENTS			**88,687**	**1,048**	**27,324**	**21,958**
Book value of Quoted investments			**61,972**	**662**	16,914	20,936
Market value of Quoted investments			**64,119**	**662**	18,724	26,002
Book value of Unquoted investments			**26,715**	**386**	10,410	1,022

* amount less than ₹ 50,000.

14. DEFERRED TAX ASSET

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
Deferred Tax Asset (net)	**15,841**	7,560

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

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
Deferred Tax Assets :-		
(a) On account of provisions for non-performing assets	**16,700**	6,261
(b) Provision for restructured advances	**1,086**	941
(c) Contingent provision for standard assets	**2,117**	1,923
(d) Employee benefits	**189**	184
(e) Other deferred tax assets	**453**	818
Deferred Tax Liabilities :-		
(a) Debenture issue expenses	**(302)**	(265)
(b) Timing difference in respect of depreciation on fixed assets	**(4,402)**	(2,302)
Net Deferred Tax Asset	**15,841**	**7,560**

15. LOANS AND ADVANCES - FINANCING ACTIVITY

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
NON-CURRENT		
(a) Secured Loans		
(i) Considered good	**930,113**	849,113
(ii) Considered doubtful	**7,389**	5,225
	937,502	854,338
Less: Provision for doubtful loans	**7,389**	5,225
Less: Provisions against restructured standard assets	**2,244**	2,637
	927,869	**846,476**
(b) Secured Credit Substitutes (Refer Notes Nos. 15(b) & 43 below)		
(i) Considered good	**25,823**	58,138
(ii) Considered doubtful	**8,505**	264
	34,328	58,402
Less: Provision for doubtful Credit Substitutes	**8,505**	264
	25,823	58,138
(c) Unsecured Loans		
(i) Considered good	**87,485**	55,854
(ii) Considered doubtful	**77**	29
	87,562	55,883
Less: Provision for doubtful loans	**77**	29
Less: Provisions against restructured standard assets	**526**	11
	86,959	55,843
(d) Unsecured Credit Substitutes (Refer Notes Nos. 15(b) & 43 below)		
(i) Considered good	**13,008**	7,215
(ii) Considered doubtful	**–**	–
	13,008	7,215
Less: Provision for doubtful Credit Substitutes	**–**	–
	13,008	7,215
TOTAL	**1,053,659**	**967,672**

15. LOANS AND ADVANCES - FINANCING ACTIVITY (Contd...)

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
CURRENT		
(a) Secured Loans		
(i) Considered good	**583,077**	600,127
(ii) Considered doubtful	**26,783**	11,952
	609,860	612,079
Less: Provision for doubtful loans	**26,783**	11,952
Less: Provisions against restructured standard assets	**299**	113
	582,778	600,014
(b) Secured Credit Substitutes (Refer Notes Nos. 15(b) & 43 below)		
(i) Considered good	**28,354**	33,262
(ii) Considered doubtful	**1,995**	286
	30,349	33,548
Less: Provision for doubtful Credit Substitutes	**1,995**	286
	28,354	33,262
(c) Unsecured Loans		
(i) Considered good	**649,484**	549,479
(ii) Considered doubtful	**3,505**	1,214
	652,989	550,693
Less: Provision for doubtful loans	**3,505**	1,214
Less: Provisions against restructured standard assets	**69**	8
	649,415	549,471
(d) Unsecured Credit Substitutes (Refer Notes Nos. 15(b) & 43 below)		
(i) Considered good	**40,852**	12,950
(ii) Considered doubtful	**–**	–
	40,852	12,950
Less: Provision for doubtful Credit Substitutes	**–**	–
	40,852	12,950
Total	**1,301,399**	**1,195,697**
TOTAL - LOANS AND ADVANCES FINANCING ACTIVITY	**2,355,058**	**2,163,369**

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

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
Gross Investments:		
– Within one year	**4,163**	6,685
– Later than one year and not later than five years	**5,598**	4,785
– Later than five years	**381**	
Total	**10,142**	**11,470**
Unearned Finance Income:		
– Within one year	**839**	992
– Later than one year and not later than five years	**4,602**	563
– Later than five years	**337**	
Total	**5,778**	**1,555**
Present Value of Rentals:		
– Within one year	**3,324**	5,693
– Later than one year and not later than five years	**996**	4,222
– Later than five years	**44**	
Total	**4,364**	**9,915**

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

(₹ in Lakh)

PARTICULARS	Face value Per Unit ₹	No. of Units	As at March 31, 2015		As at March 31, 2014	
			Non-Current	Current	Non-Current	Current
Quoted :						
Investment in Debentures (Trade)						
5% Trent Limited	1,000,000	100	-	1,000	1,000	-
10.25% Shriram Transport Finance Company Limited	1,000,000	250	2,500	-	2,500	-
10.40% Meghmani Organics Limited	100,000	2,000	-	2,000	2,000	2,000
11.80% Elder Pharmaceuticals Limited	1,000,000	150	-	375	375	500
12.75% Diamond Power Infra limited	100,000	1,666	510	850	1,360	340
10.75% Kiri Industries Limited	1,000,000	400	-	1,663	2,312	963
12.90% Cholamandalam Investment & Finance Company Limited	500,000	1	-	5	-	6,010
10.50% Tulip Telecom Limited- CDR	1,000,000	1,850	17,344	1,156	18,500	-
12.65% Consolidated Construction Consortium Limited	1,000,000	200	2,000	-	800	1,000
12.25% Kolte PatilL Developers Limited	1,000,000	400	4,000	-	-	-
12.50% SREI Equipment Finance Limited			65			
12.90% Godawari Power and Ispat Limited	1,000,000	300	750	2,250	3,000	-
10% Indian Overseas Bank	1,000,000	400	-	4,000	-	-
			27,169	13,299	31,847	10,813
Unquoted :						
Investment in Preference Shares (Trade)						
10.75% Kiri Industries Limited			–	433		
11.50% Mcnally Bharat Engineering Co Ltd Cumulative Non Convertible Redeemable Preference Shares	100	625,000	4,000	–	4,000	–
			4,000	433	4,000	–
Investment in Debentures (Trade)						
11.15% JBF Industries Limited	100,000	200	–	–	–	200
9% East Coast Constructions and Industries Limited	1,000	245,000	–	2,450	1,050	2,450
8% IOT Utkal Energy Services Limited	10	1,000,000	–	–	10,000	–
13.65% Metropolitan Infrahousing Private Limited	10,000,000	75	–	–	–	7,500
5.64% Mandava Holding Private Limited	50,000,000	4	–	–	–	2,218
8% JL Power Ventures Pvt Limited	10,000,000	38	3,800	–	3,800	–
12.40%TRIF Amritsar Projects Pvt. Ltd.	1,000,000	200	–	1,964	1,964	36
12.40%TRIF Amritsar Projects Pvt. Limited - Series C	1,000,000	150	1,369	104	1,473	27
12.40%TRIF Amritsar Projects Pvt. Limited - Series D	1,000,000	150	1,369	104	1,473	27
10.45% IDBI Bank Ltd.	1,000,000	50	508	–	–	–

PARTICULARS	Face value Per Unit ₹	No. of Units	As at March 31, 2015		As at March 31, 2014	
			Non-Current	Current	Non-Current	Current
11% Cargo Solar Power Gujarat Limited	10,000	11,250	**1,125**	**–**	1,125	–
11% Cargo Solar Power Gujarat Limited	10,000	8,750	**875**	**–**	875	–
14.50% Arohi Infrastructure Private Limited	100	5,000,000	**–**	**5,000**	–	5,000
			9,046	**9,622**	**21,760**	**17,458**
Investment in Debentures (Trade)						
10.90% Tata Motor Finance Limited	500,000	400	**2,000**	**–**	2,000	–
			2,000	**–**	**2,000**	**–**
Investment in Pass Through Certificates (Trade)						
Jindal ITF Limited - Series A to E			**4,483**	**2,958**	6,435	719
DRL Trust Feb 141 Series A			**–**	**–**	–	10,297
DRL Trust Dec 143 Series B			**–**	**270**	–	–
HPR Trust Mar 151 Series A			**–**	**5,807**	–	–
DRL Trust Feb 151 Series A			**–**	**22,726**	–	–
DRL Trust Feb 151 Series B			**–**	**6,064**	–	–
			4,483	**37,825**	**6,435**	**11,016**
Total			**46,698**	**61,179**	**66,042**	**39,287**
Less: Provision for doubtful Credit Substitutes			**8,505**	**1,995**	**264**	**286**
Grand Total			**38,193**	**59,184**	**65,778**	**39,001**

Note : The above scrip-wise details of Credit Substitutes does not include interest accrued on Credit Substitutes and receivable on sale of credit substitutes.

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

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Capital advances	**7,246**	3,680
(b) Loans and advances to related parties	**1,877**	1,770
(c) Security deposits	**47**	33
(d) Advance payment of Income Tax, net of provision	**2,183**	1,048
(e) Others		
(i) Loan to TCL Employee Welfare Trust	**7,296**	7,296
(ii) Prepaid Expenses	**249**	271
Total	**18,898**	**14,098**

17. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer Note 21(a) below)	**671**	827
(b) Unamortised loan sourcing costs	**2,995**	2,254
Total	**3,666**	3,081

18. TRADE RECEIVABLES

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Over six months (from the date due for payment)		
(i) Secured, considered good	**–**	–
(ii) Unsecured, considered good	**161**	429
(iii) Doubtful	**1**	–
	162	**429**
Less: Provision for trade receivables	**1**	–
	161	**429**

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(b) Others		
(i) Secured, considered good	–	–
(ii) Unsecured, considered good	878	1,242
(iii) Doubtful	–	–
	878	1,242
Less: Provision for trade receivables	–	–
	878	1,242
Total	**1,039**	**1,671**

19. CASH AND BANK BALANCES

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Cash on Hand	613	433
(b) Cheques on Hand	1,081	1,214
(c) Balances with banks		
(i) In current accounts	2,664	24,365
(ii) In deposit accounts (Refer Note No. (ii) below)	1	1
Total	**4,359**	**26,013**

Notes:

(i) Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is ₹ 4,358 Lakh (as at March 31, 2014 ₹ 26,012 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 Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Loans and advances to related parties	1,557	421
(b) Security deposits	6,850	7,206
(c) Others		
(i) Advances to vendors	321	2,110
(ii) Other advances	128	120
(iii) Pass Through Certificate application money (refundable)	6,819	–
(iii) Loan and advances to employees	74	134
(d) Prepaid expenses	444	508
(e) Balances with government authorities	543	839
Total	**16,736**	**11,338**

21. OTHER CURRENT ASSETS

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer Note 21(a))	334	877
(b) Receivable on sale of investment	16	24
Less : Provision for receivable on sale of investment	2	–
	14	24
(c) Unamortised loan sourcing costs	4,174	3,106
(d) Interest accrued but not due on investments	1,349	196
(e) Income accrued but not due	839	785
(f) Assets held for sale	2,968	400
Less : Provision for assets held for sale	89	–
Carrying value of assets held for sale	2,879	400
(g) Other receivables	210	328
Total	**9,799**	**5,716**

21 (a) Deferred Revenue Expenditure (to the extent not written off or adjusted) (₹ in Lakh)

PARTICULARS		As at March 31, 2015	As at March 31, 2014
(a)	**Unamortised share issue expenses**		
	Opening balance	**641**	1,270
	Add: Expenses incurred during the year	**–**	–
	Less: written off during the year	**633**	629
	Closing balance	**8**	**641**
(b)	**Unamortised debenture issue expenses**		
	Opening balance	**779**	826
	Add: Expenses incurred during the year	**378**	167
	Less: written off during the year	**284**	214
	Closing balance	**873**	**779**
(c)	**Unamortised loan processing charges**		
	Opening balance	**284**	31
	Add: Expenses incurred during the year	**14**	360
	Less: written off during the year	**174**	107
	Closing balance	**124**	284
Total		**1,005**	**1,704**

(₹ in Lakh)

PARTICULARS		As at March 31, 2015		As at March 31, 2014	
		Non-Current	Current	Non-Current	Current
(a)	Unamortised share issue expenses	**1**	**7**	5	636
(b)	Unamortised debenture issue expenses	**660**	**213**	700	79
(c)	Unamortised loan processing charges	**10**	**114**	122	162
Total		**671**	**334**	827	877
Grand Total			**1,005**		**1,704**

NOTES TO AND FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR YEAR ENDED MARCH 31, 2015

22. REVENUE FROM OPERATIONS

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2015	For the Year ended March 31, 2014
(a) Interest Income		
(i) From Secured Loans and Credit Substitutes	**178,773**	178,449
(ii) From Unsecured Loans and Credit Substitutes	**75,547**	63,980
(b) Income from Bill Discounting	**5,693**	3,524
(c) Others	**19,022**	14,889
Total	**279,035**	**260,842**

23. INVESTMENT INCOME

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2015	For the Year ended March 31, 2014
(a) Dividend from Non-Current Investments	**388**	729
(b) Dividend from Mutual Funds (Current Investments)	**271**	1,110
(c) Profit on sale of Non-Current Investments	**6,444**	4,014
(d) Profit on sale of Current Investments	**616**	167
(e) Interest on Non-Current Investments	**2,196**	593
Total	**9,915**	**6,613**

24. OTHER INCOME

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2015	For the Year ended March 31, 2014
(a) Income from operating leases	**14,570**	7,703
(b) Income from services	**1**	14
(c) Interest Income on Fixed Deposits	**–**	1,084
(d) Miscellaneous Income	**3,015**	2,057
Total	**17,586**	**10,858**

25. FINANCE COSTS

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2015	For the Year ended March 31, 2014
(a) Interest expense		
(i) On fixed period loans	**129,268**	121,621
(ii) On others	**7,756**	11,242
(b) Discounting Charges		
(i) On commercial paper	**42,384**	33,159
(ii) On Collateralised Borrowings and Lending Obligations (CBLO)	**1,748**	457
(iii) On debentures	**788**	2,525
Total	**181,944**	**169,004**

TATA

26. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2015	For the Year ended March 31, 2014
(a) Salaries, wages and bonus	**19,250**	16,669
(b) Contribution to provident and other fund (Refer Note No. 30)	**1,227**	848
(c) Staff welfare expenses	**1,222**	1,304
Total	**21,699**	**18,821**

27. OTHER OPERATING EXPENSES

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2015		For the Year ended March 31, 2014	
(a) Advertisement and publicity		**2,682**		2,735
(b) Corporate social responsibility cost		**789**		–
(c) Donations		**19**		116
(d) Equipment hire charges		**347**		490
(e) Incentive / commission/ brokerage		**5,912**		5,528
(f) Information technology expenses		**5,339**		5,299
(g) Insurance charges		**314**		257
(h) Legal and professional fees		**1,761**		1,955
(i) Loan processing fees		**566**		568
(j) Printing and stationery		**566**		532
(k) Provision for doubtful loans (net of recoveries)		**39,638**		14,074
(l) Write off - Loans and advances	**10,354**		7,393	
Less : Provision reversal on write off	**(10,354)**	**–**	(7,393)	–
(m) Provision for assets held for sale		**89**		–
(n) Contingent provision against Standard Assets		**460**		316
(o) Provision against Restructured Advances		**369**		2,769
(p) Provision for diminution in value of investments (net of reversals)		**(6,593)**		7,750
(q) Provision against trade receivables		**1**		–
(r) Power and fuel		**682**		664
(s) Repairs and maintenance				
(i) Buildings	**45**		10	
(ii) Annual maintenance charges	**213**		199	
(iii) Others	**118**	**376**	125	334
(t) Rent		**1,573**		1,991
(u) Rates and taxes		**132**		115
(v) Stamp charges		**513**		395
(w) Service providers' charges		**4,885**		4,308
(x) Training and recruitment		**602**		544
(y) Telephone, telex and leased line		**628**		528
(z) Travelling and conveyance		**1,831**		1,915
(aa) Loss on sale of Investment (Non-Current)		**1,073**		–
(ab) Director sitting fees		**45**		31
(ac) Other expenses		**2,659**		2,334
Total		**67,258**		**55,548**

27. (a) Auditors' Remuneration (excluding Service Tax) (₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Audit Fees	**88**	75
Tax Audit Fees	**5**	5
Other Services	**4**	4
Out of Pocket Expenses	**1**	1
Total	**98**	85

(Auditors' remuneration is included in Other expenses)

27. (b) Expenditure in Foreign Currency (₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Legal and professional fees	**26**	251
Advertisement and publicity	**–**	14
Travelling and conveyance	**1**	1
Training and recruitment	**24**	21
Other expenses	**3**	3

28. Contingent Liabilities and Commitments:

(a) Claims not acknowledged by the Company relating to cases contested by the Company and which are not likely to be devolved on the Company relating to the following areas :

(₹ in Lakh)

Particulars	As at March 31, 2015	As at March 31, 2014
Income Tax (Pending before Appellate authorities)	776	NIL
VAT (Pending before Appellate authorities)	223	NIL

(b) Commitments:

i. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 154 Lakh (as at March 31, 2014: ₹ 155 Lakh).

29. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation rate/ Estimated useful Life	Current Estimated Useful Life
Building	4% / 25 years	25 years
Construction Equipment	Leased:7.42% to 12.50% / 8 to 13.5 years	Leased: 8 to 13.5 years
Computer Equipment	Owned: 20% to 33.33 % / 3 to 5 years	Owned: 3 to 5 years
	Leased: 20% / 5 years	Leased: 5 years
Office Equipment	Own : 10% / 10 years	Own: 5 years
	Leased: 10% / 10 years	Lease: 5 years
Vehicles	Own Vehicles: 23.75%/4 years	Own Vehicles: 4 years
	Lease Vehicles: 22.50% / 4 years	Lease Vehicles: 4 years
Plant & Machinery	Owned: 25% / 4 years	Owned: 4 years
	Leased: 10% to 25% / 4 to 10 years	Leased: 4 to 10 years
Furniture & Fixtures	Owned: 10% / 10 years	Owned: 10 years
	Leased: 10% / 10 years	Leased: 10 years
Software	Owned: 10% to 25% / 4 to 10 years	Owned: 4 to 10 years
	Leased: 20% to 100% / 0 to 5 years	Leased: 0 to 5 years
Networking Assets	25% / 4 years	4 years
Leasehold improvements	Lease Period / 1 to 9 years	Lease Period / 1 to 9 years

30. 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 ₹ 725 Lakh (Previous year ₹ 599 Lakh) for provident fund and family pension fund contribution and ₹ 125 Lakh (Previous year ₹ 132 Lakh) for contribution towards the superannuation fund in the Statement of Profit and Loss.

The provident fund set up as a Trust by the Company manages the contributions from the Company and other participating subsidiaries. As of March 31, 2015, the accumulated members' corpus of the Company is ₹ 7,936 lakh whereas the total fair value of the assets of the fund and the total accumulated members' corpus is ₹ 12,871 lakh and ₹ 11,904 lakh respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.75% for the first year and 8.60% thereafter. The actuarial assumptions include discount rate of 7.80%.

Defined Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) (included as part of Contribution to provident and other fund in Note No.26 Employee Benefit Expenses). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before separation). The gratuity scheme covers all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

Reconciliation of Benefit Obligations and Plan Assets (₹ in Lakh)

Particulars	2014-15	2013-14
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**1,026**	1,017
Current Service Cost	**202**	151
Interest Cost	**93**	80
Transfer under the scheme of arrangement	**(19)**	(165)
Actuarial Losses / (Gain)	**320**	(20)
Benefits Paid	**(51)**	(37)
Closing Defined Benefit Obligation	**1,571**	1,026
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	**946**	925
Acquisition Cost / Transfer in	**(14)**	(165)
Expected Return on Plan Assets	**89**	78
Contributions by Employer	**337**	92
Actuarial Gains	**148**	16
Benefits paid	**–**	–
Closing Fair Value of Plan Assets	**1506**	946
Reconciliation of present Value of the obligation and the Fair value of the plan Assets		
Fair Value of plan assets at the end of the year	**1506**	946
Present value of the defined obligations at the end of the year	**1,571**	1,026
Funded status Deficit	**(65)**	(80)
Unrecognised past service cost	**–**	–

Particulars	2014-15	2013-14
Net Liability recognised in the Balance Sheet	**(65)**	(80)
Net Gratuity cost for the year ended March 31, 2015		
Service Cost	**202**	151
Interest on Defined benefit Obligation	**93**	80
Expected return on plan assets	**(89)**	(78)
Net actuarial loss recognised in the year	**171**	(36)
Net Gratuity Cost	**377**	117
Actual contribution and benefit payments for the year		
Actual benefit payments	**(51)**	(37)
Actual contributions	**337**	92
Categorization of plan assets is as follows		
Investment Pattern		
Insurer managed funds:		
Government Securities	**40%**	40%
Deposit & money market securities	**8%**	19%
Debentures / Bonds	**35%**	32%
Equity Shares	**17%**	9%
Others (Cash and Receivable & Payable)	**0%**	0%
Total	**100%**	**100%**
Assumptions		
Discount Rate	**7.80%**	9.30%
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.**	Indian Assured Lives Mortality (2006-08) (modified) Ult.
Withdrawal Rate	**0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years and more - 1%**	0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years and more - 1%

Experience adjustment	2014-15	2013-14	2012-13	2011-12	2010-11
– On Plan Liabilities	**(41)**	(96)	7	6	NA
– On Plan Assets	**148**	16	(5)	(8)	NA
Present value of benefit obligation	**(1,571)**	(1,026)	(1017)	(877)	NA
Fair value of Plan Assets	**1506**	946	925	791	NA
Excess of (obligation over plan assets)	**(65)**	(80)	(92)	(86)	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 ₹ 64 Lakh (Previous year ₹ 337 Lakh) to the gratuity fund in the year ending March 2016.

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 2014-15 is ₹ 39 Lakh (Previous year ₹ 16 Lakh) and the provision as at March 31, 2015 is ₹ 91 Lakh (Previous year ₹ 64 Lakh)

31. Disclosure as required by Accounting Standard (AS) – 18 on "Related Party Disclosures":

i. List of related parties and relationship:

Ultimate Holding Company	Tata Sons Limited
Holding Company	Tata Capital Limited
Fellow Subsidiaries (with which the company had transactions)	Tata Securities Limited Tata Capital Pte. Limited Tata Capital Plc TC Travel and Services Limited Tata Capital Housing Finance Limited Tata Cleantech Capital Limited Tata Capital Forex Limited
Subsidiaries of ultimate holding company (with which the company had transactions)	e-Nxt Financials Limited Tata Sky Limited Tata Consultancy Services Limited Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Infiniti Retail Limited Tata Business Support Services Limited Ewart Investments Limited Tata International Limited Tata Consulting Engineers Limited Tata Housing Development Company Limited Tata Asset Management Limited TRIF Amritsar Projects Pvt. Limited. Calsea Footwear Private Limited Kriday Realty Private Limited Automotive Stamping And Assemblies Limited
Associates	International Asset Reconstruction Company Pvt. Limited
Key Management Personnel	Mr. Praveen P Kadle

ii. **Transactions with related parties :**

(₹ in Lakh)

Sr. No.	Party Name	Nature of transaction	2014-15	2013-14
1	Tata Sons Limited	a) Expenses:		
		– Brand Equity Contribution	**762**	707
		– Rent	**24**	–
		– Other charges	**56**	68
		b) Income:		
		– Recovery of Rent	**191**	312
		c) Asset:		
		– Security deposit receivable	**12**	12
		d) Liability:		
		– Balance Payable	**737**	637
2	Tata Capital Limited	a) Expenses:		
		– Interest expenses on ICD	**3,042**	1,202
		– Interest expenses on debentures	**5**	–
		– Rent	**741**	720
		– Marketing & managerial service fee	**993**	1,074
		b) Income:		
		– Preference share arranger fees	**27**	378
		– Service Provider charges	**–**	37
		– Rent & Guest house	**17**	–
		c) Amount raised by issue of Non-Convertible Subordinated debentures	**20,000**	–
		d) Interim dividend paid on Equity Shares	**6,488**	3,893
		e) Security Deposit received	**3**	–
		f) ICD accepted / repaid during the year		
		– ICD received during year	**253,819**	155,172
		– ICD repaid during year	**264,309**	142,282
		g) Asset:		
		– Security Deposit Receivable	**4,665**	4,665
		h) Liability:		
		– Interim dividend Payable on Equity Shares	**7,785**	6,488
		– ICD Payable	**2,600**	13,090
		– Borrowings - Non-Convertible Subordinated debentures	**20,000**	
		– Balance Payable	**94**	93
3	Tata Securities Limited	a) Expenses:		
		– Brokerage expenses	**50**	198
		– Services Received	**–**	8
		b) Income:		
		– Distribution Income	**–**	2
		– Rent & Others	**215**	277
		c) Asset:		
		– Balance Receivable (Towards expenses incurred on their behalf)	**1,196**	1,162
4	Tata Capital Pte. Limited	a) Income:		
		– Income- SLA fees	**20**	–
		– Reimbursement of expenses	**2**	–
		b) Asset:		
		– Balance Receivable	**21**	1
5	Tata Capital Plc	a) Income:	**4**	–
		– SLA fees		
		b) Asset:		
		– Balance Receivable	**4**	–

Sr. No.	Party Name	Nature of transaction	2014-15	2013-14
6	TC Travel and Services Limited	a) Expenses:		
		– Travel related services	**509**	210
		b) Income:		
		– Rent & Others	**120**	95
		c) ICD repaid during the year	**–**	350
		d) Asset:		
		– Balance Receivable	**681**	604
7	Tata Capital Housing Finance Limited	a) Expenses:		
		– Sourcing Fee	**3**	17
		– Rent & others	**60**	–
		b) Income:		
		– Loan Sourcing Fee	**392**	91
		– Rent & Others	**1,021**	715
		c) Transfer of retiral liability of Employee	**–**	2
		d) Transfer of Fixed Asset (Purchase)	**–**	1
		e) Amount paid for transfer of mortgage rights of property	**290**	–
		f) Asset:		
		– Balance Receivable	**899**	117
		g) Liability:		
		– Security deposit Payable	**8**	–
8	Tata Capital Forex Limited	a) Income:		
		– Rent & Others	**153**	80
		b) Asset:		
		– Balance Receivable	**62**	28
9	e-Nxt Financials Limited	a) Expenses:		
		– Service Provider Charges	**4,558**	3,705
		b) Income:		
		– Lease Income	**234**	25
		– Processing Fee	**2**	2
		– Syndication Fee	**15**	10
		– Reimbursement of Expenses	**98**	15
		c) Asset:		
		– Loan Outstanding	**–**	6,863
		– Loan repaid during the year	**6,863**	–
		– Finance Lease:		
		Facility given during the year	**896**	–
		Repaid during year	**39**	
		Outstanding facility	**857**	–
		– Balance receivable	**142**	427
10	Tata Sky Limited	Invoice discounting during the year	**–**	7,301
		Invoice discounting repaid during the year	**3,365**	–
		Interest received on loan given	**85**	248
		Invoice discounting - Outstanding	**–**	3,365

Sr. No.	Party Name	Nature of transaction	2014-15	2013-14
11	Tata Consultancy Services Limited	a) Expenses:		
		– IT outsourcing	**4,986**	4,953
		– Interest paid on ICD	**1,375**	1,624
		b) Reimbursement of expenses	**411**	482
		c) ICD accepted / repaid during the year		
		– ICD Accepted during year	**–**	28,000
		– ICD repaid during year	**28,000**	15,000
		d) Asset:		
		– Balance Receivable	**253**	192
		e) Liability:		
		– ICD Payable	**–**	28,000
		– Interest accrued on ICD	**–**	1,462
12	Tata AIG General Insurance Co.	Expenses : Insurance Expenses	**284**	191
		Income : Advertisement & Marketing	**122**	114
13	Tata AIA Life Insurance Co. Limited	a) Expenses:		
		– Insurance Expenses	**88**	52
		– Insurance Expense- Group Term Policy	**12**	12
		– Balance Receivable	**7**	2
14	Infiniti Retail Limited	Expenses – Incentive & others	**53**	2
		Purchase of Fixed Assets	**26**	434
15	Tata Business Support Services Limited	Expenses : Call Center & others	**237**	113
		Income : Interest income & Processing Fees	**200**	272
		Loan repaid during the year	**649**	–
		Loan Outstanding	**1,642**	2,161
16	Tata Cleantech Capital Limited	a) Expenses:		
		– Referral Fees	**108**	155
		b) Income:		
		– Management Fee	**490**	114
		– Rent & expenses	**60**	64
		c) Assignment of Portfolio	**38,003**	7,935
		d) Transfer of retiral liability of Employee	**–**	17
		e) ICD accepted / repaid during the year		
		– Interest paid on ICD	**–**	232
		– CD issued & repaid during year	**–**	7,900
		f) Balance Receivable / (Payable)	**186**	(47)
17	Ewart Investments Limited	Expenses : Rent Expenses	**–**	9
		Security Deposit receivable	**190**	190
18	Tata International Limited	Expenses: Marketing Charges	**3**	6
		Income : Interest Income on Loan	**–**	1
19	Tata Consulting Engineers Limited	Expenses : Professional Charges	**–**	3
20	Tata Housing Development Company Limited	a) Income:		
		– Referral Fee	**84**	68
		– Interest income on Loan	**85**	–
		b) Loan given during the year	**2,000**	–
		c) Asset:		
		– Outstanding loan	**2,000**	–
		– Balance Receivable	**26**	13
21	International Asset Reconstruction Company Pvt. Limited	Asset : Investment in Security Receipts during the year	**105**	777

Sr. No.	Party Name	Nature of transaction	2014-15	2013-14
22	Tata Asset Management Limited	Income - Portfolio Management Service	**49**	45
		Balance Receivable	**–**	3
23	TRIF Amritsar Projects Pvt. Limited	Income : Interest Income on NCDs	**618**	545
		Asset : Outstanding Debentures	**4,910**	5,000
24	Calsea Footwear Private Limited	Income - Interest income on Loan	**28**	–
		Loan given during the year	**1,000**	
		Asset : Outstanding loan	**1,000**	–
25	Kriday Realty Private Limited	Income – Distribution Income	**1**	7
26	Automotive Stamping And Assemblies Limited	Loan given during the year	**2,000**	–
		Income - Interest income on Loan	**31**	–
		Asset : Outstanding loan	**1,999**	–
27	Key Management Personnel	Expenses : Interest on Non – convertible debentures	**2**	2
		Liability : Outstanding Debentures	**20**	20

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

(₹ in Lakh)

Lease Payments	As at March 31, 2015	As at March 31, 2014
– Within one year	**707**	885
– Later than one year and not later than five years	**1,147**	2,363
– Later than five years	**47**	63

The amount charged towards lease rentals (as part of Rent expenditure) is ₹ 1,573 Lakh (Previous year: ₹ 1,991 Lakh).

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

(₹ in Lakh)

Lease Payments	As at March 31, 2015	As at March 31, 2014
– Within one year	**10,238**	6,106
– Later than one year and not later than five years	**10,138**	7,389
– Later than five years	**388**	–

Accumulated Depreciation on lease assets is ₹ 14,513 Lakh (Previous year: ₹ 10,066 Lakh).

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

33. Earnings per Share (EPS):

Particulars		2014-15	2013-14
Profit after tax	₹ in Lakh	**18,733**	17,213
Less: Preference dividend (including Dividend distribution tax)	₹ in Lakh	**Nil**	Nil
Profit after tax for Basic EPS	₹ in Lakh	**18,733**	17,213
Weighted average number of Equity shares used in computing Basic earnings per share	Nos	**1,297,550,000**	1,297,550,000
Face value of equity shares	Rupees	**10**	10
Basic earnings per share	**Rupees**	**1.44**	**1.33**
Profit after tax for diluted EPS	₹ in Lakh	**18,733**	17,213
Weighted average number of Equity Shares used in computing Basic earnings per share	Nos	**1,297,550,000**	1,297,550,000
Weighted average number of shares in computing Diluted earnings per share	Nos	**1,297,550,000**	1,297,550,000
Face value of equity shares	Rupees	**10**	10
Diluted earnings per share	**Rupees**	**1.44**	**1.33**

34. Movement in Contingent provision against Standard Assets during the year is as under:

(₹ in Lakh)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening Balance	**5,656**	5,340
Additions during the year	**460**	316
Utilised during the year	**–**	–
Closing Balance	**6,116**	5,656

35. Segment Reporting

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

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
I Segment Revenue		
a) Financing Activity	**279,035**	261,926
b) Investment Activity	**9,915**	6,613
c) Others	**17,586**	9,774
Total	**306,536**	**278,313**
Less : Inter Segment Revenue	**–**	–
Total Income	**306,536**	**278,313**
II Segment Results		
a) Financing Activity	**15,383**	38,250
b) Investment Activity	**15,050**	(1,587)
c) Others	**4,844**	682
Total	**35,277**	**37,345**

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Less : Unallocated Corporate Expenses	**10,244**	9,272
Profit before taxation	**25,033**	**28,073**
Less : Provision for taxation	**6,300**	10,860
Profit after taxation	**18,733**	**17,213**
III Segment Assets		
a) Financing Activity	**2,387,808**	2,201,424
b) Investment Activity	**91,084**	54,519
c) Others	**52,610**	35,278
d) Unallocated	**42,890**	34,687
Total	**2,574,392**	**2,325,908**
IV Segment Liabilities		
a) Financing Activity	**2,171,776**	1,955,378
b) Investment Activity	**4,618**	4,618
c) Others	**52,901**	33,284
d) Unallocated	**16,683**	14,238
Total	**2,245,978**	**2,007,518**
V Capital Expenditure (Including Capital Work-In-Progress)		
a) Financing Activity	**–**	–
b) Investment Activity	**–**	–
c) Others	**31,235**	20,132
d) Unallocated	**2,293**	969
Total	**33,528**	**21,101**
VI Depreciation and Amortisation		
a) Financing Activity	**656**	405
b) Investment Activity	**–**	–
c) Others	**7,796**	4,803
d) Unallocated	**1,059**	709
Total	**9,511**	**5,917**
VII Significant Non-Cash Expenses Other than Depreciation and Amortisation		
a) Financing Activity	**40,556**	17,159
b) Investment Activity	**(5,520)**	7,750
Total	**35,036**	**24,909**

36. Capital to Risk Assets Ratio (CRAR)

Particulars	As at March 31, 2015	As at March 31, 2014
CRAR (%)	**15.91%**	16.97%
CRAR – Tier I Capital (%)	**11.31%**	12.99%
CRAR – Tier II Capital (%)	**4.60%**	3.98%
Amount of subordinated debt raised as Tier-II Capital	**41,000**	–
Amount rasied by issue of Perpetual Debt Instruments	**–**	9,355

37. Asset Liability Management

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

For the year 2014-15 (₹ in Lakh)

PARTICULARS	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances	Investments	Foreign Currency Borrowings
1 day to 30/31 days (One month)	124,108	157,960	–	416,449	–	–
Over One months to 2 months	20,000	301,430	–	314,655	–	–
Over 2 months upto 3 months	3,500	30,495	–	81,122	500	–
Over 3 months to 6 months	190,034	111,500	–	231,954	–	–
Over 6 months to 1 year	229,902	214,750	–	369,475	–	–
Over 1 year to 3 years	65,000	438,068	–	742,167	24,082	–
Over 3 years to 5 years	–	171,953	–	197,057	1,550	–
Over 5 years	–	64,074	–	2,177	63,602	–
Total	**632,544**	**1,490,230**	**–**	**2,355,056**	**89,734**	**–**

For the year 2013-14 (₹ in Lakh)

PARTICULARS	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances	Investments	Foreign Currency Borrowings
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	–
Total	1,464,689	433,901	–	2,050,877	154,196	–

38. 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 Lakh)

PARTICULARS	Amount Outstanding		Amount Overdue	
	31.03.15	**31.03.14**	**31.03.15**	**31.03.14**
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	**1,000,533**	754,584	**–**	–
(ii) Unsecured	**143,549**	101,502	**–**	–
b) Deferred Credits	**–**	–	**–**	–
c) Term Loans	**325,153**	468,479	**–**	–
d) Inter-corporate loans and borrowing	**7,815**	43,267	**–**	–
e) Commercial Paper	**346,195**	265,598	**–**	–
f) Other loans (Collateralised Borrowings and Lending Obligations (CBLO))	**46,936**	–		
(i) Loan from Bank				
– Working Capital Demand Loan	**48,500**	67,200	**–**	–
– Overdraft	**259,118**	247,279	**–**	–

Assets side: (₹ in Lakh)

PARTICULARS	Amount Outstanding	
	2014-15	**2013-14**
2) Break up of Loans and Advances including bills receivables (other than those included in (3) below)		
a) Secured	**802,233**	786,675
b) Unsecured	**790,234**	625,479
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	**8,375**	9,961
(ii) Operating Lease	**43,870**	29,795
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	**866**	1,245
(ii) Repossessed assets	**–**	–
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	**3,293**	2,730
(ii) Other loans	**706,187**	707,485
4) Break up of Investments		
Current Investments:		
a) Quoted:		
(i) Shares: Equity	**112**	–
Preference	**–**	–
(ii) Debentures and Bonds	**–**	–
(iii) Units of Mutual Funds	**50**	50
(iv) Government Securities	**–**	–
(v) Others	**–**	–
b) Unquoted:		
(i) Shares: Equity	**–**	–
Preference	**–**	–
(ii) Debentures and Bonds	**–**	–
(iii) Units of Mutual Funds		
(iv) Government Securities	**–**	–
(v) Others (Pass through certificates)	**–**	–
Long-Term Investments (Net of Provision)		
a) Quoted:		
(i) Shares: Equity	**13,514**	27,372
Preference	**–**	–
(ii) Debentures and Bonds	**–**	–
(iii) Units of Mutual Funds	**–**	–
(iv) Government Securities	**48,958**	9,507
(v) Others	**–**	–

Assets side: (₹ in Lakh)

PARTICULARS	Amount Outstanding	
	2014-15	2013-14
b) Unquoted:		
(i) Shares: Equity	**21,771**	4,719
Preference	**4,447**	6,857
(ii) Debentures and Bonds	**–**	–
(iii) Units of Mutual Funds	**–**	–
(iv) Government Securities	**–**	–
(v) Others		
– Pass through certificates	**–**	–
– Security Receipts	**882**	777

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

Particulars	Amount net of provisions					
	Secured		Unsecured		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
a) Related Parties						
(i) Subsidiaries	**–**	–	**–**	–	**–**	–
(ii) Companies in the same group	**15,647**	–	**11,400**	5,526	**27,047**	5,526
(iii) Other related Parties	**–**	–	**–**	–	**–**	–
b) Other than related parties	**1,549,177**	1,537,890	**778,834**	619,953	**2,328,011**	2,157,843
TOTAL	**1,564,824**	**1,537,890**	**790,234**	**625,479**	**2,355,058**	**2,163,369**

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

PARTICULARS	Market Value/Break up or fair value or NAV		Book Value (Net of Provisions)	
	2014-15	2013-14	2014-15	2013-14
a) Related Parties				
1) Subsidiaries	**–**	–	**–**	–
2) Companies in the same group	**–**	–	**14,318**	–
3) Other related Parties	**4,471**	3,344	**4,335**	4,230
b) Other than related parties	**75,122**	52,067	**71,081**	45,052
TOTAL	**79,593**	**55,411**	**89,734**	**49,282**

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 Lakh)

PARTICULARS	2014-15	2013-14
a) Gross Non-Performing Assets		
1) Related parties	**–**	–
2) Other than related parties	**137,476**	98,354
b) Net Non-Performing Assets		
1) Related parties	**–**	–
2) Other than related parties	**89,220**	79,384
c) Assets acquired in satisfaction of debt	**19,218**	3,725

39. Loans and advances - Financing Activity (Secured) include ₹ 471 Lakh (Previous Year: ₹ 2,597 Lakh) being the value of equipment repossessed, necessary provision for which is made. Other Current Assets include ₹ 2,968 Lakh (Previous Year: ₹ 400 Lakh) being the value of immovable property, necessary provision for which is made. Long Term Investments include ₹ 15,346 Lakh (Previous Year: ₹ 728 Lakh) being the value of the unquoted equity Shares and ₹ 433 Lakh (Previous Year: ₹ Nil) being the value of the unquoted preference shares acquired in satisfaction of the respective Loans under the Settlement Agreement.

40. During year ended March 31, 2015 the Company has acquired 62,250,000 unquoted equity shares of Tata Teleservices Limited, as part of a loan conciliation/settlement agreement (the “Settlement Agreement”) with the borrower. The equity shares have been recorded at a cost of ₹ 14,318 lakh, being the carrying amount of the loan settled, and classified as a part of the Company’s Long Term Investments. In addition to the above, the Company has entered into a “Shareholders” Agreement with the borrower which includes, provision like seeking approvals for sale from the borrower, right of first refusal to purchase the said shares by the borrower, call option favoring borrower and a put option favoring the Company with a minimum threshold price. Further, the agreement defines the proportion of sharing of surplus arising on sale of the said shares. The entire arrangement is time bound with latest expiry being 36 months from date of Shareholder’s Agreement. As at the Balance Sheet date, the company does not have any liability with regard to its commitments.

41. During the year ended March 31, 2015, the company has sold 1,277,920 equity shares of State Bank of India for a total consideration of ₹ 25,600 lakh resulting in a gain of ₹ 6,254 lakh.

42. During the year ended March 31, 2015, the Company has reassessed depreciation rate on tangible fixed assets as per the useful life specified in the Companies Act, 2013. As a result of the change, the charge on account of the depreciation for the year ended March 31, 2015 is higher by ₹ 235 lakh compared to the charge based on useful lives estimated in earlier period/year.

43. Investments in bonds, debentures and other financial instruments which, in substance, form a part of the Company’s financing activities (“Credit Substitutes”) have been classified under Loans and Advances - Financing Activity (Note No. 15). In the past these were classified as a part of Investments (Note No. 13). Management believes that the current year’s classification results in a better presentation of the substance of these receivables and is in alignment with regulatory filings with Reserve Bank of India.

44. The company has reported frauds aggregating ₹ 28 lakh (Previous year: ₹ 40 lakh) based on management reporting to risk committee and to the RBI through prescribed returns.

45. Disclosure of Restructured Accounts as on March 31, 2015:

(₹ in Lakh)

Sl No	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Stan–dard	Sub–stan–dard	Doubt–ful	Loss	Total	Stan–dard	Sub–stan–dard	Doubt–ful	Loss	Total	Stan–dard	Sub–stan–dard	Doubt–ful	Loss	Total	Stan–dard	Sub–stan–dard	Doubt–ful	Loss	Total
1	Restructured accounts as on 1st April, 2014 (Opening figures)*	No. of borrowers	5	–	1	–	6	–	–	–	–	–	7	29	3	–	39	12	29	4	–	45
		Amt. outstanding	37,988	–	290	–	38,278	–	–	–	–	–	5,173	5,650	2,158	–	12,981	43,161	5,650	2,448	–	51,259
		Provision thereon	2,564	–	52	–	2,616	–	–	–	–	–	187	633	1,157	–	1,977	2,751	633	1,209	–	4,593
2	Fresh restructuring during the year	No. of borrowers	–	3	–	–	3	–	–	–	–	–	14	39	1	–	54	14	42	1	–	57
		Amt. outstanding	1,668	3,908	19	–	5,595	–	–	–	–	–	15,329	8,030	379	–	23,738	16,997	11,938	398	–	29,333
		Provision thereon	357	393	28	–	778	–	–	–	–	–	865	1,480	270	–	2,615	1,222	1,873	298	–	3,393
3	Upgradations of restructured accounts to Standard category	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amt. outstanding	–	–	–	–	–	–	–	–	–	–	(85)	–	–	–	(85)	(85)	–	–	–	(85)
		Provision thereon 5% new provision on standard assets	–	–	–	–	–	–	–	–	–	–	(4)	–	–	–	(4)	(4)	–	–	–	(4)
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	(1)	–	–	–	(1)	–	–	–	–	–	–	–	–	–	–	(1)	–	–	–	(1)
		Amt. outstanding	(1,216)	–	–	–	(1,216)	–	–	–	–	–	–	–	–	–	–	(1,216)	–	–	–	(1,216)
		Provision thereon	(33)	–	–	–	(33)	–	–	–	–	–	–	–	–	–	–	(33)	–	–	–	(33)
5	Downgradations of restructured accounts during the FY	No. of borrowers	(2)	1	–	–	(1)	–	–	–	–	–	(4)	–	4	–	–	(6)	1	4	–	(1)
		Amt. outstanding	(25,124)	3,737	–	–	(21,387)	–	–	–	–	–	(3,354)	(992)	5,021	–	675	(28,478)	2,745	5,021	–	(20,712)
		Provision thereon	(691)	359	–	–	(332)	–	–	–	–	–	(101)	297	1,376	–	1,572	(792)	656	1,376	–	1,240
6	Write-offs of restructured accounts during the FY	No. of borrowers	–	–	–		–	–	–	–	–	–	–	(4)	(1)	–	(5)	–	(4)	(1)	–	(5)
		Amt. outstanding	–	–	–		–	–	–	–	–	–	(221)	(165)	(218)	–	(604)	(221)	(165)	(218)	–	(604)
		Provision thereon	–	–	–		–	–	–	–	–	–	(6)	(18)	(88)	–	(112)	(6)	(18)	(88)	–	(112)
7	Restructured accounts as on 31st Mar, 2015 (Closing figures)*	**No. of borrowers**	**2**	**4**	**1**	**–**	**7**	**–**	**–**	**–**	**–**	**–**	**17**	**64**	**7**	**–**	**88**	**19**	**68**	**8**	**–**	**95**
		Amt. outstanding	**13,316**	**7,645**	**309**	**–**	**21,270**	**–**	**–**	**–**	**–**	**–**	**16,842**	**12,523**	**7,340**	**–**	**36,705**	**30,158**	**20,168**	**7,649**	**–**	**57,975**
		Provision thereon	**2,197**	**752**	**80**	**–**	**3,029**	**–**	**–**	**–**	**–**	**–**	**941**	**2,392**	**2,715**	**–**	**6,048**	**3,138**	**3,144**	**2,795**	**–**	**9,077**

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

Note:
1. Fresh restucturing during the year includes ₹ 2,236.38 Lakhs of fresh /additional Sanction (10 account) to the existing restructured accounts.
2. Write offs includes ₹ (90.19) Lakhs (21contracts, Provision of ₹ (1.39) Lakh) of reduction from existing restructured accounts by way of sale/recovery

This also includes provision made on opening standard restructured assets

46. As per RBI Notification No. DNBR. 019/CGM (CDS)-2015 dated April 10, 2015, Additional Disclosures are required in the Annual Financial Statements as follows:

(i) The Company has following Registrations effective as on March 31, 2015:

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
Reserve Bank of India	13.02005	4-Nov-11	–	NBFC-ND-SI
Reserve Bank of India	–	22-Jul-12	21-Jul-15	Approval to distribute MF products
Reserve Bank of India	–	14-Jan-13	13-Jan-15	Approval to market and distribute co-branded Credit Card. Applied for renewal and RBI approval is awaited
Association of Mutual Fund of India	84894	12-Mar-15	11-Mar-18	Distributor of MF products (ARN)
Securities And Exchange Board Of India	INA000002215	17-Sep-14	16-Sep-19	Investment Advisor

(ii) Ratings assigned by credit rating agencies and migration of ratings during the year

(i)	Rating Assigned to	Short Term Debt, Long Term Debt, Perpetual Debt, Tier II Debt
(ii)	Date of Rating	ICRA- 2nd May 2014, CARE- 1st August 2014, CRISIL- 7th October, 2014
(iii)	Rating Valid up to	ICRA- 1st May 2015, CARE- 31st Jul 2015, CRISIL- 6th October, 2015
(iv)	Name of the Rating Agency	ICRA Limited (ICRA), CRISIL Limited (CRISIL), Credit Analysis and Research Limited (CARE)
(v)	Rating of products	
	(a) Commercial Paper	ICRA A1+
	(b) Debentures	Secured Non Convertible Debentures ICRA AA+ and CRISIL AA+ CARE AA+, Tier II Debentures ICRA AA+ and CARE AA+, Perpetual Debentures CRISIL AA- , CARE AA+ and ICRA AA
	(c) Others	Short Term Bank Loans ICRA A1+ & CARE A1+ and Long Term Bank Loans ICRA AA+ and CARE AA+

(iii) RBI has not levied any penalties on the Company during the year.

(iv) Off Balance Exposure to Loan Sanctioned but not Disbursed as on March 31, 2015 is as follows:

As on March 15: ₹ 193,139 Lakh (Previous Year: ₹ 157,914 Lakh)

Less than 1 Year: ₹ 71,700 Lakh (Previous Year: ₹ 37,347 Lakh)

More than 1 Year: ₹ 121,439 Lakh (Previous Year ₹ 120,567 Lakh)

(v) Provisions and Contingencies

(₹ in Lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 14-15	FY 13-14
Provisions for depreciation on Investment (net of reverals)	**(6,653)**	7,750
Provision for MTM Loss on Investments	**60**	–
Provision towards NPA	**39,638**	14,074
Provision against assets held for sale	**89**	–
Provision against trade receivables	**1**	–
Provision towards Restructured Standard Assets	**369**	2,769
Provision made towards Income tax	**6,300**	10,860

(₹ in Lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	**FY 14-15**	**FY 13-14**
Other Provision and Contingencies (with details)		
– Provision for Employee Benefits	**164**	10
– Provision for Standard Assets	**460**	316
Total	**40,428**	**35,779**

(vi) Concentration of Advances & Exposures as per Para 24 of the RBI Norms stood as follows:

Advances# (₹ in Lakh)

Particulars	**FY 14-15**
Total Advances to twenty largest borrowers	**253,612**
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	**10.77%**

Includes Loans, Advances & Credit Substitutes

Exposure * (₹ in Lakh)

Particulars	**FY 14-15**
Total Advances to twenty largest borrowers	**269,141**
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	**11.01%**

* Includes Loans, Advances, Credit Substitutes & Investment in Equity Shares & Mutual Funds

(vii) Company does not have any Joint Ventures and Subsidiaries abroad. Company has not sponsored any SPVs. Accordingly there is no disclosure applicable

(viii) The Status of the Customer Complaints during the Year is as follows :

Sr No	**Particulars**	**FY 14-15**	**FY 13-14**
(a)	No. of complaints pending at the beginning of the year	**69**	57
(b)	No. of complaints received during the year	**2,116**	4,696
(c)	No. of complaints redressed during the year	**2,140**	4,684
(d)	No. of complaints pending at the end of the year*	**45**	69

* Nil complaints related March 15 are outstanding as on date of signing of the Balance Sheet.

(ix) Company has not done any Securitisation during the financial year. (Previous Year: Nil)

(x) Details of Assignment transactions undertaken by NBFCs:

(₹ Lakh)

S No.	**Particulars**	**FY 14-15**	**FY 13-14**
1	No. of accounts*	**18**	8
2	Aggregate value (net of provisions) of accounts sold	**38,003**	7,935
3	Aggregate consideration	**38,003**	7,935
4	Additional consideration realized in respect of accounts transferred in earlier years	**–**	–
5	Aggregate gain / loss over net book value	**–**	–

* Sale of Portfolio through Assignment to Tata Cleantech Capital Limited during the year

(xi) Nil Non Performing Assets purchased/sold during the year (Previous year Nil).

(xii) No Parent Company Products are financed during the year (Previous Year Nil)

(xiii) The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the RBI Concentration norms applicable to NBFCs

(xiv) The Exposure to Unsecured Advances is ₹ 794,411 Lakh (Previous Year ₹ 626,741 Lakh) constituting 33.00% of the Total Loans and Advances (Previous Year 28.68%). The Exposure to Secured Loans includes ₹ 1,101 Lakh towards Loan given against Copy Rights for motion films.

(xv) Concentration of NPAs

(₹ in Crore)

Total Exposure to top four NPA accounts	515

(xvi) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	1.59%
2	MSME	–
3	Corporate borrowers	7.78%
4	Services	–
5	Unsecured personal loans	2.14%
6	Auto loans	4.48%
7	Other personal loans	2.20%

(xvii) Company has not postponed recognition of revenue pending resolution of significant uncertainties

(xviii) Company has not made any drawdown of reserves during the year (previous year : Nil)

(xix) The disclosure of the Concentration of Deposits taken is not applicable since the Company is not in the business of accepting deposits being a Systemically Important Non Deposit Accepting NBFC.

(xx) Derivative Instruments Exposures:

Nil derivative positions are open as at March 31, 2015 (Previous Year : 1 Lakh). These transactions were undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in note 2 (xiv).

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.

Since the Company does not hold any Derivatives instrument which are not intended for trading or speculation as on the reporting date and hence the disclosure of the accounting policy for recording the same as per the RBI Circular is not applicable

Outstanding forward exchange contracts entered into by the Company: -

Particluars	Buy / Sell	For the Year ended March 31, 2015		For the Year ended March 31, 2014	
		Yen (Million)	₹ In Lakh	Yen (Million)	₹ In Lakh
Forward Contracts (Payment for Capital Expenditure) i.e Notional principal of Swap Agreements	Buy	**Nil**	**Nil**	416	2,578
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Buy	**Nil**	**Nil**	Nil	Nil
Collateral required by the NBFC upon entering into swaps	Buy	**Nil**	**Nil**	Nil	Nil
Concentration of credit risk arising from the swaps $	Buy	**Nil**	**Nil**	Nil	Nil
The fair value of the swap book @	Buy	**Nil**	**Nil**	Nil	Nil

(xxi) NPA Movement during the year

(₹ in Lakh)

Particulars		FY 14-15	FY 13-14
(i)	**Net NPAs to Net Advances (%)**	**3.78%**	3.68%
(ii)	**Movement of NPAs (Gross)**		
	(a) Opening balance	**98,354**	47,217
	(b) Additions during the year	**77,992**	69,638
	(c) Reductions during the year	**(38,870)**	(18,501)
	(d) Closing balance	**137,476**	**98,354**
(iii)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	(a) Opening balance	**18,970**	12,289
	(b) Additions during the year	**33,948**	11,156
	(c) Write-off / write-back of excess provisions	**(4,662)**	(4,475)
	(d) Closing balance	**48,256**	**18,970**
(iv)	**Movement of Net NPAs**		
	(a) Opening balance	**79,384**	34,928
	(b) Additions during the year	**44,044**	58,482
	(c) Reductions during the year	**(34,208)**	(14,026)
	(d) Closing balance	**89,220**	**79,384**

(xxii) Exposure to Capital Market:

(₹ in Lakh)

Particulars		FY 14-15	FY 13-14
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**45,250**	59,306
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	**128,967**	99,168
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**–**	–
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	**13,753**	–
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**–**	–
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**–**	–
(vii)	Bridge loans to companies against expected equity flows / issues;	**–**	–
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	**–**	–
Total Exposure to Capital Market		**187,970**	**158,474**

Note: Include Exposure to Loans against Unquoted Equity Shares and Loans given wherein underlying security is in the form of the unquoted equity shares.

(xxiii) Investments

(₹ in Lakh)

Particulars	FY 14-15	FY 13-14
(1) Value of Investments		
(i) Gross Value of Investments	**98,672**	64,814
(a) In India	**98,672**	64,814
(b) Outside India	**–**	–
(ii) Provision for Depreciation	**8,937**	15,532
(a) In India	**8,937**	15,532
(b) Outside India	**–**	–
(iii) Net value of investments	**89,734**	49,282
(a) In India	**89,734**	49,282
(b) Outside India	**–**	–
(2) Movement of Provisions held towards depreciation on investments		
(i) Opening Balance	**15,532**	
(ii) Add: Provisios made during the year	**75**	
(iii) Less: Write-off / write-back of excess provisions during the year#	**(6,670)**	
(iv) Closing balance	**8,937**	

Note : Write back includes reversal of Provision for

1) QuickJet Cargo Airlines Pvt Ltd ₹ 921 Lakh (Sale Value: 90 Lakh).

2) Praj Industries Limited ₹ 2,738 Lakh & Development Credit Bank ₹ 3,011 Lakh

(xxiv) Exposure to Real Estate Sector

(₹ in Lakh)

Category	FY 14-15	FY 13-14
(a) Direct Exposure		
(i) **Residential Mortgages -**		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	**121,703**	70,327
(ii) **Commercial Real Estate -**		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	**192,607**	178,094
(iii) **Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
a. Residential		
b. Commercial Real Estate		
Total Exposure to Real Estate Sector	**314,310**	**248,421**

47. 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

Janki Ballabh
(Director)

Pranab Kumar Choudhury
(Director)

Mukund S. Dharmadhikari
(Director)

Anuradha E. Thakur
(Director)

F. N. Subedar
(Director)

Praveen P. Kadle
(Managing Director & CEO)

Puneet Sharma
(Chief Financial Officer)

Avan Doomasia
(Company Secretary)

Mumbai
May 8, 2015