TATA CAPITAL FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2016-17

BOARD'S REPORT

To the Members,

The Board has pleasure in presenting the Seventh Annual Report and the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2017.

1. BACKGROUND

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

The Company is headquartered in Mumbai and has a wide network of 111 offices across India.

2. INDUSTRY AND ECONOMIC SCENARIO

The year proved that analysts and markets often get it completely wrong. The key surprises globally were Brexit, results of the US elections and impact of the Demonetisation in the largest democracy in the world. It is heartening to note that even in the weak global backdrop, our economy remains a visible bright spot. The macro economic conditions of India are amongst the best they have been in recent times.

This year, the incumbent Government pushed ahead with its reform agenda, backed by key wins in the state elections. The outcome of the state elections pushed the equity markets to an all time high in March 2017 and the Rupee witnessed considerable relative strengthening in the current fiscal. The top three reforms during the current fiscal were Demonetisation, Goods and Services Tax and operationalisation of the Monetary Policy Committee.

The third quarter economic growth, measured in terms of GDP growth positively surprised, when contrasted with estimates based on high frequency indicators, which had clearly pointed to subdued economic activity due to Demonetisation. The above average monsoon, after a span of two years, has further aided some recovery in the agriculture or agriculture dependent sectors.

During the year, consumer price inflation declined to a three-year low on account of lower vegetable and pulses prices, but core consumer inflation remained sticky. The new Governor of the RBI cut rates by 25 bps in his first policy, but has since held rates, given that the inflation pressures are likely to be exerted by a reviving commodity cycle and global risks to the Indian economy. On the fiscal front, our country's position has improved, helped mainly by controlled spending and higher GDP to Tax ratio. The low crude prices and consequently lower subsidies and higher cesses played an important part in the fiscal strength demonstrated by the Government.

On the interest rate front globally, the Federal Reserve Bank raised rates for the first time in December 2016 and indicated that they could further raise rates upto 3 times in the calendar year 2017. Closer home, the 10-year Government Securities rates declined by approximately 125 bps. The declining interest rates in India were helped by easing liquidity, which the RBI mopped up in the course of the year through the Market Stabilisation Scheme in the latter part of the financial year. The outlook on interest rates is mixed, as the RBI will need to balance growth objectives, especially post Demonetisation, with Inflation targeting. FY 2017-18 may provide some pockets for rate reduction, but the key determinants will be the monsoon and uptick in commodity and crude prices driven largely by artificial supply constraints than the demand side.

The asset quality and growth of the financial services sector saw significant deterioration in the current financial year. The Non Performing Assets ("NPA") of the Banking sector touched approximately 9.2% by September 2016. Overall credit growth declined to single digits, with a divergence observed between the public sector and private sector in terms of credit growth. The lack of credit growth can be attributed partially to lack of capital expenditure by industry, but more so to a shift in well rated corporate borrowing through Commercial Papers and Non Convertible Debentures. The Retail Loans, both home and non-home, continued to record robust growth. Non Banking Financial Companies ("NBFC"), other than Rural facing NBFCs, recorded healthy growth in their asset books and continued to demonstrate that they play a vital role in the credit system of our economy.

As we enter the new financial year, the economy is on the cusp of a major transformation, with several policy initiatives set to be implemented shortly. Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to drive growth. We have a cautiously optimistic outlook for the next financial year and shall closely track the impact of various Government policies, natural phenomena like the monsoon and impact of key global events on two key aspects of our business i.e. interest rates and credit quality.

3. FINANCIAL RESULTS

3.1. Standalone Results

3.1.1. The performance of the Company for the Financial Year ended March 31, 2017, on a Standalone basis is, summarized below:

(₹ in crore)

Particulars	FY 2016-17	FY 2015-16
Gross Income	**4,192**	3,471
Less:		
Finance Costs	**2,212**	1,941
Establishment, Administrative and Other Expenses	**1,500**	1,017
Amortisation of expenses	**5**	5
Depreciation	**143**	118
Profit Before Tax	**332**	390
Less: Provision for Tax	**116**	125
Profit After Tax	**216**	266
Amount brought forward from previous year	**324**	231
Amount available for appropriation	**540**	496
Appropriations:		
Special Reserve Account	**43**	53
Debenture Redemption Reserve	**–**	–
Interim Dividend on Equity Shares	**59**	97
Interim Dividend on Preference Shares	**42**	2
Dividend Distribution Tax	**21**	20
Surplus carried to Balance Sheet	**375**	**324**

3.1.2. The Company's book size increased by ₹ 3,254 crore from ₹ 29,656 crore in FY 2015-16 to ₹ 32,910 crore in FY 2016-17. Gross Income increased from ₹ 3,471 crore in FY 2015-16 to ₹ 4,192 crore in FY 2016-17, recording an increase of about 21%. The Company's Profit Before Tax was ₹ 332 crore (FY 2015-16: ₹ 390 crore) and the Profit After Tax decreased by about 19% to ₹ 216 crore (FY 2015-16: ₹ 266 crore). The Credit cost (including Standard Asset Provision) stood at ₹ 602 crore (FY 2015-16: ₹ 358 crore).

3.1.3. In FY 2016-17, the Gross and Net NPAs decreased to 4.9% and 1.2% as compared to 5.3% and 3.1%, respectively, in FY 2015-16. The decrease in GNPAs is attributable to a combination of efficient collections, larger closing book size and technical write-offs. During the year ended March 31, 2017, the Company had a Fee to Income Ratio of 19% (FY 2015-16: 18%) and Cost to Income Ratio of 47.5% (FY 2015-16: 48.8%). The Return on Asset and Return on Equity ratio as at March 31, 2017 were at 0.7% and 5.8%, as against 1.1% and 7.8%, respectively, as at March 31, 2016. The Provision Coverage Ratio ("PCR") increased from 42.6% in FY 2015-16 to 76.2% in FY 2016-17. The Net Interest Margin ("NIM") increased by 25% and stood at ₹ 1,419 crore (FY 2015-16: ₹ 1,136 crore).

3.1.4. During FY 2016-17, no amount was transferred to the Company's Debenture Redemption Reserve ("DRR") since, as at March 31, 2017, 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.

3.1.5. Pursuant to the Master Circular No. DNBR (PD) CC. No.044/03.10.119/2016-17 dated July 1, 2015 issued by the RBI, on Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, a provision at the rate of 0.35% on standard assets amounting to ₹ 30.08 crore was made in FY 2016-17, as against 0.30% and ₹ 24.7 crore, respectively, in FY 2015-16.

3.1.6. As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. An amount of ₹ 43.2 crore (FY 2015-16: ₹ 53.2 crore), being 20% of the profits, has been transferred to the said Reserve. An amount of ₹ 375 crore has been carried to the Balance Sheet as Surplus.

3.2. Consolidated Results

3.2.1. As on March 31, 2017, the Company had one associate company, International Asset Reconstruction Company Private Limited ("IARC").

3.2.2. The performance of the Company for the Financial Year ended March 31, 2017, on a consolidated basis is, summarized below:

(₹ in crore)

Particulars	FY 2016-17	FY 2015-16
Gross Income	**4,192**	3,471
Less:		
Finance Costs	**2,212**	1,941
Establishment, Administrative and Other Expenses	**1,500**	1,017
Amortisation of expenses	**5**	5
Depreciation	**143**	118
Profit Before Tax	**332**	390
Less: Provision for Tax	**116**	125
Profit After Tax	**216**	266
Share of Profit of Associates	**2**	1
Profit for the year attributable to the shareholders of the Company	**218**	**267**

4. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2017, was ₹ 1,297.55 crore, which was entirely held by TCL.

During FY 2016-17, the Company raised funds by issuing Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of ₹ 10 each aggregating ₹ 785 crore, on a rights basis to TCL, carrying a dividend rate of 9% p.a. As a consequence of the aforesaid issuance, the paid-up Preference Share Capital of the Company stood at ₹ 945 crore, as on March 31, 2017.

During FY 2016-17, the Authorised Share Capital of the Company increased from ₹ 3,500 crore divided into Equity Share Capital of ₹ 2,500 crore comprising 250,00,00,000 Equity Shares of ₹ 10/- each and Preference Share Capital of ₹ 1,000 crore comprising 100,00,00,000 Preference Shares of ₹ 10/- each to ₹ 5,500 crore divided into Equity Share Capital of ₹ 2,500 crore comprising 250,00,00,000 Equity Shares of ₹ 10/- each and Preference Share Capital of ₹ 3,000 crore comprising 300,00,00,000 Preference Shares of ₹ 10/- each.

5. DIVIDEND

5.1. Interim Dividend

At the Meeting of the Board of Directors held on March 22, 2017, the Board of Directors declared Interim Dividend for FY 2016-17, as under:

(i) At the rate of ₹ 0.45 per Equity Share (FY 2015-16: ₹ 0.75 per Equity Share), aggregating ₹ 58.39 crore (FY 2015-16: ₹ 97.32 crore) and

(ii) At the rate of 9% i.e. 0.90 per share on 84,50,00,000 CCCPS (on a pro – rata basis from the date of allotment till March 31, 2017) aggregating ₹ 42.30 crore.

The dividend distribution tax on the above dividend payments was ₹ 20.5 crore (FY 2015-16: ₹ 20.19 crore).

5.2. Final Dividend

The Directors do not recommend payment of any final dividend on the Equity Shares for FY 2016-17.

Further, since the Company has paid Dividend aggregating ₹ 42.30 crore on the Preference Share Capital allotted up to February 28, 2017, for FY 2016-17, by way of an Interim Dividend, the Directors do not recommend any final dividend on those Preference Shares.

At the Meeting of the Board of Directors held on April 28, 2017, the Board recommended the payment of the final dividend of 9% on 10,00,00,000 CCCPS aggregating ₹ 100 crore and allotted on March 31, 2017, for FY 2016-17, on a pro - rata basis up to March 31, 2017, subject to the approval of the Members at the ensuing Annual General Meeting ("AGM"). The said Dividend, if approved by the Members, would involve a cash outflow of ₹ 2,96,776 (including dividend distribution tax of ₹ 50,201).

6. REVIEW OF OPERATIONS OF THE COMPANY

6.1 Corporate Finance Division

The Corporate Finance Division ("CFD") has two broad business areas, viz. Commercial Finance and Infrastructure Finance, comprising the Special Assets Management Group ("SAMG"). In order to improve its customer focus, the Construction Equipment ("CEQ") business and the Leasing Business were integrated with Commercial Finance Business.

The Closing Book of CFD stood at ₹ 19,264 crore (FY 2015-16: ₹ 17,885 crore), comprising Commercial Finance ₹ 18,229 crore (94.6%) and SAMG: ₹ 1,034 crore (5.4%).

6.1.1. Commercial Finance:

The Commercial Finance Business specialises in product offerings ranging from Vanilla Term Loans, Working Capital Term Loans, Channel Finance, Bill Discounting, CEQ Finance, Equipment Finance, Leasing Solutions, Lease Rental Discounting, Promoter Finance and Structured Products. This Business serves over 11,200 customers through its business verticals, viz. Large Corporate, Mid & Emerging Corporate and Government Business. All the verticals are supported by the respective product teams, which help these verticals in extending the right product mix to the customer. Further, a Syndication and Structured Finance team supports all the business verticals, with special focus on debt syndications, down selling and structured transactions.

The Commercial Finance Business ended the year under review with a book of ₹ 18,229 crore as compared to ₹ 16,205 crore, at the end of FY 2015-16. Gross Income grew by 16.8% to ₹ 1,928 crore in FY 2016-17, from ₹ 1,650 crore in FY 2015-16. This segment disbursed loans of ₹ 50,552 crore during FY 2016-17, through its diverse, customer-centric product offerings.

During FY 2016-17, the Channel Finance business continued to be the largest contributor of book in Commercial Finance. This segment ended FY 2016-17 with a book of ₹ 6,733 crore (FY 2015-16: ₹ 5,383 crore).

During FY 2016-17, the CEQ Business (including Rental division) continued to be amongst the top five players in the industry. This segment ended FY 2016-17 with a book of ₹ 2,741 crore (FY 2015-16: ₹ 2,304 crore) and disbursed loans of ₹ 1,874 crore in FY 2016-17 (FY 2015-16: ₹ 1,471 crore).

During FY 2016-17, the Leasing Business continued to report good growth in its book and maintained good health of the book, in both primary and secondary leases. As on March 31, 2017, the outstanding book was about ₹ 952 crore consisting of a healthy mix of Capital Goods, Information Technology, Auto and Office Equipment leased to corporate entities. Operating leases constitute nearly 71% of the equipment provided on lease.

The Leasing business aspires to become the market leader in leasing of capital goods with a thrust on mid and emerging corporates and will focus on scale and services. The Leasing segment will expand its market reach and look for portfolio buy-out opportunities for scale and while on services, shall channelise tools and systems for delivering superior customer promise.

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

6.1.2. Infrastructure Finance / SAMG:

SAMG was formed on April 1, 2015 to manage the Project Finance portfolio of the erstwhile Infrastructure Finance Division. SAMG managed a portfolio of ₹ 1,680 crore as at March 31, 2016, which reduced to ₹ 1,034 crore as at March 31, 2017, as a result of recovery and write-off.

The key objectives of SAMG are, as under:

- Primary responsibility of identifying, quantifying and minimising the loss that could be incurred on impaired assets, with focus on reduction in impaired asset portfolio through proactive asset management, legal actions, disposals, debt re-structuring and portfolio monitoring, on an ongoing basis;

- Work out settlement proposals in such a way that the loss is minimised;
- Identify / initiate dialogue with various special situation funds / NBFCs / lenders / Asset Reconstruction Companies for takeover of the Company's debt; and
- Develop expertise to acquire stress portfolio from other NBFCs / Banks and undertake fee-based stress advisory mandates.

During the year, a cash recovery of about ₹ 445 crore was made from the NPA and Stressed accounts of this portfolio.

6.2. Consumer Finance

The Company offers, through its Consumer Finance & Advisory Business ("CFAB"), a wide range of consumer loans, such as Auto Loans (Car and Two Wheeler), Commercial Vehicle Loans, Business Loans, Loans against Property, Personal Loans, Consumer Durables Loans and Loans against Securities. Disbursements in FY 2016-17 aggregated ₹ 8,128 crore as compared to ₹ 6,784 crore in FY 2015-16, representing an increase of about 20%, despite the impact of Demonetisation in the year under review. Gross Income grew by 32% from ₹ 1,275 crore, in FY 2015-16 to ₹ 1,682 crore in FY 2016-17.

Disbursement of Loans against Property increased from ₹ 2,411 crore in FY 2015-16 to ₹ 2,854 crore in FY 2016-17, representing a growth of 18% over the previous year. Auto Loan disbursements of ₹ 1,526 crore constituted 19% of the overall CFAB disbursals for the year. The change in the disbursal mix, with focus on high margin products, gained strength in FY 2016-17 with disbursements of high margin focus products increasing from 77% in FY 2015-16 to 80% in FY 2016-17.

CFAB continued its focus on margin expansion. NIM increased from 6.1% in FY 2015-16 to 6.5% in FY 2016-17. Gross Interest Income grew by 31.4% from ₹ 1,156 crore in FY 2015-16 to ₹ 1,519 crore in FY 2016-17. Continued focus on leveraging the Tata Eco-System has resulted in an increase in the disbursement to the segment, from ₹ 141 crore in FY 2015-16 to ₹ 276 crore in FY 2016-17. The business runs close to ₹ 3,900 crore of Assets Under Management, in its Wealth Management business, which turned profitable this year.

CFAB's closing book of ₹ 11,848 crore (FY 2015-16: ₹ 9,807 crore) comprised Auto Loans of ₹ 3,164 crore (27%), Business Loans and Personal Loans of ₹ 3,418 crore (29%) and Loans against Property of ₹ 4,786 crore (40%), the balance being other retail loans. Loans against Property grew by 25% and Personal Loans and Business Loans by 42% in FY 2016-17 as compared to the previous year. These products have attained a strong market position in key high growth markets like Delhi NCR, Mumbai, Bengaluru and Hyderabad. Owing to these changes, the financial contribution of these businesses has shown material improvement.

Going forward, CFAB plans to grow its business through a continued focus on high NIM focus products, increase customer acquisition especially through expanding its Two Wheeler business, balancing its product mix, ramping up fee based income, cross selling, optimising operating costs and improving collection efficiency for further enhancing its profitability. CFAB plans to enter new geographies in Tier-II and Tier-III cities with low cost branch model for topline growth and better return.

CFAB also plans to leverage analytics capabilities to explore opportunities in the market and offer unique products and solutions to new as well as existing customers. Cost optimisation initiatives have been taken to specifically focus on acquisition costs, manpower cost, process simplification, digitisation and infrastructure cost.

6.3. Rural Finance

In FY 2016-17, the Rural Finance Business disbursed loans of ₹ 901 crore, registering a growth of 26% over FY 2015-16. The Total Income was ₹ 285 crore, up by 21% from the previous year. The Total Loans advanced as on March 31, 2017 stood at ₹ 1,736 crore, up 21% compared to ₹ 1,433 crore as on March 31, 2016. Currently, the business operates out of 45 branches and 305 locations across 13 states in India and disburses loans to progressive farmers for Farm Equipment and Agri and Allied Activities. The Demonetisation move by the Government of India impacted the Business in H2 FY 2016-17, as the disbursals and Collection efficiency got impacted. However, the rural economy has shown good signs of improvement in the past couple of months and is expected to normalise by Q1 FY 2017-18, with the arrival of the next crop. The business remains focussed on improving its credit quality.

6.4. Tata Cards

Tata Card is a white label credit card launched in partnership with SBI Cards and Payments Services Limited. The cards business has nearly 1.8 lakh cards in force as of March 31, 2017 and is in the eighth year of operations at Tata Capital. Since its purchase from Tata Sons Limited, the business has grown considerably in distribution and profitability.

The business has clocked total spends of ₹ 1,580 crore for the year, which reflects an increase of 24% over FY 2015-16 and a book size of ₹ 438 crore. Multiple portfolio actions have been undertaken during the year, including E-commerce spends, which have grown by 23% in the current year to ₹ 492 crore, up from ₹ 400 crore in FY 2015-16.

The business has enhanced engagement through customer-centric programs and offering convenient payment options in the form of EMI. About ₹ 12.5 crore worth of points were redeemed in FY 2016-17, resulting in a redemption rate of 80% and confirming customer association with the card.

With the advent of new distribution channels, the business is well placed to register robust growth in FY 2017-18.

7. OVERVIEW OF SUBSIDIARIES AND ASSOCIATES

As on March 31, 2017, the Company did not have any subsidiary company and had one associate, IARC.

IARC is registered with RBI under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI" Act), as a Securitisation and Reconstruction company. IARC was promoted in 2002 by professionals from the banking and financial services sector, for reconstruction of financial assets. The Company holds a 25.37% equity stake in IARC, which involved an investment of ₹ 33.13 crore.

As per its Unaudited Financial Statements, IARC recorded a Total Income of ₹ 32.72 crore (FY 2015-16: ₹ 31.83 crore) and Profit After Tax of ₹ 8.04 crore (FY 2015-16: ₹ 4.59 crore). As on March 31, 2017, IARC's paid-up Equity Share Capital was ₹ 55 crore and Net Worth was ₹ 132.80 crore.

8. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the provisions of Section 129(3) of the Act, a separate statement containing the salient features of the Financial Statements of its Associate Company in the prescribed Form No. AOC-1, is also included in the Annual Report at Page No.163.

The Financial Statements of the Company, including the Consolidated Financial Statements, are also available on the website of the Company, http://www.tatacapitalfinancialservices.com.

9. FINANCE

During FY 2016-17, the Company met its funding requirements through a combination of short term debt (comprising Commercial Papers, Inter-corporate Deposits ("ICDs") and Bank Loans) and long term debt (comprising Non-Convertible Debentures ("NCDs") and Bank Loans).

During FY 2016-17, the Company issued NCDs on a private placement basis, under the following categories:

Category	Amount (₹ in crore)
Secured Redeemable NCDs	4,067
Unsecured NCDs	500
Unsecured NCDs by way of Perpetual Debt	100
Unsecured NCDs by way of Subordinated Debt	215

The Company securitized some of its receivables aggregating ₹ 701.65 crore.

The aggregate debt outstanding as at March 31, 2017 was ₹ 27,284 crore (of which, ₹ 10,066 crore was payable within one year). The Debt / Equity ratio as on March 31, 2017 was 7.2 times. The Company has been regular in servicing all its debt obligations.

10. CREDIT RATING

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

RATING AGENCY	RATING	NATURE OF SECURITIES
ICRA	ICRA A1+ (Short Term)	Commercial Paper and Bank Loans
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 and Unsecured NCDs on private placement basis
CRISIL	CRISIL AA	Unsecured NCDs by way of Perpetual Debt (Upgraded from AA- to AA)

11. RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. The Risk Management process is governed by the Comprehensive Enterprise Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring as an ongoing process that is supported by a robust risk reporting framework. Risk Management at the Company covers Credit Risk, Market Risk, Operational Risk, Fraud Risk and other risks. The Risk Management Practices of Tata Capital are compliant with ISO 31000:2009, which is the International Standard for Risk Management that lays down Principles, Guidelines and Framework for Risk Management in an organisation.

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

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

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

The Company has a Board approved Operational Risk Management framework. Ongoing monitoring of Key Risk Indicators ("KRI") is done and corrective actions are implemented on KRI exceptions. An oversight committee of Senior Management representatives, viz. the Operational Risk Management Committee meets periodically to review the operational risk profile of the organisation.

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

12. INTERNAL CONTROL SYSTEMS

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

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

13. INTERNAL FINANCIAL CONTROLS

The Management had appointed an external consultant and formed a Cross Functional Team ("CFT") comprising Operating Managers, Internal Audit and Risk to document and evaluate the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Entity Level Control framework document based on COSO 2013 framework has been documented. The documentation of process maps, key controls, standard operating procedures and risk registers has been completed for all businesses and functions under the supervision of the CFT. Further, during FY 2016-17, Management testing has been conducted on a sample basis for all key processes and remedial action has been taken or agreed upon with a finite closure date where control weaknesses were identified. The Internal Audit team has also conducted a review of the Internal Financial Controls and remedial action has been taken or agreed upon with a finite closure date where control weaknesses were identified. There are no material unaddressed Internal Financial Controls related observations outstanding as at March 31, 2017. Based on the above, the Board believes that adequate Internal Financial Controls exist.

14. INFORMATION TECHNOLOGY SUPPORT

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

The Company is well on its way on the 'digitalisation' journey, wherein it will deploy the latest technology covering the internet, cloud, analytics, social media and mobility areas. Mobility applications for Retail loans have been deployed across multiple operating systems. Integration is key in this digital age and the Company has built the capabilities for integration across systems, across entities and agencies for achieving a seamless customer experience.

Some key projects have been initiated this year to transform the Company's IT landscape – the implementation of Salesforce.com to empower and enable the sales teams and enhance productivity, transformation of the core lending system, the upgradation of data centre assets, the enhancement of the information security framework and the ongoing consolidation and building of the Company's digital platform for both the retail and the corporate businesses.

The Company is now moving into the leadership stage in its technology journey. The innovation driven projects on the IT road map and the digital strategy initiative will enable the Company to take the leadership position with the support of its technology partners and the business units representing a collaborative framework.

15. DIGITAL PLATFORM

The Company has embraced 'digital' as a critical part of its strategy. Cutting across multiple business units and functions, the Company views digital as omnipresent and a strategic competitive advantage. Multiple initiatives are underway including - digitisation to build greater efficiency, developing new digital products especially suited to the needs of the growing digital customer segment, enhancing digital platforms to build a superior digital customer experience, innovating with agile technology, building collaborative digital eco-systems with various fin-tech companies and developing new digital business models.

Through new technology across the web, social media, mobile, cloud and big data, the Company is working towards embracing digital to create maximum impact across multiple areas. A few initiatives that the Company launched in the year are – the 'myLoan' Personal Loan Mobile App, the Online Car Store which is a one-stop shop for searching for the right car and right car loan, the Online Home Store which houses over 15,000 projects and the Artificial Intelligence-backed Chat-bot to help cater to growing customer queries. Digital data and analytics is a related area of focus for the Company and over the last 12 months, the Company has worked towards effectively capturing and using traditional and alternate data for superior underwriting.

Focused on meeting the needs of the new-age, digitally savvy customer, the Company will continue to create advanced, personalised and customer-centric financial offerings and solutions in the digital space and to reach out to newer customer segments, targeting the business goals of customer-centricity, reach, growth and profitability.

16. HUMAN RESOURCES

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

The Company had 2,384 permanent employees on the rolls of the Company as on March 31, 2017.

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

Talent Management (Apex) is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within the organisation. Focus on behavioural and leadership traits through Learning and Development ("L&D") interventions and job rotations are planned for the employees who constitute the Talent Pool.

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

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

As part of the journey to becoming a benchmark organisation as far as HR practices are concerned, Tata Capital has achieved its People Capability Maturity Model ("P-CMM") Level 3 Certification and further embarked on the journey of achieving Level 4 Certification.

Tata Capital's L&D initiatives are focused on enhancing the functional and behavioural competencies of its employees through L&D interventions, such as Executive Development Programs, e-learning and various classroom based training programs. Tata Capital was awarded the "Golden Peacock National Training Award – 2016" and also the "L&D Team of the year" by TISS - Leapvault CLO Awards 2016. In order to encourage e-learning, several new modules such as New Employee Orientation e-learning module, Prevention of Sexual Harassment Policy, Tata Code of Conduct and other functional e-learning modules have been launched.

Tata Capital also achieved key milestones in FY 2016-17, whereby some of the key HR processes were digitised, supporting the fast pace of our growing manpower and thus achieving an objective of improved employee experience, better employee insight and moving towards a paperless environment.

Tata Capital is committed to maintain the highest standards of health, safety and security for its employees and business associates and to operate in a healthy and safe environment. To meet the same, Tata Capital has developed and implemented an Occupational Health & Safety ("OH&S") Management System manual.

The OH&S Management System in Tata Capital, is within the framework of Tata Safety & Health Management System and OHSAS 18001:2007 standard. This document is a comprehensive manual detailing our safety processes, procedures and reports.

The manual describes the OH&S Management System, delineates authorities, inter relationships and responsibilities of the personnel performing within the system. The document is intended to create an empowered workforce by guiding Tata Capital's employees and all stakeholders on various requirements of the standard that must be met and maintained, in order to ensure occupational health and safety stewardship.

17. BUSINESS DEVELOPMENT

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

18. CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

The Tata Group's ethos is deeply ingrained in the philosophy of societal development and is especially focused upon the engagement and upliftment of the disadvantaged sections of the society. The Company has committed to a policy of inclusive and sustainable growth for the marginalised communities. The Company shares the Group's belief that our society can only truly progress, if every individual can be included and empowered.

To guide us in this journey, the Company has a well-defined Corporate Social Responsibility ("CSR") policy which outlines four thrust areas of development, viz. Livelihood and Employability, Health, Education and Environment as adopted by the CSR Committee of the Board and the same is available on the website, http://www.tatacapitalfinancialservices.com. As per the provisions of Section 135 of the Act, the Company has constituted a CSR Committee comprising Mr. F. N. Subedar (Chairman), Mr. Mukund S. Dharmadhikari, Ms. Anuradha E. Thakur and Mr. Praveen P. Kadle, as Members.

During FY 2016-17, the CSR budget of the Company of ₹ 9.10 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 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014) was spent towards projects and programmes covered under Schedule VII to the Act. Basis the conceptualisation of the projects under the thrust areas, Tata Capital appraises and empanels reputed NGOs that help implement projects and programmes to bring the desired positive and measurable results for the target beneficiaries. The Annual Report on CSR activities is annexed herewith as Annexure 'A'.

Tata Capital has adopted the Tata Group's Affirmative Action ("AA") Programme since 2008. The AA Programme addresses the 5Es - Essentials, Education, Employability, Employment and Entrepreneurship for the Scheduled Caste ("SC") and Scheduled Tribe ("ST") communities. During the annual AA assessment of Tata Capital's AA strategy and projects conducted by the Tata Business Excellence Group ("TBExG"), Tata Capital moved up by two bands from 451-475 in FY 2015-16 to 501-525 in FY 2016-17. Tata Capital was recognised for taking a responsible business approach amongst other community driven projects by giving subsidised loans to businesses owned and operated by SC/ST community members in partnership with Dalit Indian Chamber of Commerce and Industry.

19. COMPLIANCE

The Company has complied and continues to comply with all the applicable regulations and guidelines issued by RBI and other regulators such as the Securities and Exchange Board of India ("SEBI") as also the Insurance Regulatory and Development Authority of India. These include Capital Adequacy, Net Owned Funds, provisioning for NPAs and for Standard Assets, Concentration of Credit and Investment, filings, etc. The Capital to Risk Assets Ratio ("CRAR") of the Company was 16.07% on March 31, 2017 against the CRAR of 15.00%, prescribed for the Company by RBI.

During FY 2016-17, there were no frauds committed by the Company and no material frauds committed on the Company by its officers or employees. Further, the Company has complied with its reporting requirements, including to RBI, in terms of the Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, as amended from time to time.

Further, during FY 2016-17, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under section 143(12) of the Act.

The Company has deployed "ComplianceCheck" ("Application"), an online platform to report and monitor compliances. The Application has features such as generation of compliance task alerts, generation of compliance reports and updating the compliance tasks based on regulatory developments. Compliance Status Reports are submitted on a regular basis to the Managing Director & CEO and are placed before the Board, on a half-yearly basis, by the Company Secretary.

Ms. Sarita Kamath, Head – Legal & Compliance, is the Compliance Officer of the Company.

Ms. Avan K. Doomasia, Company Secretary, has been appointed as the Compliance Officer pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").

20. REGULATORY ACTION

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

21. 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.

22. DETAILS OF LOANS, GUARANTEES AND INVESTMENTS

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

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

23. DIRECTORS

During the year, Mr. Pranab Kumar Choudhury (DIN : 00015470) ceased to be the Director of the Company, with effect from November 22, 2016, consequent upon his demise. Further, Mr. Madhusudan Kannan (DIN : 02647756) stepped down as a Director from the Board of the Company with effect from October 28, 2016, consequent upon his ceasing to be an employee of Tata Sons Limited, the ultimate holding company.

The Directors place on record their sincere appreciation of the valuable contribution made by Mr. Choudhury and Mr. Kannan respectively, during their tenure, as Directors of the Company.

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

Based on the recommendation of the Nomination and Remuneration Committee ("NRC") of the Company, the Board of Directors approved the appointment of Mr. Devadas Mallya Mangalore ("Mr. M. D. Mallya" / "Mr. Mallya") (DIN : 01804955) as an Additional Director of the Company, subject to the prior approval of the RBI, pursuant to the provisions of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Master Directions for NBFCs"). In response to an application made by the Company, RBI accorded its prior approval for the appointment of Mr. Mallya as a Non-Executive Director of the Company, vide its letter dated July 13, 2017, directing the Company to intimate the date of the appointment to RBI. Accordingly, the Board of Directors, vide Circular Resolution passed on July 17, 2017, approved the appointment of Mr. Mallya as an Additional Director of the Company. Mr. Mallya holds office up to the ensuing AGM and is eligible for appointment as a Director. The Company has received a Notice as per the provisions of Section 160 of the Act, from a Member proposing the appointment of Mr. Mallya as a Director of the Company.

Pursuant to the 'Fit and Proper' Policy adopted by the Company under the RBI Master Directions for NBFCs, the Company has received the 'Fit and Proper' declarations from Mr. Subedar and Mr. Mallya for their appointment / re-appointment, as Directors of the Company.

The Members of the Company may refer to the accompanying Notice of the AGM of the Company, for the brief resumes of Mr. Subedar and Mr. Mallya.

The Company has received declarations from the Independent Directors, viz. Mr. Janki Ballabh, (DIN : 00011206) Ms. Anuradha Thakur (DIN : 06702919) and Mr. Mukund S. Dharmadhikari, (DIN : 05003224) stating that they meet the criteria of independence as provided in Section 149(6) of the Act.

Mr. Praveen P. Kadle is the Managing Director & Chief Executive Officer ("MD & CEO") of the Company and was re-appointed as the MD & CEO of the Company, for a period of 5 years, with effect from September 18, 2012. Mr. Kadle is also the MD & CEO of TCL and his entire remuneration is borne by TCL.

24. 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 NRC. The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be. The criteria for evaluating the performance of the Board as a whole, covered various aspects of the Board's functioning such as fulfilment 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 fulfilment 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.

Further, pursuant to the Guidance Note on Board Evaluation ("Guidance Note"), issued by SEBI, additional criteria had been introduced and also, those companies which were not covered under Chapter IV of the SEBI LODR Regulations, were encouraged to follow the additional criteria. The Board of the Company followed the said additional criteria recommended under the Guidance Note.

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

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

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

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

The Company has also adopted a ‘Fit and Proper’ Policy for ascertaining the ‘fit and proper’ criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the RBI Master Directions for NBFCs.

26. KEY MANAGERIAL PERSONNEL

Mr. Praveen P. Kadle, Managing Director & Chief Executive Officer (“MD & CEO”), Mr. Puneet Sharma, Chief Financial Officer and Ms. Avan Doomasia, Company Secretary, are the Key Managerial Personnel (“KMP”) of the Company and are also the KMPs of TCL, the holding company.

27. DIRECTORS’ RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company’s internal financial controls were adequate and effective, during FY 2016-17.

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

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

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

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

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

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

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

Attention of the Members is specifically drawn to Note No. 39 in the Notes to Accounts to the Standalone Financial Statements for the year ended on March 31, 2017, in respect of the Reduction of Share Capital in accordance with Section 52 of the Act, read with Sections 100 to 103 of the erstwhile Companies Act, 1956, approved by the Hon’ble High Court of Judicature at Bombay with regard to appropriating an amount of ₹ 40,558 lakh (net of taxes, as applicable), standing to the credit of the Securities Premium Account, to the Statement of Profit and Loss.

28. CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, Government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting the best practices. The Company believes that it has an inherent responsibility to disclose timely and accurate information regarding its operations and performance, including material leadership changes. The Company has robust systems and processes in place to ensure compliance with applicable rules and regulations and we assure you that the Company has acted in accordance with the applicable regulatory framework at all times.

During the financial year under review, there was a change in leadership at Tata Sons Limited, our ultimate holding company. Certain allegations were made in relation to the loans/facilities availed by Siva Ventures Limited and Siva Industries and Holdings Limited, companies promoted by Mr. C. Sivasankaran, from Tata Capital Limited and the Company. The Board of Directors closely monitored the events that unfolded during the leadership transition and the allegations that followed. The Audit Committee of the Board ("Audit Committee") reviewed the internal policies and processes and the statutory requirements applicable to the Company, as also the correspondence between the Regulators and the Company.

After due review and deliberations, the Audit Committee expressed its confidence in the Company's processes and due compliance with the applicable RBI and SEBI Regulations. The Audit Committee found no violation or non-compliance of applicable provisions of SEBI Act/Rules and SEBI Listing Regulations or other applicable regulations by the Company. It follows, therefore, that the aforesaid allegations in the various proceedings, representations and public statements against the Company were incorrect and without exercising proper care.

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, an Occupational Health and Safety Management System and an Anti-Bribery and Anti-Corruption ("ABAC") Policy.

a. Board of Directors

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

- The size of the Board is commensurate with the size and business of the Company. As on March 31, 2017 the Board comprised five Directors, viz. Mr. Janki Ballabh, Mr. F. N. Subedar, Mr. Mukund S. Dharmadhikari, Ms. Anuradha E. Thakur and Mr. Praveen P. Kadle. Mr. Ballabh, Mr. Dharmadhikari and Ms. Thakur are Independent Directors ("ID") of the Company. All the IDs have confirmed that they meet the criteria as mentioned under Section 149 of the Act. Mr. Subedar is a Non-Executive Director ("NED") of the Company. Mr. Kadle is the MD & CEO of the Company and was re-appointed as the MD & CEO of the Company, for a period of 5 years, with effect from September 18, 2012. Mr. Kadle is also the MD & CEO of TCL, the holding company, and his entire remuneration is borne by TCL. The meetings of the Board are generally chaired by Mr. Ballabh. Mr. M. D. Mallya has been appointed as an Additional Director with effect from July 17, 2017.
- During FY 2016-17, eight Meetings of the Board of Directors were held on the following dates: May 2, 2016; June 23, 2016; July 21, 2016; October 17, 2016; October 28, 2016; January 30, 2017; February 17, 2017 and March 22, 2017. 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 May 23, 2016
Mr. Janki Ballabh	00011206	Independent	8	Yes
Mr. F. N. Subedar	00028428	Non – Executive	5	No
Mr. Pranab Kumar Choudhury*	00015470	Independent	4	Yes
Mr. Mukund S. Dharmadhikari	05003224	Independent	8	Yes
Ms. Anuradha E. Thakur	06702919	Independent	8	No
Mr. Madhusudan Kannan**	02647756	Non – Executive	2	No
Mr. Praveen P. Kadle	00016814	MD & CEO	8	Yes

Notes:

**Mr. Pranab Kumar Choudhury ceased to be a Director of the Company, w.e.f. November 22, 2016, consequent upon his demise.*

***Mr. Madhusudan Kannan ceased to be a Director of the Company, w.e.f. October 28, 2016, consequent upon his resignation.*

- Mr. Janki Ballabh, Chairman of the Audit Committee and the NRC, had attended the last AGM of the Company. Mr. F. N. Subedar, Chairman of the Stakeholders Relationship Committee had authorised Mr. Praveen P. Kadle, a Member of the Stakeholders Relationship Committee, to attend the last AGM on his behalf.
- The Company paid Sitting Fees to the NEDs and IDs for attending meetings of the Board and the Committees of the Board and will pay Commission for FY 2016-17, within the maximum prescribed limits, to the NEDs and IDs who were Directors of the Company as at March 31, 2017 (as recommended by the NRC and approved by the Board at their meetings held on April 28, 2017).

Details of Sitting Fees and Commission are, given below:

Name of Director(s)	Sitting Fees paid for attending Board and Committee Meetings during FY 2016-17	Commission paid for FY 2015-16	Commission to be paid for FY 2016-17@
Mr. Janki Ballabh	₹ 12,90,000	₹ 20,00,000	₹ 25,00,000
Mr. F. N. Subedar	₹ 2,80,000	₹ 20,00,000	₹ 25,00,000
Mr. Pranab Kumar Choudhury$	₹ 5,10,000	₹ 20,00,000	₹ 17,00,000
Mr. Mukund S. Dharmadhikari	₹ 7,50,000	₹ 20,00,000	₹ 25,00,000
Ms. Anuradha E. Thakur	₹ 11,70,000	₹ 20,00,000	₹ 25,00,000
Mr. Madhusudan Kannan*	₹ 60,000	₹ 15,00,000	NIL

**Mr. Madhusudhan Kanan was appointed as a NED on the Board of the Company, w.e.f. June 30, 2015 and hence, Commission was paid only for part of FY 2015-16.*

$Mr. Pranab Kumar Choudhury ceased to be a Director of the Company, w.e.f. November 22, 2016, and hence, Commission was paid only for part of the year.

@ subject to approval of the Members of the Company

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

b. Committees of the Board

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

i) Audit Committee

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

The Board has adopted an Audit Committee Charter which defines the composition of the Audit Committee, its authority, role, responsibilities and powers and reporting functions in accordance with the Act and Guidelines issued by the RBI. The Charter is reviewed from time to time and is available on the website, http://www.tatacapitalfinancialservices.com. Given below, *inter alia*, is a gist of the responsibilities of the Audit Committee:

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

During FY 2016–17, ten Meetings of the Audit Committee were held on the following dates: May 2, 2016; June 28, 2016; July 21, 2016; September 19, 2016; October 28, 2016; December 16, 2016; January 3, 2017; January 16, 2017; January 30, 2017 and March 22, 2017. The composition of the Audit Committee and the attendance of its Members at its Meetings held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Janki Ballabh, Chairman	Independent	10	10
Mr. F. N. Subedar	Non – Executive	10	5
Mr. Mukund S. Dharmadhikari	Independent	10	10
Ms. Anuradha E. Thakur	Independent	10	10

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, the Chief Financial Officer, the Company Secretary, the Statutory Auditors and the Head-Internal Auditor. Further, Meetings of the Audit Committee for consideration of Financials are also attended by all the Directors. The Internal Audit function is headed by the Head of Internal Audit of the Company, who reports to the Chairman of the Audit Committee to ensure independence of operations.

ii) Nomination and Remuneration Committee ("NRC")

During FY 2016–17, three Meetings of the NRC were held on the following dates: April 25, 2016; May 2, 2016 and August 23, 2016.

Ms. Anuradha E. Thakur was inducted as a Member of the Committee, with effect from March 30, 2017.

The composition of the NRC and the attendance of its Members at its Meetings held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Janki Ballabh, Chairman	Independent	3	3
Mr. Pranab Kumar Choudhury*	Independent	3	3
Mr. Mukund S. Dharmadhikari	Independent	3	3
Mr. Madhusudan Kannan**	Non – Executive	3	1

**Mr. Pranab Kumar Choudhury ceased to be a Member w.e.f. November 22, 2016.*

***Mr. Madhusudan Kannan ceased to be a Member w.e.f. October 28, 2016.*

iii) Risk Management Committee ("RMC")

During FY 2016–17, four Meetings of the RMC were held on the following dates: April 24, 2016; September 28, 2016; November 23, 2016 and March 27, 2017. The composition of the RMC and the attendance of its Members at its Meetings held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Pranab Kumar Choudhury, Chairman*	Independent	2	2
Mr. Janki Ballabh	Independent	4	4
Ms. Anuradha E. Thakur	Independent	4	4
Mr. Praveen P. Kadle	MD & CEO	4	4

**Mr. Pranab Kumar Choudhury ceased to be a Member w.e.f. November 22, 2016.*

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

During FY 2016–17, four Meetings of the ALCO were held on the following dates: April 24, 2016; September 28, 2016; November 23, 2016 and March 27, 2017. The composition of the ALCO and the attendance of its Members at its Meetings held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. F. N. Subedar, Chairman	Non – Executive	4	2
Mr. Janki Ballabh	Independent	4	4
Ms. Anuradha E. Thakur	Independent	4	4
Mr. Praveen P. Kadle	MD & CEO	4	4

v) Investment Credit Committee ("ICC")

During FY 2016–17, twelve Meetings of the ICC were held on the following dates: April 25, 2016; May 23, 2016; June 28, 2016; July 21, 2016; August 23, 2016; September 19, 2016; October 17, 2016; December 16, 2016; January 30, 2017; February 17, 2017; March 22, 2017 and March 27, 2017. The composition of the ICC and the attendance of its Members at its Meetings held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Pranab Kumar Choudhury, Chairman*	Independent	7	6
Mr. Janki Ballabh	Independent	12	12
Ms. Anuradha E. Thakur	Independent	12	11
Mr. Praveen P. Kadle	MD & CEO	12	12

**Mr. Pranab Kumar Choudhury ceased to be a Member w.e.f. November 22, 2016.*

vi) **Corporate Social Responsibility ("CSR") Committee**

During FY 2016–17, two Meetings of the CSR Committee were held on May 23, 2016 and October 17, 2016. The composition of the CSR Committee and the attendance of its Members at its Meetings held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. F. N. Subedar, Chairman	Non – Executive	2	1
Mr. Pranab Kumar Choudhury*	Independent	2	2
Mr. Mukund S. Dharmadhikari	Independent	2	2
Ms. Anuradha E. Thakur	Independent	2	1
Mr. Praveen P. Kadle	MD & CEO	2	2

**Mr. Pranab Kumar Choudhury ceased to be a Member w.e.f. November 22, 2016.*

vii) **Stakeholders Relationship Committee ("SRC")**

During FY 2016–17, one Meeting of the SRC was held on March 27, 2017. The composition of the SRC and the attendance of its Members at its Meeting held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. F. N. Subedar, Chairman	Non – Executive	1	1
Mr. Mukund S. Dharmadhikari	Independent	1	1
Mr. Praveen P. Kadle	MD & CEO	1	1

viii) **Committee for Review of Policies**

During FY 2016–17, one Meeting of the Committee for Review of Policies was held on September 19, 2016.

Ms. Anuradha E. Thakur was inducted as a Member of the Committee with effect from October 17, 2016.

The composition of the Committee for Review of Policies and the attendance of its Members at its Meeting held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Janki Ballabh	Independent	1	1
Mr. Praveen P. Kadle	MD & CEO	1	1

c. Means of Communication

The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, etc. The debenture holders can also send in their queries / complaints at the designated email address: compliance.ncd@tatacapital.com.

d. General Information for Members and Debenture holders

The half-yearly Financial Results of the Company are submitted to the Stock Exchanges in accordance with the SEBI LODR Regulations and are published in a leading English daily newspaper and also communicated to the Debenture holders every six months through a half-yearly communiqué. Official news releases, including the half-yearly results, are also posted on the Company's website, http://www.tatacapitalfinancialservices.com.

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs ("MCA") is U67100MH2010PLC210201. The Company's NCDs issued to the public, are listed on 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 – 400 051. 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.

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

Debenture Trustees
Vistra ITCL (India) Limited (formerly known as IL & FS Trust Company Limited) The IL&FS Financial Centre, Plot C - 22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. Website: www.itclindia.com Tel: +91 22 2659 3082, Fax: +91 22 2653 3297. e-mail: sonal.gokhale@vistra.com
IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Website: www.idbitrustee.com Tel: +91 22 4080 7000, Fax: +91 22 6631 1776. e-mail: itsl@idbitrustee.com
Registrar and Transfer Agents
Non – Convertible Debentures issued to the Public
Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel: +91 040 6716, 1500, Fax: +91 040 2342 0814. Website: www.karvycomputershare.com e-mail: balaji.reddy@karvy.com
Non – Convertible Debentures issued on a Private Placement basis
TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011. Tel: +91 022 6656 8484, Fax: +91 022 6656 8494. Website: www.tsrdarashaw.com e-mail: nnair@tsrdarashaw.com

During the year, the Company appointed TSR Darashaw Limited ("TSR") as the Registrar and Transfer Agents ("RTA") for the privately placed debentures issued by the Company in place of Sharepro Services (I) Private Limited ("Sharepro"), consequent upon the issue of an Order by SEBI dated March 22, 2016, restraining the Management of Sharepro from buying, selling or dealing in the securities market or associating themselves with securities market, either directly or indirectly, in any manner, till further directions.

Pursuant to the provisions of Section 205C of the erstwhile Companies Act, 1956, the interest of application money, aggregating to about ₹ 2.40 lakh, lying unclaimed for a period of seven years from the date of becoming due for payment was transferred to the Investor Education Protection Fund ("IEPF") Account within the statutory time lines. Further, the unclaimed interest on matured debentures as well as the unclaimed principal amount of the matured debentures would be transferred to the IEPF Account after completion of seven years from the date it becomes due for payment.

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

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

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.

29. VIGIL MECHANISM

The Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns or grievances. The said mechanism provides for adequate safeguards against victimisation of persons who use it and, *inter alia,* encompasses, the Whistle Blower Policy, the Fraud Risk Management Process, the Ethics mechanism under the TCOC, as also the ABAC Policy which the Company adopted during the year. Mr. Janki Ballabh is the Designated Director and Ms. Kashmira Mewawala is the Compliance Officer, for the purpose of the ABAC Policy. It also provides for direct access to the Chairman of the Audit Committee and the Chief Ethics Counsellor. Information regarding the mechanism, including the contact details for reporting concerns are communicated to relevant stakeholders. The Vigil Mechanism, Whistle Blower Policy and TCOC have been put up on the Company's website.

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

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

A 'Prevention of Sexual Harassment' ("POSH") Policy, that is in line with the statutory requirement, along with a structured reporting and redressal mechanism is in place. The POSH Policy is displayed on the Company's Intranet and is also communicated to employees through internal e-mail communications. An Apex POSH Committee based in Mumbai and 11 Regional POSH Committees (each having a woman as Presiding Officer, and an external woman Member) are in place. During the year, as required under the the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Tata Capital's Apex POSH Committee has been reconstituted. Three training sessions – by subject matter experts – were conducted for POSH Committee Members. The Presiding Officer of the Apex POSH Committee also conducted two training sessions for POSH Committee Members. Further, Members of the POSH Committees have conducted training and awareness sessions across the organisation, to sensitise employees to the needs and concerns of women employees and understanding of the POSH Policy. Posters on the POSH Policy giving contact details of POSH Committee Members are displayed at the Company's branch offices across the country. There is also a dedicated e-mail id (posh@tatacapital.com) for employees to communicate in strict confidence, directly with the Members of the POSH Committee.

During FY 2016-17, the Company received one complaint under the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', which was duly investigated and closed within the prescribed timelines.

31. STATUTORY AUDITORS

At the last AGM of the Company, Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai ("DHS") (ICAI Firm Registration No. 117366W/W - 100018), the Statutory Auditors, were appointed for a term of one year until the ensuing Seventh AGM.

In view of the mandatory requirement for rotation of auditors upon completion of ten years of association with a company, in terms of Section 139 of the Act, DHS would retire as the Auditors of TCL, the holding company, at the conclusion of TCL's ensuing Twenty Sixth AGM. TCL proposes to appoint B S R & Co. LLP, Chartered Accountants ("BSR") (ICAI Firm Registration No. 101248W/W - 100022), as the new Statutory Auditors of TCL and has also, recommended their appointment as Statutory Auditors, in all its Indian subsidiary companies.

Accordingly, the Company has received a Special Notice from its Member viz. TCL, recommending the appointment of BSR as the new Statutory Auditors of the Company.

BSR are proposed to be appointed for a term of five consecutive years commencing from the conclusion of the Seventh AGM till the conclusion of the Twelfth AGM of the Company. BSR have expressed their willingness to act as the Auditors of the Company, and have further confirmed that, if appointed, the said appointment would be in conformity with the provisions of Section 139 read with Section 141 of the Act along with the Rules made thereunder.

The Board recommends the appointment of BSR as Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of the Seventh AGM up to the conclusion of the Twelfth AGM of the Company, to be held in the year 2022, subject to the approval of the Members of the Company at the ensuing AGM and ratification of their appointment at every AGM, if required under the Act.

32. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 and other relevant provisions of the Act, as applicable. Further, the Company follows the RBI Master Directions for NBFCs. The Financial Statements have been prepared on an accrual basis under the historical cost convention. The Accounting Policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year, except for change in the Accounting Policy for share issue expenses as more fully described in Note No. 2(xi) of the Standalone Financial Statements.

Attention of the Members is specifically drawn to Note No. 39 in the Notes to Accounts to the Standalone Financial Statements for the year ended on March 31, 2017, in respect of the Reduction of Share Capital in accordance with Section 52 of the Act, read with Sections 100 to 103 of the erstwhile Companies Act, 1956, approved by the Hon'ble High Court of Judicature at Bombay with regard to appropriating an amount of ₹ 40,558 lakh (net of taxes, as applicable), standing to the credit of the Securities Premium Account, to the Statement of Profit and Loss.

33. EXPLANATION ON STATUTORY AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by DHS, in their Report dated April 28, 2017, on the Financial Statements of the Company for FY 2016-17.

34. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for FY 2016-17. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed as Annexure 'D'.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Parikh & Associates in their Secretarial Audit Report dated April 28, 2017, on the Secretarial and other related records of the Company for FY 2016-17.

35. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31, 2017 and July 26, 2017, being the date of this Report.

36. 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'.

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

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

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

(A) Conservation of energy:

i. Steps taken / impact on conservation of energy:

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

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

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

iii. Capital investment on energy conservation equipments:

In view of the nature of 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:

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 ₹ 6.85 crore.

38. EXTRACT OF ANNUAL RETURN

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

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

A Statement giving the details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2017, 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, 2017, are provided in a separate Annexure forming part of this Report. In terms of the first proviso to Section 136 of the Act, the Report and the Accounts are being sent to the Members, excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary, at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

40. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

41. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from RBI, SEBI, Registrar of Companies and other government and regulatory agencies and to convey their appreciation to TCL, the holding company, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation 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	**Janki Ballabh**	**Praveen P. Kadle**
July 26, 2017	Director	Managing Director & CEO

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.

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

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

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

b) Mr. M. S. Dharmadhikari, Independent Director

c) Ms. Anuradha Thakur, Independent Director

d) Mr. Praveen P. Kadle, Managing Director & CEO

Note: Mr. P. K. Choudhury, ceased to be a Member of the CSR Committee, with effect from November 22, 2016, due to his sudden demise.

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

(₹ in crore)

Financial Year	Net Profit*
FY 2013-14	409.92
FY 2014-15	408.63
FY 2015-16	546.89
Average Net Profit	**455.10**

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

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

The prescribed CSR expenditure for FY 2016-17 was ₹ 9.10 crore.

5. **Details of CSR spend during FY 2016-17:**

a. Total amount to be spent: ₹ 9.10 crore

b. Amount unspent, if any: Nil

c. Manner in which the amount was spent during FY 2016-17 is detailed below:

Sr. No	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the state and District where the projects or programs was under-taken	Amount out-lay (Budget) project or Program wise (₹)	Amount spent on the projects or Programs Sub heads:		Cumulative expenditure upto the reporting period (₹)	Amount Spent	
					Direct Expenditure on projects or Programs (₹)	Overheads		Direct	Implementing Agency
1	Cluster Development	Promoting Education	Vikramgad, Palghar, Maharashtra	1,29,93,000.00	1,17,10,632.00	12,82,368.00	1,29,93,000.00		i. Vatsalya Ashramshala ii. Pratham Education Foundation iii. Magic Bus India Foundation iv. Astad Pastakia
2	CRY - Dooars Jagaron	Promoting Education	Jalpaiguri, West Bengal	17,48,000.00	15,75,872.00	1,72,128.00	17,48,000.00		i. CRY ii. IDOBRO
3	Scholarships	Promoting Education	Mumbai, Maharashtra and PAN India	56,08,000.00	50,16,000.00	5,92,000.00	56,08,000.00	PANKH, TCFSL	i. Foundation for Academic Excellence & Access (FAEA)
4	Financial Literacy for children and adults	Enhancing Skills and promoting education	PAN India	31,22,000.00	31,22,000.00	–	31,22,000.00		i. Centre for Environmental Research and Education
5	Chaturang Pratishthan	Promoting Education	Mumbai, Maharashtra	5,00,000.00	5,00,000.00	–	5,00,000.00		i. Chaturang Pratishthan
6	Promoting arts, sports and culture	Promoting arts and culture	PAN India	97,00,000.00	97,00,000.00	–	97,00,000.00		i. Maharashtra Lalit Kala Nidhi ii. Shakhri Begum Memorial Trust iii. Vrindaban Trust
7	Promoting athletic talent	Promoting Sports	Bengaluru	50,00,000.00	50,00,000.00	–	50,00,000.00		i. Prakash Padukone Badminton Academy
8	Skill Development	Enhancing vocational skills as livelihood enhancement projects	PAN India	3,83,46,000.00	3,53,39,960.00	30,06,040	3,83,46,000.00		i. Tata Community Initiatives Trust (Tata STRIVE) ii. Sattva Media and Consulting Pvt Ltd. (with SEEDS and Teamlease Foundation) iii. Teamlease Education Foundation iv. SEEDS (IL&FS) v. Tiksna Mission Trust vi. TMI e2E Academy Pvt. Ltd (with NIDAN NGO) vii. NIDAN viii. GRAS (with Helping Hands NGO) ix. Helping Hands Welfare Society x. Don Bosco Vyawasaik Prashikshan Kendra xi. Don Bosco xii. Pratham Education Foundation

Sr. No	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the state and District where the projects or programs was undertaken	Amount outlay (Budget) project or Program wise (₹)	Amount spent on the projects or Programs Sub heads:		Cumulative expenditure upto the reporting period (₹)	Amount Spent	
					Direct Expenditure on projects or Programs (₹)	Overheads		Direct	Implementing Agency
9	Support for hearing impaired individuals	Promoting healthcare	PAN India	50,43,000.00	50,43,000.00	–	50,43,000.00		i. AURED
10	Entrepreneurship trainings	Livelihood enhancement projects	Aurangabad, Maharashtra Dhamtari, Chattisgarh	5,41,000.00	5,41,000.00	–	5,41,000.00		i. International Resources for Fairer Trade
11	Forestation Project	Ensuring environmental sustainability	Sariska, Alwar Rajasthan	45,72,000.00	45,72,000.00	–	45,72,000.00		i. Bhartiya Dnyanpith Bahuudeshiya Gramin Vikas Sanstha ii. KPMG
12	Admin expenses*	Capacity Building, including expenditure on administrative overheads	PAN India	38,27,000.00	38,27,000.00	–	38,27,000.00	TCFSL	
			TOTAL	**9,10,00,000.00**	**8,59,47,464.00**	**50,52,536.00**	**9,10,00,000.00**		

****The Admin Expenses included ₹ 18.11 lakh spent on volunteering activities***

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

Not Applicable, as the amounts have been spent.

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

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

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

Anuradha E. Thakur
Member – CSR Committee
(Independent Director)

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

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 a Non-Banking Financial Companies) as also the Guidelines circulated by Tata Sons Limited and review the measurable objectives for achieving diversity against these provisions and recommend the same to the Board for adoption. At any given point of time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

5. MONITORING AND REPORTING

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

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, 2017

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

To,

The Members,

TATA CAPITAL FINANCIAL SERVICES LIMITED

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):

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

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

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

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

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

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period).

(vi) Other laws specifically applicable to the Company, namely:

(a) All the Rules, Regulations, Directions, Guidelines and Circulars applicable to the Non-Banking Financial Companies under the Reserve Bank of India Act, 1934

(b) Credit Information Companies (Regulation) Act, 2005 and Rules

(c) Securities and Exchange Board of India ("SEBI") Circulars and Guidelines for Mutual Funds

(d) Guidelines with respect to SEBI KYC (Know Your Client) Registration Agency Regulations, 2011

(e) SEBI (Investment Advisers) Regulations, 2013

(f) SEBI (Research Analysts) Regulations, 2014

(g) The Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Registration of Corporate Agents) Regulations, 2015

(h) The Prevention of Money-Laundering Act, 2002 and The Prevention of Money Laundering (Maintenance of Records, etc.) Rules, 2005

(i) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited with respect to Non-Convertible Debentures issued by the Company read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

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

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

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

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

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

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

(i) Issued 40,970 Secured Redeemable Non-Convertible Debentures for an aggregate amount of ₹ 4,067 crore.

(ii) Issued 8,150 Unsecured Redeemable Non-Convertible Debentures for an aggregate amount of ₹ 815 crore.

(iii) Redeemed 28,213 Secured Redeemable Non-Convertible Debentures for an aggregate amount of ₹ 2,821.30 crore.

(iv) Redeemed 1,500 Unsecured Redeemable Non-Convertible Debentures for an aggregate amount of ₹ 150 crore.

B. The Company had issued and allotted 78,50,00,000 Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each aggregating ₹ 785 crore, on a rights basis.

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

For **Parikh & Associates**
Company Secretaries

Jigyasa Ved
(Partner)
FCS No: 6488 CP No: 6018

Mumbai
April 28, 2017

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

Annexure 'A'

To,
The Members
TATA CAPITAL FINANCIAL SERVICES LIMITED

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

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

For **Parikh & Associates**
Company Secretaries

Jigyasa Ved
(Partner)
FCS No: 6488 CP No: 6018

Mumbai
April 28, 2017

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 in the Companies Act, 2013 ("Act").

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

The Policy covers following sections:-

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

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

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

Key Principles:-

(a) Identification, Review of Related Party Transactions

(b) Broad Parameters to Assess: Ordinary Course of Business

(c) Broad Parameters to Assess: Arm's Length

(d) Materiality Thresholds for Related Party Transactions

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

2. **Objective**

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

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

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

3. **Scope**

Accordingly, this Policy has been adopted to:

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

(b) lay down the process for identifying Related Parties;

(c) identify factors for 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 such transaction, such transaction / action is consistent with the past practices and was taken in the ordinary course of the normal day-to-day operations of such company, common commercial practice i.e. customarily taken, in the ordinary course of the normal day-to-day operations of other companies that is in the same / similar line of business.

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

B. Broad Parameters to assess – Arm's Length

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

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

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

C. Materiality Thresholds for Related Party Transactions

(a) The transactions with Related Parties in the Ordinary Course of Business and at Arm's Length within the monetary threshold ("***de minimis* threshold**") as approved by the Audit Committee / Board, from time to time, will be placed before the Audit Committee for noting, on a half-yearly basis.

(b) The Board has stipulated that transactions with Related Parties in the Ordinary Course of Business and at Arm's Length that cross the *de minimis* threshold would require prior approval of the Audit Committee.

(c) The Company follows Materiality Thresholds for Related Party Transactions as per the Companies Act, 2013 and the applicable Rules framed thereunder for transactions with Related Parties which are not in the Ordinary Course of Business and / or not at Arm's Length basis.

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

7. <u>Disclosure</u>

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 ("TCL")	Holding Company	a) Issue of Compulsorily Convertible Cumulative Preference Shares ("CCCPS") as Tier-I Capital	78,500	9 years	Compulsorily Convertible into Equity Shares after completion of 9 years from the date of allotment or voluntary conversion at the option of the CCCPS holder; Rate of Dividend being 9% p.a., on a cumulative basis	–
			b) Inter Corporate Deposits ("ICD") accepted during the year	6,93,970	Tenor up to 1 year	Cost of Funds below bank borrowing rate	–
			c) ICDs repaid during the year	6,99,693	Tenor up to 1 year	Not Applicable	–
			d) Interest expense on ICDs during the year	4,622	Tenor up to 1 year	Cost of Funds below bank borrowing rate	–
			e) ICDs Outstanding - Payable	44,829	Tenor upto 1 year	Cost of Funds below bank borrowing rate	–
			f) Dividend paid during the year – Equity Shares	5,839	Not Applicable	Interim Dividend paid for FY 2016-17 during FY 2016-17, at the rate of ₹ 0.45 per Equity Share of ₹ 10 each of the Company	–
			g) Dividend paid during the year – Preference Shares	4,230	Not Applicable	Interim Dividend paid for FY 2016-17 during FY 2016-17, at the rate of 9% p.a., on a cumulative basis	–
			h) Security Deposit – Outstanding Receivable	4,665	Period of lease upto September 30, 2017	As per the Agreement entered into between the Company and TCL	–
			i) Perpetual Non Convertible Debentures as Tier-I Capital	5,000		Yield @ 9.80% p.a.	–

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
2.	Tata Business Support Services Limited ("TBSS")	Fellow Subsidiary	Service Provider Charges	5,944	Tenor upto 5 years	Service Level Agreement and Manpower based agreement for Outsourcing services between the Company and TBSS. Key services provided by TBSS mainly includes File Processing, Central Operations, Branch Operation, Field Investigation, Collection and Customer Call centre	–
3.	Tata Consultancy Services Limited ("TCS")	Fellow Subsidiary	Service Provider Charges	4,721	Tenor upto 4 years	Service Level Agreement for Information Technology services including Hardware and Software support for payment based on fixed run the business services (RTB) and variable per assignment services (CTB) between Company and TCS	–
4.	Taj Air Limited	Fellow Subsidiary	a) Loan – Outstanding Receivable	2,500	Tenor upto 5 years	Interest @ 11.00% p.a.	–
			b) Loan – Outstanding Receivable	3,500	Tenor upto 5 years	Interest @ 11.25% p.a.	–

Note: (1) Appropriate approvals have been taken for Related Party Transactions.

(2) Materiality Thresholds for Reporting Related Party Transactions in the ordinary course of business and on an arm's length basis:

a. Sale, purchase or supply of any goods or materials directly or through appointment of agents: Exceeding 2.5% of Turnover or ₹ 25 crore, whichever is lower.

b. Buying, selling or disposing of property of any kind directly or through appointment of agents: Exceeding 2.5% of Networth or ₹ 25 crore, whichever is lower.

c. Leasing of any kind of property: Exceeding 2.5% of Networth or 5% of Turnover or ₹ 25 crore, whichever is lower.

d. Availing or rendering of any services directly or through appointment of agents: Exceeding 5% of Turnover or ₹ 25 crore, whichever is lower.

e. Appointment to any office or place of profit in the company, its subsidiary / associate company: Monthly remuneration exceeding ₹ 1,25,000.

f. Remuneration for underwriting subscription of any securities in or derivatives thereof: Exceeding 0.5% of Networth.

For and on behalf of the Board of Directors

Mumbai
July 26, 2017

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, 2017
[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 22 6745 9000 / 91 22 6606 9000

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

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

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

Non – Convertible Debentures issued to the Public	Non – Convertible Debentures issued on a Private Placement basis
Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: +91 04067161500 Fax: +91 040 23420814 www.karvycomputershare.com e-mail: balaji.reddy@karvy.com	Sharepro Services (India) Private Limited* 13 AB, Samhita Warehousing Complex, Behind Sakinaka Telephone Exchange, Kurla Andheri Road, Sakinaka, Mumbai - 400 072 Tel: 022-67720300, 67720400 Fax: 022-28508927 www.shareproservices.com e-mail: sachins@shareproservices.com
	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400011 Tel: 022 66568484 Fax: 022 66568494 Contact: Ms. Nandini Nair e-mail: nnair@tsrdarashaw.com

**Note: The Company terminated the services of Sharepro, with effect from May 31, 2016 and appointed TSR Darashaw Limited as their Registrar and Transfer Agent.*

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Tata Capital Limited 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. A. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
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 (Equity Share Capital)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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 (Equity Share Capital) (please specify, if there is no change)

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

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

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

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

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

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

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promorters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	16,00,00,000	16,00,00,000	100	–	94,50,00,000	94,50,00,000	100	100
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	**–**	**16,00,00,000**	**16,00,00,000**	**100**	**–**	**94,50,00,000**	**94,50,00,000**	**100**	**100**
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**–**	**16,00,00,000**	**16,00,00,000**	**100**	**–**	**94,50,00,000**	**94,50,00,000**	**100**	**100**
B. Public Shareholding									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
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)	**-**	**16,00,00,000**	**16,00,00,000**	**100**	**-**	**94,50,00,000**	**94,50,00,000**	**100**	**100**

(ii) Shareholding (Preference Share Capital) of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encum-bered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encum-bered to total shares	
1.	Tata Capital Limited	16,00,00,000	100	–	94,50,00,000	100	–	100
	Total	**16,00,00,000**	**100**	**–**	**94,50,00,000**	**100**	–	**100**

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the com-pany
1.	At the beginning of the year	16,00,00,000	100	–	–	–	–	–
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	–	–	June 28, 2016	28,50,00,000	Allotment of Preference Shares on Rights Basis	28,50,00,000	100
				September 28, 2016	10,00,00,000		38,50,00,000	100
				December 29, 2016	10,00,00,000		48,50,00,000	100
				February 28, 2017	20,00,00,000		68,50,00,000	100
				March 31, 2017	10,00,00,000		78,50,00,000	100
3.	At the end of the year	–	–	–	–	–	94,50,00,000	100

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

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	–	–	–	–

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
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 (Preference Share Capital) of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	–	–	–	–
2.	Date wise Increase / Decrease in 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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness				
At the beginning of the financial year				
i) Principal Amount	16,17,857	8,77,745	51,267	25,46,869
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	68,508	8,410	–	76,918
Total (i+ii+iii)	**16,86,365**	**8,86,155**	**51,267**	**26,23,787**
Change in Indebtedness during the financial year				
• Addition	10,43,196	30,21,100	6,93,970	47,58,266
• Reduction	(10,12,754)	(28,53,100)	(6,99,693)	(45,65,547)
Net Change	**30,442**	**1,68,000**	**(5,723)**	**1,92,719**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness **At the end of the financial year** i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 16,48,299 - 72,036	 10,45,745 - 13,368	 45,544 - 62	 27,39,588 - 85,466
Total (i+ii+iii)	**17,20,335**	**10,59,113**	**45,606**	**28,25,055**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Praveen P. Kadle	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under section 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission - as % of profit - others, specify…	–	–
5.	Others, please specify	–	–
	Total (A)	**–**	**–**
	Ceiling as per the Act		2,835

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	
	• Fee for attending board / committee meetings • Commission • Others, please specify	12.90 20.00	5.10 20.00	7.50 20.00	25.50 60.00
	Total (1)	**32.90**	**25.10**	**27.50**	**85.50**

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount
2.	Other Non-Executive Directors	Mr. Madhusudan Kannan	Ms. Anuradha E. Thakur	Mr. F. N. Subedar	
	• Fee for attending board / committee meetings	0.60	11.70	2.80	15.10
	• Commission	15.00	20.00	20.00	55.00
	• Others, please specify				
	Total (2)	**15.60**	**31.70**	**22.80**	**70.10**
	Total (B)=(1+2)				**155.60**
	Total Managerial Remuneration				155.60
	Overall Ceiling as per the Act				6,236

Notes:

1. *The Remuneration details as mentioned above include sitting fees paid in FY 2016-17 and Commission paid for FY 2015-16 in FY 2016-17.*
2. *Mr. Madhusudan Kannan was appointed as an Additional Director w.e.f. June 30, 2015, and hence the Commission was paid on a pro-rata basis during FY 2015-16.*
3. *Mr. Madhusudan Kannan and Mr. Pranab Kumar Choudhary ceased to be the Directors of the Company w.e.f. October 28, 2016 and November 22, 2016 respectively.*

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 (b) Value of perquisites under section 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission - as % of profit - others, specify…	–	–	–	–
5.	Others, please specify	–	–	–	–
	Total	**–**	**–**	**–**	**–**

Notes:

1. *Mr. Praveen P. Kadle, Managing Director & CEO, 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. *Ms. Avan K. Doomasia, Company Secretary, is also the Company Secretary of TCL, the holding company and her entire remuneration is borne by TCL.*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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 2016-17 is, as under:

Name of Director(s)	Ratio to Median
Mr. Janki Ballabh	3.85:1
Mr. F. N. Subedar	2.67:1
Mr. Pranab Kumar Choudhury	2.94:1
Mr. Mukund S. Dharmadhikari	3.22:1
Ms. Anuradha E. Thakur	3.64:1
Mr. Madhusudan Kannan	1.83:1

Note:

1. *Mr. Madhusudhan Kanan and Mr. Pranab Kumar Choudhury ceased to be the Directors of the Company with effect from October 28, 2016 and November 22, 2016 respectively.*
2. *Mr. Praveen P. Kadle is the Managing Director & CEO of the Company and of 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 2016-17 is, given below:

Name of Director(s)	% Increase in Remuneration
Mr. Janki Ballabh	3.5%
Mr. F. N. Subedar	3.6%
Mr. Pranab Kumar Choudhury	93%
Mr. Mukund S. Dharmadhikari	159.3%
Ms. Anuradha E. Thakur	118.9%
Mr. Madhusudan Kannan	1200%

Note:

1. *Mr. Madhusudhan Kanan and Mr. Pranab Kumar Choudhury ceased to be the Directors of the Company with effect from October 28, 2016 and November 22, 2016 respectively.*
2. *Mr. Praveen P. Kadle is the Managing Director & CEO of the Company and of TCL and does not draw any remuneration from the Company. His entire remuneration is borne by TCL.*
3. *Mr. Puneet Sharma is the Chief Financial Officer of the Company and of TCL and does not draw any remuneration from the Company. His entire remuneration is borne by TCL.*
4. *Ms. Avan Doomasia is the Company Secretary of the Company and of TCL and does not draw any remuneration from the Company. Her entire remuneration is borne by TCL.*
5. *The percentage increase in the remuneration of Mr. Mukund S. Dharmadhikari, Ms. Anuradha E. Thakur and Mr. Madhusudan Kannan was on account of commission paid for FY 2015-16 in FY 2016-17.*

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

   There is an increase in the median remuneration of employees in FY 2016-17 by 11.1% as compared to FY 2015-16.

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

   The permanent employees on the rolls of the Company as on March 31, 2017, were 2,384.

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

   The average percentage increase in the salaries of employees other than that of managerial personnel is 12.4% as compared to that of the percentage increase in the overall managerial remuneration of 67%. While the managerial personnel does not take any remuneration from the Company, the percentage increase in the managerial remuneration can be primarily attributed to the increase in Commission and also the Sitting Fees paid to the Non-Executive Directors, on account of increase in the number of meetings of the Board and its Committees.

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

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

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. **Industry structure and developments**

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

2. **Opportunities and Threats**

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

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

   The Company is amongst the few NBFCs that offers a full range of Retail and Corporate products and services. A balance in the mix of the portfolio and leveraging the cross-sell potential enables the Company to emerge as a preferred partner for all financial needs of the customer. The Company believes 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.

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

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

   Newer regulatory updates pose a constant challenge for smooth operations of the Company. The Company needs to be equipped to quickly adapt to the constant changes in regulations and competitive landscape. With new entities like the payment banks, small banks, new universal banks and fin-tech companies entering the market place, the Company needs to maintain its competitive edge through constant adaptation and creating strategies to protect its niche. The implementation of Goods and Services Tax Act, 2016 ("GST") and IND AS will pose its own set of challenges for the Company, though GST implementation is genrally expected to be positive.

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

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

4. **Outlook**

   The Outlook of the Company for the year ahead is to stabilize its asset quality across its Retail and Rural offerings. There will be a continued shift in portfolio from Wholesale to Retail. The Corporate Finance Division will adopt a cautious approach and focus on key customer relationships and Tata eco-system lending. 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 which have been largely provided for. The Consumer Finance & Adviosory Business will focus on changing its product mix and improving penetration in high yielding segments. The Rural Finance Business will adopt a dual strategy of improving Collection efficiency relating to the Tractor Business and shall increase its geographic presence and focus on the Agri and Allied Business strategy. The Company, as a whole, will focus on balanced measured growth, asset quality, cross selling opportunities, digital and analytics.

5. **Risks and Concerns**

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

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

   Please refer to Para 12 of the Board's Report

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

   Please refer to Para 3 of the Board's Report

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TATA CAPITAL FINANCIAL SERVICES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Tata Capital Financial Services Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's 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 prescribed under section 133 of the Act.

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the matter in the note no. 39 of the standalone financial statements, which describes the Reduction of Share Capital in accordance with Section 52 of the Companies Act, 2013 read with Sections 100 to 103 of the Companies Act, 1956 approved by the Hon'ble High Court of Judicature at Bombay with regard to appropriating an amount of ₹ 40,558 lakh (net-off taxes, as applicable), standing to the credit of Securities Premium Account to the Statement of Profit and Loss.

Our audit report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:

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

   (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 relevant books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

   (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 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 standalone financial statements.

      (ii) The Company did not have any long-term contracts including derivative contracts as at 31st March, 2017, for which there were any material foreseeable losses.

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      (iv) The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditors' Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Rupen K. Bhatt
Partner
(Membership No. 46930)

MUMBAI,
April 28, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Tata Capital Financial Services Limited (the "Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Rupen K. Bhatt
Partner
(Membership No. 46930)

MUMBAI,
April 28, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

(iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) To the best of our knowledge and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals.

(vi) To the best our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

(vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Income-tax, Service Tax, Provident Fund, Employees' State Insurance, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Service Tax, Provident Fund, Employees' State Insurance, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Value Added Tax and Service Tax as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount in ₹
Department of Commercial Taxes	Central Sales Tax – Tamil Nadu	Assessment Officer	F.Y. 2014-15	21,128,757
Department of Commercial Taxes	Central Sales Tax – Tamil Nadu	Assessment Officer	F.Y. 2015-16	17,249,399
Department of Commercial Taxes	Value Added Tax – Tamil Nadu	Deputy Commissioner	F.Y. 2012-13	63,127
Department of Commercial Taxes	Value Added Tax – Uttar Pradesh	Assessment Officer	F.Y. 2012-13	3,072,876

(viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken any loan from government and financial institution.

(ix) To the best of our knowledge and according to the information and explanations given to us, the money raised by way of the term loans and debentures have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) To the best of our knowledge and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

Rupen K. Bhatt
Partner
(Membership No. 46930)

MUMBAI,
April 28, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(₹ in lakh)

PARTICULARS	Note No.	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	3	**224,255**	145,755
(b) Reserves and Surplus	4	**182,153**	213,309
		406,408	**359,064**
2. Non–current liabilities			
(a) Long–term borrowings	5	**945,684**	1,185,472
(b) Other long–term liabilities	6	**7,019**	13,513
(c) Long–term provisions	7	**5,318**	4,448
		958,021	**1,203,433**
3. Current liabilities			
(a) Short–term borrowings	8	**1,006,630**	973,269
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises	9(a)	**–**	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**48,685**	37,708
(c) Other current liabilities	10	**892,881**	472,858
(d) Short–term provisions	11	**15,881**	12,482
		1,964,077	**1,496,317**
TOTAL		**3,328,506**	**3,058,814**
II. ASSETS			
1. Non–Current assets			
(a) Property, Plant and equipment	12		
(i) Tangible assets		77,052	62,218
(ii) Intangible assets		1,109	8,705
(iii) Capital work–in–progress		518	149
(iv) Intangible assets under development		655	240
		79,334	**71,312**
(b) Non–current investments	13	26,109	90,304
(c) Deferred tax assets (net)	14	43,483	21,811
(d) Long–term Loans and advances – financing activity	15	1,485,414	1,361,040
(e) Long–term Loans and advances – others	16	21,511	26,571
(f) Other non–current assets	17	6,839	5,489
		1,583,356	**1,505,215**
2. Current assets			
(a) Current investments	13	794	2,924
(b) Trade receivables	18	1,984	1,420
(c) Cash and bank balances	19	7,340	4,498
(d) Short–term Loans and advances – financing activity	15	1,614,067	1,450,411
(e) Short–term Loans and advances – others	20	27,150	11,496
(f) Other current assets	21	14,481	11,538
		1,665,816	**1,482,287**
TOTAL		**3,328,506**	**3,058,814**
See accompanying notes forming part of the financial statements	**1–47**		

In terms of our report attached

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

Rupen K Bhatt
Partner

Mumbai
Date : April 28, 2017

For and on behalf of the Board of Directors

Janki Ballabh
(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, 2017

(₹ in lakh)

	PARTICULARS	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
I	Revenue from operations	22	385,227	317,824
II	Investment income	23	5,548	6,155
III	Other income	24	28,429	23,155
IV	**Total Revenue (I + II + III)**		**419,204**	**347,134**
V	**Expenses :**			
	Finance costs	25	221,162	194,116
	Employee benefit expenses	26	35,438	27,839
	Other operating expenses	27	114,535	73,811
	Depreciation and amortisation	12	14,273	11,777
	Amortisation of expenses (Refer note 40)	21 (a)	549	543
	Total expenses		**385,957**	**308,086**
VI	**Profit before tax (IV – V)**		**33,247**	**39,048**
VII	**Tax expense:**			
	(1) Current tax		19,618	18,438
	(2) Deferred tax		(7,969)	(5,969)
	Net tax expense		**11,649**	**12,469**
VIII	**Profit for the year (VI – VII)**		**21,598**	**26,579**
IX	**Earnings per equity share:**	32		
	(1) Basic (in Rupees)		1.27	2.03
	(2) Diluted (in Rupees)		1.27	2.03
	Face Value per share (in Rupees)		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

Rupen K Bhatt
Partner

Mumbai
Date : April 28, 2017

For and on behalf of the Board of Directors

Janki Ballabh
(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, 2017

(₹ in lakh)

PARTICULARS		Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
1	**CASH FLOW USED IN OPERATING ACTIVITIES**			
	Profit before tax		**33,247**	39,048
	Adjustments for :			
	Amortisation of share/debenture issue expenses/loan processing expenses		**549**	543
	Depreciation and amortisation		14,273	11,777
	Loss on sale of fixed assets (net)		3,288	919
	Interest expenses		172,902	155,063
	Discounting charges on commercial paper		46,723	35,835
	Discounting charges on Collateralised Borrowings and Lending Obligations (CBLO)		1,130	2,847
	Discounting charges on debentures		407	371
	Interest income		(352,966)	(294,492)
	Income from investments		(5,548)	(6,155)
	Loss on sale of investment		1,248	-
	Provision for leave encashment		257	70
	Reversal of provision for diminution in value of investments (net)		(72)	(2,729)
	Contingent provision against standard assets		3,008	2,467
	Reversal of provision against restructured advances (net)		(827)	(429)
	Provision against assets held for sale		1,115	200
	Provision against other doubtful advances		263	–
	Provision for doubtful loans (net)		56,686	33,585
	Operating Loss before working capital changes and adjustments for interest received, interest paid and dividend received		(24,317)	(21,080)
	Adjustments for :			
	Increase in trade receivables		(566)	(207)
	Increase in Loans and advances – financing activity		(388,723)	(480,102)
	Increase in Loans and advances – others		(6,568)	(2,138)
	Increase in other liabilities and provisions		21,323	16,304
	Cash used in operations before adjustments for interest received, interest paid and dividend received		(398,851)	(487,223)
	Interest paid		(210,790)	(172,173)
	Interest received		351,686	294,214
	Dividend received		137	640
	Cash used in operations		(257,819)	(364,542)
	Taxes paid		(17,868)	(18,380)
	NET CASH USED IN OPERATING ACTIVITIES		**(275,686)**	**(382,922)**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakh)

	PARTICULARS	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
2	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets (including capital advances)		(32,456)	(29,310)
	Proceeds from sale of fixed assets		2,023	1,595
	Purchase of long–term investments		(1,075)	(2,372)
	Purchase of mutual fund units		(1,714,480)	(2,879,500)
	Proceeds from redemption of mutual fund units		1,713,989	2,880,411
	Proceeds from sale of long–term investments		57,115	2,445
	Fixed deposits with banks having maturity over 3 months		-	(2)
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES		**25,116**	**(26,733)**
3	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Issue of Compulsory Convertible Cumulative Preference share capital		78,500	16,000
	Share Issue / debenture issue / loan processing expenses		(984)	(725)
	Interim dividend paid on equity and preference shares (including dividend distribution tax)		(12,119)	(21,280)
	Net proceeds from short–term borrowings		31,943	265,816
	Proceeds from long–term borrowings		763,200	697,320
	Repayment of long–term borrowings		(607,130)	(547,390)
	NET CASH FROM FINANCING ACTIVITIES		**253,410**	**409,741**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2,840**	**86**
	CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**4,444**	**4,358**
	CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**7,284**	**4,444**
	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		**7,284**	**4,444**
	Add : Restricted Cash [Refer note 19(iii)]		**53**	**51**
	Add: Fixed deposits with original maturity over 3 months		**3**	**3**
	CASH AND BANK BALANCES AS AT THE END OF THE YEAR [Refer note 19]		**7,340**	**4,498**
	See accompanying notes forming part of the financial statements	1–47		

In terms of our report attached

For and on behalf of the Board of Directors

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

Janki Ballabh
(Director)

Mukund S. Dharmadhikari
(Director)

Anuradha E. Thakur
(Director)

Rupen K Bhatt
Partner

F. N. Subedar
(Director)

Praveen P. Kadle
(Managing Director & CEO)

Puneet Sharma
(Chief Financial Officer)

Mumbai
Date : April 28, 2017

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") dated November 4, 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

i. Basis for preparation of accounts

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act 2013 (the "Act"), as applicable. Further, the Company follows the Reserve Bank of India ("RBI") Directions issued for Non-Banking Financial Companies ("NBFC"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for share issue expenses as more fully described in note 2(xi) and change in accounting policy for dividend (including dividend distribution tax) as more fully described in note 2(xxiii).

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.

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

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

b. Income from Non-current and current Investments

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

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

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. Income from Services

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

d. Income from distribution of financial products

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

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

e. Lease Income

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

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

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

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

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

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

v. Investments

Investments are classified into non-current and current investments.

a. Non–current investments

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

b. Current investments

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

vi. Property, plant and equipment

a. Tangible:

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 property, plant and equipment are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

b. **Intangible:**

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

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

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

c. **Capital work–in–progress:**

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

d. **Intangible assets under development:**

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

vii. **Depreciation and Amortisation**

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Buildings, Computer Equipment networking assets, electrical installation and equipments and Vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc.

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

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

Estimated useful life considered by the Company are:

Asset	**Estimated Useful Life**	**As per Schedule II**
Leasehold Improvements	Lease Period (ranging from 1 to 9 years)	As per lease period
Construction Equipment	7 to 15 years	15 years
Furniture and Fixtures	Owned : 10 years	10 years
	Leased : 9 to 10 years	
Computer Equipment	Owned : 3 to 4 years	3 years
	Leased: 2 to 5 years	
Office Equipment	Owned : 5 years	5 years
	Leased : 2 to 5 years	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Asset	Estimated Useful Life	As per Schedule II
Vehicles	Owned : 4 years	6 years
	Leased : 4 years	
Software Licenses	Owned : 4 to 10 years	10 Years
	Leased : 1 to 5 years	
Buildings	25 years	30 years
Plant & Machinery	Owned : 10 years	15 years
	Leased : 4 to 25 years	
Railway Wagons	Leased : 15 years	15 years
Electrical Installation & Equipments	Leased : 9 years	10 years
Networking Assets	2 to 5 years	6 years

viii. Leases

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

ix. Assets held for sale

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

x. Deferred revenue 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.

xi. Share issue expenses

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

xii. Employee Benefits

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

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any 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 in the Statement of Profit and

Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short–term employee benefits

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

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

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

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

Long–term employee benefits

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

xiii. Provisions, Contingent Liabilities and Contingent Assets

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

xiv. Impairment of Assets

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

Recoverable amount of the asset is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flow expected from continuing use of the asset and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the asset. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased above the lower of recoverable amount

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

and the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

xv. 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.

xvi. Taxation

Income Tax

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

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

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

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

xvii. 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.

xviii. 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

xix. Business segment

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

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

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

xx. 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.

xxi. 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.

xxii. Securitised/Assignment Loans and Securitisation/Assignment Liabilities

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

xxiii. Dividend (including dividend distribution tax)

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

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

3. **SHARE CAPITAL** (₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
AUTHORISED		
2,500,000,000 (as at March 31, 2016: 2,500,000,000 shares) Equity shares of ₹10 each	**250,000**	250,000
3,000,000,000 (as at March 31, 2016: 1,000,000,000 shares) Preference shares of ₹10 each	**300,000**	100,000
	550,000	**350,000**
ISSUED, SUBSCRIBED & PAID UP		
1,297,550,000 (as at March 31, 2016: 1,297,550,000 shares) Equity shares of ₹10 each fully paid up	**129,755**	129,755
945,000,000 (as at March 31, 2016: 160,000,000 shares) 9% Compulsorily Convertible Cumulative Preference shares of ₹10 each fully paid up	**94,500**	**16,000**
Total	**224,255**	**145,755**

(a) Reconciliation of number of shares outstanding

PARTICULARS	No. of shares	₹ in lakh
Equity Shares		
Opening balance as on April 01, 2015	1,297,550,000	129,755
Additions during the year	-	-
Closing Balance as on March 31, 2016	1,297,550,000	129,755
Additions during the year	-	
Closing Balance as on March 31, 2017	**1,297,550,000**	**129,755**
Preference Shares		
Opening balance as on April 01, 2015	-	-
Additions during the year	160,000,000	16,000
Closing Balance as on March 31, 2016	160,000,000	16,000
Additions during the year	785,000,000	78,500
Closing Balance as on March 31, 2017	**945,000,000**	**94,500**

(b) Rights, preferences and restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a face value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. Tata Sons Limited is the ultimate holding company.

During the year ended March 31, 2017, the Company has issued 78,50,00,000, 9% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of face value Rs. 10/- each aggregating Rs. 785 crore, which are convertible into equity shares after the completion of 9 years from the date of allotment. However, CCCPS holders have an option to convert all or any part of the holding, into equity shares at any time, prior to the completion of 9 years. The CCCPS holders have a right to receive dividend, prior to the Equity Shareholders. The dividend proposed by the Board of Directors on the CCCPS is subject to the approval of the shareholders at an Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding.

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

Tranch–wise due date details for Compulsorily Convertible Cumulative Preference Shares ("CCPS")

Date of Allotment	Date of Conversion	No. of ubits	₹ in lakh
29-Sep-15	29-Sep-24	35,000,000	3,500
23-Mar-16	23-Mar-25	125,000,000	12,500
28-Jun-16	28-Jun-25	285,000,000	28,500
28-Sep-16	28-Sep-25	100,000,000	10,000
29-Dec-16	29-Dec-25	100,000,000	10,000
28-Feb-17	28-Feb-26	200,000,000	20,000
31-Mar-17	31-Mar-26	100,000,000	10,000
Total		**945,000,000**	**94,500**

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

(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)			
Equity Shares	Opening Balance as on April 1, 2015	12,975,500,000	129,755
	Closing Balance as on March 31, 2016	12,975,500,000	129,755
	Closing Balance as on March 31, 2017	**12,975,500,000**	**129,755**
Preference Shares	Opening Balance as on April 1, 2015	-	-
	"Rights" issue during the FY 2015-16	160,000,000	16,000
	Closing Balance as on March 31, 2016	160,000,000	16,000
	"Rights" issue during the FY 2016-17	785,000,000	78,500
	Closing Balance as on March 31, 2017	**945,000,000**	**94,500**

4. RESERVES AND SURPLUS (₹ in lakh)

PARTICULARS	As at March 31, 2017		As at March 31, 2016	
(a) Securities Premium Account				
Opening Balance		**129,500**		129,500
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 39)	(54,260)			–
Add : Adjustment of Tax pursuant to Reduction of Share Capital (Refer note 39)	13,702			–
Less : Share issue expenses written-off (Refer note 40)	(77)	(40,635)		–
Closing Balance		**88,865**		**129,500**
(b) Debenture Redemption Reserve		**30,000**		30,000
(c) Special Reserve Account				
Opening Balance		**21,431**		16,114
Add : Transfer from Surplus in the Statement of Profit and Loss (Refer note 4(a) below)		**4,319**		5,317
Closing Balance		**25,750**		**21,431**
(d) Surplus in Statement of Profit and Loss				
Opening Balance		**32,378**		23,054
Add: Profit for the year		**21,598**		26,579
Amount available for Appropriations		**53,976**		**49,633**
Less : Appropriations				
– Transfer to Special Reserve Account	**(4,319)**		(5,317)	
– Interim Dividend on equity shares (Refer note 4(b) below)	**(5,839)**		(9,732)	
– Interim Dividend on preference shares (Refer note 4(c) below)	**(4,230)**		(187)	
– Tax on Interim Dividend (Refer notes 4(b) and 4(c) below)	**(2,050)**	**(16,438)**	(2,019)	(17,255)
Closing Balance		**37,538**		**32,378**
TOTAL – RESERVES AND SURPLUS		**182,153**		**213,309**

Notes:

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

a) ₹ 4,319 lakh (Previous Year: ₹ 5,317 lakh) to Special Reserve as prescribed by section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the profit after taxes for the year.

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

b) During the year ended March 31, 2017, on March 22, 2017, the Company has declared and paid on March 23, 2017, an interim dividend of ₹ 0.45 per share (Previous Year : ₹ 0.75 per share) aggregating to ₹ 5,839 lakh (Previous Year : ₹ 9,732 lakh) and dividend distribution tax thereon of ₹ 1,189 lakh (Previous Year : ₹ 1,981 lakh).

c) During the year ended March 31, 2017, on March 22, 2017, the Company has declared and paid on March 23, 2017, an interim dividend for financial year 2016-17 on Compulsorily Convertible Cumulative Preference Shares aggregating to ₹ 4,230 lakh (Previous Year : 187 lakh) and dividend distribution tax thereon of ₹ 861 lakh (Previous Year : 38 lakh).

5. LONG–TERM BORROWINGS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Debentures		
Secured		
Privately Placed Non–Convertible Debentures (Refer notes 5.1 and 5.5 below)	**446,120**	752,100
Public issue of Non–Convertible Debentures (Refer notes 5.2 and 5.6 below)	**28,818**	28,818
Unsecured		
Non–Convertible Subordinated Debentures (Refer note 5.7 and 5.10 below) [Net of unamortised discount of ₹ 1,299 lakh (as at March 31, 2016 : ₹ 1,706 lakh)]	**180,746**	158,839
Non–Convertible Perpetual Debentures (Refer note 5.8 below)	**60,000**	50,000
Privately Placed Non–Convertible Debentures (Refer note 5.9 below)	**70,000**	35,000
(b) Term loans		
Secured		
From Banks (Refer notes 5.3 and 5.4 below)	**30,000**	90,000
Unsecured		
From Banks (Refer note 5.4 below)	**1,30,000**	70,000
(c) Other loans and advances		
Unsecured		
Inter Corporate Deposits from others	**–**	715
Total	**945,684**	**1,185,472**

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 ₹ 216,000 lakh (Previous Year: ₹ 245,000 lakh) are repayable at maturity ranging between 15 and 37 months from the date of respective loan. Rate of interest payable on term loan varies between 7.95 % to 9.15%. (Previous Year : 9.30 % to 10.00%)

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

5.5. Particulars of Privately Placed Secured Non–Convertible Debentures ("NCDs") outstanding as on March 31, 2017

(₹ in lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2017*		As on March 31, 2016*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL NCD AF FY 2014-15-Option-I	8-Dec-14	6-Dec-24	600	6,000	600	6,000
TCFSL NCD AF FY 2014-15-Option-I	8-Dec-14	6-Dec-24	150	1,500	150	1,500
TCFSL NCD AA FY 2014-15	20-Nov-14	20-Nov-24	950	9,500	950	9,500
TCFSL NCD 'AH' FY 2012-13	5-Sep-12	5-Sep-22	500	5,000	500	5,000
TCFSL NCD "AL" FY 2016-17	31-Mar-17	31-Mar-22	400	4,000	-	-
TCFSL NCD "AG" FY 2016-17	28-Dec-16	28-Dec-21	2,720	27,200	-	-
TCFSL NCD 'G' FY 2016-17	30-May-16	28-May-21	500	2,000	-	-
TCFSL NCD "AB" FY 2015-16	21-Mar-16	19-Mar-21	100	1,000	100	1,000
TCFSL NCD "AA" FY 2015-16	16-Mar-16	16-Mar-21	70	700	70	700
TCFSL NCD "X" FY 2015-16	16-Dec-15	16-Dec-20	100	1,000	100	1,000
TCFSL NCD "U" FY 2016-17	26-Aug-16	1-Jul-20	150	1,500	-	-
TCFSL NCD "E" FY 2015-16	5-May-15	5-May-20	3,300	33,000	3,300	33,000
TCFSL NCD "AJ" FY 2016-17	1-Mar-17	28-Feb-20	250	2,500	-	-
TCFSL NCD "I" FY 2016-17 Option - II	10-Jun-16	23-Dec-19	130	1,300	-	-
TCFSL NCD "AE" FY 2016-17	16-Nov-16	16-Dec-19	750	7,500	-	-
TCFSL NCD "AD" FY 2016-17	10-Nov-16	10-Dec-19	230	2,300	-	-
TCFSL NCD "AC" FY 2016-17	27-Oct-16	25-Oct-19	350	3,500	-	-
TCFSL NCD "V" FY 2016-17 - Option II	31-Aug-16	30-Aug-19	250	2,500	-	-
TCFSL NCD "T" FY 2016-17	25-Aug-16	23-Aug-19	250	2,500	-	-
TCFSL NCD "P" FY 2016-17	29-Jul-16	29-Jul-19	100	1,000	-	-
TCFSL NCD "O" FY 2016-17	19-Jul-16	19-Jul-19	250	2,500	-	-
TCFSL NCD "N" FY 2016-17	12-Jul-16	12-Jul-19	2,000	20,000	-	-
TCFSL NCD C FY 2014-15 - Option-II	9-Jul-14	9-Jul-19	350	3,500	350	3,500
TCFSL NCD "I" FY 2016-17- Option I	10-Jun-16	24-Jun-19	250	2,500	-	-
TCFSL NCD "F" FY 2016-17	24-May-16	24-May-19	250	2,500	-	-
TCFSL NCD "Z" FY 2015-16	5-Feb-16	3-May-19	1,000	10,000	1,000	10,000
TCFSL NCD "D" FY 2016-17	20-Apr-16	19-Apr-19	100	1,000	-	-
TCFSL NCD "AC" FY 2015-16	31-Mar-16	18-Apr-19	213	2,130	213	2,130
TCFSL NCD "B" FY 2016-17	7-Apr-16	8-Apr-19	200	2,000	-	-
TCFSL NCD "AK" FY 2016-17	27-Mar-17	27-Mar-19	190	1,900	-	-
TCFSL NCD "AA" FY 2016-17	6-Oct-16	18-Mar-19	500	5,000	-	-
TCFSL NCD "X" FY 2016-17	8-Sep-16	8-Mar-19	2,500	25,000	-	-
TCFSL NCD "AI" FY 2016-17	8-Feb-17	4-Mar-19	1,000	10,000	-	-
TCFSL NCD "AH" FY 2016-17	6-Feb-17	6-Feb-19	1,500	15,000	-	-
TCFSL NCD "Y" FY 2015-16	8-Jan-16	8-Jan-19	250	2,500	250	2,500
TCFSL NCD "AF" FY 2016-17	29-Nov-16	29-Nov-18	3,000	30,000	-	-
TCFSL NCD AA FY 2011-12	21-Oct-11	21-Oct-18	150	1,500	150	1,500
TCFSL NCD "AB" FY 2016-17	14-Oct-16	12-Oct-18	5,450	54,500	-	-
TCFSL NCD R FY 2011-12	23-Sep-11	23-Sep-18	100	1,000	100	1,000
TCFSL NCD "W" FY 2016-17	6-Sep-16	6-Sep-18	2,500	25,000	-	-
TCFSL NCD "V" FY 2016-17 - Option I	31-Aug-16	31-Aug-18	300	3,000	-	-
TCFSL NCD "S" FY 2015-16	26-Aug-15	24-Aug-18	250	2,500	250	2,500
TCFSL NCD O FY 2013-14	20-Aug-13	20-Aug-18	430	4,300	430	4,300
TCFSL NCD M FY 2011-12	17-Aug-11	17-Aug-18	40	400	100	1,000

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

5.5 Particulars of Privately Placed Secured Non–Convertible Debentures ("NCDs") outstanding as on March 31, 2017 (Contd...)

(₹ in lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2017*		As on March 31, 2016*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL NCD "S" FY 2016-17	16-Aug-16	16-Aug-18	750	7,500	-	-
TCFSL NCD "R" FY 2016-17	12-Aug-16	13-Aug-18	250	2,500	-	-
TCFSL NCD "Q" FY 2016-17	2-Aug-16	2-Aug-18	1,500	15,000	-	-
TCFSL NCD 'Q' FY 2015-16	13-Jul-15	13-Jul-18	50	500	50	500
TCFSL NCD "L" FY 2015-16	22-Jun-15	22-Jun-18	3,800	38,000	4,000	40,000
TCFSL NCD G FY 2013-14	22-May-13	22-May-18	2,000	20,000	2,000	20,000
TCFSL NCD H FY 2013-14	22-May-13	22-May-18	250	2,500	250	2,500
TCFSL NCD D FY 2013-14	7-May-13	7-May-18	200	2,000	200	2,000
TCFSL NCD E FY 2013-14	7-May-13	7-May-18	500	5,000	500	5,000
TCFSL NCD A FY 2013-14 - 0ption-I	23-Apr-13	23-Apr-18	850	8,500	850	8,500
TCFSL NCD AK FY 2014-15-Option-II	15-Jan-15	5-Apr-18	59	590	59	590
TCFSL NCD AX FY 2014-15-Option-II	20-Mar-15	3-Apr-18	80	800	80	800
TCFSL NCD BF FY 2012-13	26-Mar-13	26-Mar-18	50	500	50	500
TCFSL NCD "J" FY 2016-17- Option I	15-Jun-16	26-Mar-18	300	3,000	-	-
TCFSL NCD "Y" FY 2016-17	30-Sep-16	26-Mar-18	1,500	15,000	-	-
TCFSL NCD "Z" FY 2016-17	4-Oct-16	26-Mar-18	3,500	35,000	-	-
TCFSL NCD "AY" FY 2014-15-Option-I	24-Mar-15	23-Mar-18	150	1,500	150	1,500
TCFSL NCD "A" FY 2016-17	5-Apr-16	20-Mar-18	1,250	12,500	-	-
TCFSL NCD "E" FY 2016-17	22-Apr-16	20-Mar-18	700	7,000	-	-
TCFSL NCD "C" FY 2016-17	13-Apr-16	15-Mar-18	2,500	25,000	-	-
TCFSL NCD AV FY 2014-15 - Option-II	10-Mar-15	9-Mar-18	500	5,000	500	5,000
TCFSL NCD AT FY 2014-15 - Option-I	2-Mar-15	2-Mar-18	650	6,500	650	6,500
TCFSL NCD AQ FY 2014-15	20-Feb-15	12-Feb-18	60	600	60	600
TCFSL NCD AP FY 2014-15-Option-I	4-Feb-15	2-Feb-18	500	5,000	500	5,000
TCFSL NCD AN FY 2014-15	29-Jan-15	29-Jan-18	3,000	30,000	3,000	30,000
TCFSL NCD AL FY 2014-15	20-Jan-15	24-Jan-18	210	2,100	210	2,100
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 'AZ' FY 2012-13	22-Jan-13	22-Jan-18	3,000	30,000	3,000	30,000
TCFSL NCD AX FY 2012-13	16-Jan-13	16-Jan-18	650	6,500	650	6,500
TCFSL NCD AK FY 2014-15-Option-I	15-Jan-15	15-Jan-18	97	970	97	970
TCFSL NCD AJ FY 2014-15	14-Jan-15	10-Jan-18	162	1,620	162	1,620
TCFSL NCD "L" FY 2016-17	7-Jul-16	8-Jan-18	250	2,500	-	-
TCFSL NCD AH FY 2014-15-Option-III	16-Dec-14	4-Jan-18	90	900	90	900
TCFSL NCD "K" FY 2016-17	24-Jun-16	26-Dec-17	250	2,500	-	-
TCFSL NCD "J" FY 2016-17- Option II	15-Jun-16	15-Dec-17	250	2,500	-	-
TCFSL NCD AF FY 2014-15-Option-III	8-Dec-14	8-Dec-17	50	500	50	500
TCFSL NCD AS FY 2012-13	5-Dec-12	5-Dec-17	250	2,500	250	2,500
TCFSL NCD AB FY 2014-15-Option-III	21-Nov-14	29-Nov-17	150	1,500	150	1,500
TCFSL NCD AB FY 2014-15-Option-II	21-Nov-14	27-Nov-17	200	2,000	200	2,000
TCFSL NCD X FY 2014-15 - Option -II	14-Nov-14	24-Nov-17	150	1,500	150	1,500
TCFSL NCD Y FY 2014-15	18-Nov-14	20-Nov-17	100	1,000	100	1,000
TCFSL NCD AB FY 2014-15-Option-I	21-Nov-14	20-Nov-17	380	3,800	380	3,800
TCFSL NCD Z FY 2014-15	19-Nov-14	15-Nov-17	740	7,400	740	7,400
TCFSL NCD AQ FY 2012-13	12-Nov-12	10-Nov-17	300	3,000	300	3,000

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

5.5 Particulars of Privately Placed Secured Non–Convertible Debentures (“NCDs”) outstanding as on March 31, 2017 (Contd...)

(₹ in lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2017*		As on March 31, 2016*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL NCD "W" FY 2015-16	10-Nov-15	10-Nov-17	200	2,000	200	2,000
TCFSL NCD AJ FY 2012-13	9-Nov-12	9-Nov-17	5,000	50,000	5,000	50,000
TCFSL NCD U FY 2014-15	21-Oct-14	20-Oct-17	100	1,000	100	1,000
TCFSL NCD "V" FY 2015-16	21-Oct-15	20-Oct-17	1,000	10,000	1,000	10,000
TCFSL NCD T FY 2014-15 - Option -III	13-Oct-14	18-Oct-17	100	1,000	100	1,000
TCFSL NCD S FY 2014-15 - Option -I	9-Oct-14	9-Oct-17	50	500	50	500
TCFSL NCD R FY 2014-15 - Option -III	30-Sep-14	29-Sep-17	50	500	50	500
TCFSL NCD R FY 2014-15 - Option -II	30-Sep-14	28-Sep-17	100	1,000	100	1,000
TCFSL NCD 'U' FY 2015-16	28-Sep-15	28-Sep-17	2,000	20,000	2,000	20,000
TCFSL NCD S FY 2014-15 - Option -V	9-Oct-14	27-Sep-17	22	220	22	220
TCFSL NCD T FY 2014-15 - Option -V	13-Oct-14	26-Sep-17	250	2,500	250	2,500
TCFSL NCD T FY 2014-15 - Option -I	13-Oct-14	20-Sep-17	1,500	15,000	1,500	15,000
TCFSL NCD AG FY 2012-13	10-Sep-12	8-Sep-17	100	1,000	100	1,000
TCFSL NCD "M" FY 2016-17	8-Jul-16	8-Sep-17	1,500	15,000	-	-
TCFSL NCD M FY 2014-15	4-Sep-14	4-Sep-17	500	5,000	500	5,000
TCFSL NCD L FY 2014-15 - Option- I	1-Sep-14	1-Sep-17	4,000	40,000	4,000	40,000
TCFSL NCD R FY 2013-14	26-Aug-13	25-Aug-17	300	3,000	300	3,000
TCFSL NCD M FY 2011-12 - Partial Redemption	17-Aug-11	17-Aug-17	30	300	-	-
TCFSL NCD "H" FY 2016-17	7-Jun-16	10-Aug-17	400	4,000	-	-
TCFSL NCD AE FY 2012-13	9-Aug-12	9-Aug-17	200	2,000	200	2,000
TCFSL NCD 'R' FY 2015-16	31-Jul-15	31-Jul-17	1,570	15,700	1,570	15,700
TCFSL NCD "H" FY 2015-16 Option - I	15-May-15	17-Jul-17	1,270	12,700	1,270	12,700
TCFSL NCD F FY 2014-15	14-Jul-14	14-Jul-17	100	1,000	100	1,000
TCFSL NCD C FY 2014-15 - Option-I	9-Jul-14	10-Jul-17	250	2,500	250	2,500
TCFSL NCD 'O' FY 2015-16 Option II	7-Jul-15	7-Jul-17	250	2,500	250	2,500
TCFSL NCD 'P' FY 2015-16	9-Jul-15	7-Jul-17	2,500	25,000	2,500	25,000
TCFSL NCD "M" FY 2015-16 - Option I	24-Jun-15	23-Jun-17	1,000	10,000	1,000	10,000
TCFSL NCD "M" FY 2015-16 - Option II	24-Jun-15	23-Jun-17	750	7,500	750	7,500
TCFSL NCD "M" FY 2015-16 - Option III	24-Jun-15	23-Jun-17	750	7,500	750	7,500
TCFSL NCD 'O' FY 2015-16 Option I	7-Jul-15	23-Jun-17	2,500	25,000	2,500	25,000
TCFSL NCD "H" FY 2015-16 Option - V	15-May-15	20-Jun-17	187	1,870	187	1,870
TCFSL NCD "I" FY 2015-16 Option - V	22-May-15	20-Jun-17	67	670	67	670
TCFSL NCD "K" FY 2015-16	9-Jun-15	9-Jun-17	5,000	50,000	5,000	50,000
TCFSL NCD "C" FY 2015-16 OPTION-IV	22-Apr-15	1-Jun-17	340	3,400	340	3,400
TCFSL NCD "H" FY 2015-16 Option - VI	15-May-15	1-Jun-17	175	1,750	175	1,750
TCFSL NCD "I" FY 2015-16 Option - I	22-May-15	1-Jun-17	1,273	12,730	1,273	12,730
TCFSL NCD "G" FY 2015-16 - Option I	13-May-15	24-May-17	350	3,500	350	3,500
TCFSL NCD "J" FY 2015-16 - Option II	26-May-15	24-May-17	5,250	52,500	5,250	52,500
TCFSL NCD "H" FY 2015-16 Option - IV	15-May-15	24-May-17	220	2,200	220	2,200
TCFSL NCD "B" FY 2015-16	20-Apr-15	22-May-17	1,026	10,260	1,026	10,260
TCFSL NCD "H" FY 2015-16 Option - II	15-May-15	22-May-17	780	7,800	780	7,800
TCFSL NCD "I" FY 2015-16 Option - II	22-May-15	17-May-17	200	2,000	200	2,000
TCFSL NCD "H" FY 2015-16 Option - VIII	15-May-15	15-May-17	100	1,000	100	1,000
TCFSL NCD "H" FY 2015-16 Option - III	15-May-15	12-May-17	250	2,500	250	2,500
TCFSL NCD AU FY 2014-15-Option-III	5-Mar-15	2-May-17	110	1,100	110	1,100

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

5.5 Particulars of Privately Placed Secured Non–Convertible Debentures (“NCDs”) outstanding as on March 31, 2017 (Contd...)

(₹ in lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2017*		As on March 31, 2016*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL NCD "G" FY 2015-16 - Option II	13-May-15	27-Apr-17	90	900	90	900
TCFSL NCD "C" FY 2015-16 OPTION-III	22-Apr-15	25-Apr-17	850	8,500	850	8,500
TCFSL NCD "C" FY 2015-16 OPTION-II	22-Apr-15	20-Apr-17	70	700	70	700
TCFSL NCD "C" FY 2015-16 OPTION-I	22-Apr-15	19-Apr-17	326	3,260	326	3,260
TCFSL NCD "D" FY 2015-16 OPTION-II	24-Apr-15	18-Apr-17	88	880	88	880
TCFSL NCD "A" FY 2015-16	15-Apr-15	11-Apr-17	180	1,800	180	1,800
TCFSL NCD "H" FY 2015-16 Option - VII	15-May-15	11-Apr-17	120	1,200	120	1,200
TCFSL NCD AU FY 2014-15-Option-I	5-Mar-15	10-Apr-17	115	1,150	115	1,150
TCFSL NCD "D" FY 2015-16 OPTION-IV	24-Apr-15	5-Apr-17	510	5,100	510	5,100
TCFSL NCD "D" FY 2015-16 OPTION-I	24-Apr-15	3-Apr-17	640	6,400	640	6,400
TCFSL NCD "D" FY 2015-16 OPTION-III	24-Apr-15	3-Apr-17	190	1,900	190	1,900
TCFSL NCD AG FY 2014-15-Option-II	10-Dec-14	24-Mar-17	-	-	250	2,500
TCFSL NCD "AY" FY 2014-15-Option-II	24-Mar-15	24-Mar-17	-	-	250	2,500
TCFSL NCD "AW" FY 2014-15	18-Mar-15	17-Mar-17	-	-	3,000	30,000
TCFSL NCD "AX" FY 2014-15-Option-I	20-Mar-15	16-Mar-17	-	-	187	1,870
TCFSL NCD AV FY 2014-15 - Option-I	10-Mar-15	10-Mar-17	-	-	5,550	55,500
TCFSL NCD X FY 2013-14	16-Sep-13	6-Mar-17	-	-	220	2,200
TCFSL NCD AU FY 2014-15-Option-II	5-Mar-15	2-Mar-17	-	-	126	1,260
TCFSL NCD AS FY 2014-15	27-Feb-15	27-Feb-17	-	-	100	1,000
TCFSL NCD AT FY 2014-15-Option-II	2-Mar-15	27-Feb-17	-	-	170	1,700
TCFSL NCD AR FY 2014-15 - Option-III	26-Feb-15	23-Feb-17	-	-	250	2,500
TCFSL NCD AR FY 2014-15-Option-II	26-Feb-15	23-Feb-17	-	-	100	1,000
TCFSL NCD "I" FY 2015-16 Option - III	22-May-15	20-Feb-17	-	-	150	1,500
TCFSL NCD AR FY 2014-15-Option-I	26-Feb-15	16-Feb-17	-	-	325	3,250
TCFSL NCD P FY 2013-14	22-Aug-13	15-Feb-17	-	-	500	5,000
TCFSL NCD AP FY 2014-15-Option-II	4-Feb-15	3-Feb-17	-	-	100	1,000
TCFSL NCD AO FY 2014-15	2-Feb-15	2-Feb-17	-	-	500	5,000
TCFSL NCD "H" FY 2015-16 Option - IX	15-May-15	23-Jan-17	-	-	217	2,170
TCFSL NCD "J" FY 2015-16 Option - I	26-May-15	23-Jan-17	-	-	70	700
TCFSL NCD AI FY 2014-15	13-Jan-15	19-Jan-17	-	-	110	1,100
TCFSL NCD AK FY 2014-15-Option-III	15-Jan-15	12-Jan-17	-	-	880	8,800
TCFSL NCD "F" FY 2015-16	8-May-15	9-Jan-17	-	-	150	1,500
TCFSL NCD "I" FY 2015-16 Option - IV	22-May-15	28-Dec-16	-	-	100	1,000
TCFSL NCD AH FY 2014-15-Option-II	16-Dec-14	15-Dec-16	-	-	40	400
TCFSL NCD AG FY 2014-15-Option-I	10-Dec-14	9-Dec-16	-	-	50	500
TCFSL NCD AF FY 2014-15-Option-II	8-Dec-14	8-Dec-16	-	-	170	1,700
TCFSL NCD AH FY 2014-15-Option-I	16-Dec-14	6-Dec-16	-	-	151	1,510
TCFSL NCD AJ FY 2013-14	13-Dec-13	5-Dec-16	-	-	45	450
TCFSL NCD AE FY 2014-15-Option-I	4-Dec-14	2-Dec-16	-	-	1,500	15,000
TCFSL NCD AE FY 2014-15-Option-III	4-Dec-14	30-Nov-16	-	-	130	1,300
TCFSL NCD AE FY 2014-15-Option-II	4-Dec-14	29-Nov-16	-	-	164	1,640
TCFSL NCD AC FY 2013-14	8-Nov-13	11-Nov-16	-	-	55	550
TCFSL NCD W FY 2014-15 - Option -II	12-Nov-14	11-Nov-16	-	-	100	1,000
TCFSL NCD AM FY 2011-12	10-Nov-11	10-Nov-16	-	-	100	1,000
TCFSL NCD AF FY 2013-14	2-Dec-13	7-Nov-16	-	-	50	500

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

5.5 Particulars of Privately Placed Secured Non–Convertible Debentures (“NCDs”) outstanding as on March 31, 2017 (Contd...)

(₹ in lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2017*		As on March 31, 2016*	
			Number of NCDs	₹ in lakh	Number of NCDs	₹ in lakh
TCFSL NCD V FY 2014-15 - Option -II	27-Oct-14	27-Oct-16	-	-	500	5,000
TCFSL NCD L FY 2014-15 - Option- II	1-Sep-14	26-Oct-16	-	-	85	850
TCFSL NCD V FY 2014-15 - Option -I	27-Oct-14	20-Oct-16	-	-	145	1,450
TCFSL NCD T FY 2014-15 - Option -IV	13-Oct-14	18-Oct-16	-	-	150	1,500
TCFSL NCD S FY 2014-15 - Option -IV	9-Oct-14	17-Oct-16	-	-	40	400
TCFSL NCD O FY 2014-15	12-Sep-14	5-Oct-16	-	-	320	3,200
TCFSL NCD K FY 2014-15 - Option-I	7-Aug-14	29-Sep-16	-	-	100	1,000
TCFSL NCD 'T' FY 2015-16	3-Sep-15	27-Sep-16	-	-	65	650
TCFSL NCD S FY 2014-15 - Option -III	9-Oct-14	26-Sep-16	-	-	100	1,000
TCFSL NCD Q FY 2014-15	24-Sep-14	23-Sep-16	-	-	100	1,000
TCFSL NCD S FY 2014-15 - Option -II	9-Oct-14	21-Sep-16	-	-	103	1,030
TCFSL NCD 'Q' FY 2015-16	13-Jul-15	20-Sep-16	-	-	110	1,100
TCFSL NCD "I" FY 2015-16 Option - VI	22-May-15	20-Sep-16	-	-	65	650
TCFSL NCD P FY 2014-15	19-Sep-14	14-Sep-16	-	-	100	1,000
TCFSL NCD N FY 2014-15	10-Sep-14	12-Sep-16	-	-	85	850
TCFSL NCD Y FY 2013-14	24-Sep-13	8-Sep-16	-	-	400	4,000
TCFSL NCD U FY 2013-14	3-Sep-13	2-Sep-16	-	-	250	2,500
TCFSL NCD V FY 2013-14	5-Sep-13	2-Sep-16	-	-	50	500
TCFSL NCD W FY 2013-14	13-Sep-13	2-Sep-16	-	-	30	300
TCFSL NCD T FY 2013-14	3-Sep-13	30-Aug-16	-	-	62	620
TCFSL NCD S FY 2013-14	30-Aug-13	22-Aug-16	-	-	99	990
TCFSL NCD Q FY 2013-14	23-Aug-13	8-Aug-16	-	-	40	400
TCFSL NCD J FY 2014-15	6-Aug-14	4-Aug-16	-	-	100	1,000
TCFSL NCD K FY 2014-15 - Option-II	7-Aug-14	4-Aug-16	-	-	210	2,100
TCFSL NCD I FY 2014-15 - Option-II	4-Aug-14	2-Aug-16	-	-	250	2,500
TCFSL NCD I FY 2014-15 -Option-I	4-Aug-14	2-Aug-16	-	-	650	6,500
TCFSL NCD K FY 2014-15 - Option-III	7-Aug-14	1-Aug-16	-	-	70	700
TCFSL NCD G FY 2014-15	16-Jul-14	27-Jul-16	-	-	144	1,440
TCFSL NCD "N" FY 2015-16	26-Jun-15	25-Jul-16	-	-	1,500	15,000
TCFSL NCD D FY 2014-15	10-Jul-14	8-Jul-16	-	-	2,500	25,000
TCFSL NCD B FY 2014-15	20-Jun-14	21-Jun-16	-	-	250	2,500
TCFSL NCD A FY 2014-15 - Option-I	26-May-14	26-May-16	-	-	800	8,000
TCFSL NCD BE FY 2012-13	12-Mar-13	10-May-16	-	-	30	300
TCFSL NCD AP FY 2014-15-Option-III	6-Feb-15	6-May-16	-	-	1,000	10,000
TCFSL NCD A FY 2011-12	27-Apr-11	27-Apr-16	-	-	370	3,700
TCFSL NCD AM FY 2014-15	23-Jan-15	22-Apr-16	-	-	250	2,500
TCFSL NCD AD FY 2014-15	2-Dec-14	13-Apr-16	-	-	1,000	10,000
TOTAL				**1,156,500**		**1,031,930**
Of which current maturities classified under "Current liabilities" in note 10				**(710,380)**		**(279,830)**
TOTAL				**446,120**		**752,100**

*Note : Coupon rate of “NCDs” outstanding as on March 31, 2017 varies from 7.58% to 10.75% (Previous Year : 8.40% to 11.25%)

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

5.6. Particulars of Public issue of Secured Non–Convertible Debentures outstanding as on March 31, 2017

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

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

Particulars of Public issue of Secured Non–Convertible Debentures outstanding as on March 31, 2017

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

Note : Coupon rate of above outstanding as on March 31, 2016 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, 2017

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

*Net of unamortised discount of ₹1,299 lakh

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

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

Description of NCD	Issue Date	Redemption Date	Number of NCDs	₹ in lakh*
TCFSL Tier II Bond 'B' FY 2015-16	30-Mar-16	30-Mar-26	2,000	20,000
TCFSL Tier II Bond 'A' FY 2015-16	22-Jul-15	22-Jul-25	900	9,000
TCFSL Tier II Bond 'D' FY 2014-15	31-Mar-15	31-Mar-25	2,000	20,000
TCFSL Tier II Bond 'C' FY 2014-15	30-Jan-15	30-Jan-25	750	7,500
TCFSL Tier II Bond 'B' FY 2014-15	7-Jan-15	7-Jan-25	350	3,500
TCFSL Tier II Bond 'A' FY 2014-15	26-Sep-14	26-Sep-24	1,000	10,000
TCL Tier II Bond 'H' FY 2009-10	24-Dec-09	24-Dec-19	1,000	5,000
TCL Tier II Bond 'G' FY 2009-10	18-Dec-09	18-Dec-19	3,000	15,000
TCL Tier II Bond 'E' FY 2009-10	15-Dec-09	15-Dec-19	5,725	28,625
TCL Tier II Bond F FY 2009-10	30-Nov-09	30-Nov-19	1,135	3,969
TCL Tier II Bond 'D' FY 2009-10	28-Oct-09	28-Oct-19	1,479	7,395
TCL Tier II Bond 'C' FY 2009-10	28-Oct-09	28-Oct-19	1,580	7,900
TCL Tier II Bond 'B' FY 2009-10	9-Sep-09	9-Sep-19	1,704	17,040
TCL Tier II Bond 'A' FY 2009-10	4-Aug-09	4-Aug-19	391	3,910
Total				**158,839**

*Net of unamortised discount of ₹ 1,706 lakh

Note : Coupon rate of above outstanding as on March 31, 2016 varies from 9.17% to 10.50%

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

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

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
TCFSL Perpetual A FY 2015-16	16-Jul-15	1000	10,000
TCFSL Perpetual B FY 2015-16	6-Jan-16	500	5,000
TCFSL Perpetual C FY 2015-16	2-Feb-16	500	5,000
TCFSL Perpetual D FY 2015-16	9-Feb-16	1000	10,000
TCFSL Perpetual E FY 2015-16	23-Mar-16	1000	10,000
TCFSL Perpetual 'A' FY 2016-17	30-Jun-16	500	5,000
TCFSL Perpetual 'B' FY 2016-17	13-Jan-17	100	1,000
TCFSL Perpetual 'C' FY 2016-17	8-Mar-17	400	4,000
Total			**60,000**

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

Particulars of unsecured non convertible perpetual debentures outstanding as on March 31, 2016

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
TCFSL Perpetual A FY 2015-16	16-Jul-15	1000	10,000
TCFSL Perpetual B FY 2015-16	6-Jan-16	500	5,000
TCFSL Perpetual C FY 2015-16	2-Feb-16	500	5,000
TCFSL Perpetual D FY 2015-16	9-Feb-16	1000	10,000
TCFSL Perpetual E FY 2015-16	23-Mar-16	1000	10,000
Total			**50,000**

Note : Coupon rate of above outstanding as on March 31, 2016 varies from 9.80% to 11.25%

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Funds Raised through Perpetual Debt Instruments	10,000	40,000
Amount outstanding at the end of year	60,000	50,000
Percentage of amount of Perpetual Debt Instruments of the amount of Tier I Capital	15.00%	13.93%
Financial year in which interest on Perpetual Debt Instruments is not paid on account of 'Lock–In Clause'.	N.A.	

5.9. Particulars of Privately Placed Unsecured Non–Convertible Debentures ("NCDs") outstanding as on March 31, 2017

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

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

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

Description of NCD	Issue Date	Redemption Date	Number of NCDs	₹ in lakh
TCFSL Unsecured NCD A FY 2015-16	12-Aug-15	10-Aug-18	2000	20,000
TCFSL Unsecured NCD B FY 2015-16 Option-I	1-Sep-15	1-Sep-17	1500	15,000
TCFSL Unsecured NCD B FY 2015-16 Option-II	1-Sep-15	1-Mar-17	1500	15,000
TOTAL				**50,000**
Of which current maturities classified under "Current liabilities" in note 10				**(15,000)**
Total				**35,000**

Note : Coupon rate of above outstanding as on March 31, 2016 varies from 8.80% to 8.91%

5.10. Unsecured redeemable Non–convertible subordinated debentures includes the debentures issued to Key Management Personnel of ₹ 20 lakh (Previous Year : ₹ 20 lakh).

6. OTHER LONG–TERM LIABILITIES

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Interest accrued but not due on borrowings	**4,317**	9,897
(b) Income received in advance	**215**	295
(c) Sundry liabilities account (interest capitalisation)	**2,487**	3,321
Total	**7,019**	**13,513**

7. LONG–TERM PROVISIONS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits	**158**	413
(b) Contingent provision against Standard Assets (Refer note 33)	**5,160**	4,035
Total	**5,318**	**4,448**

8. SHORT–TERM BORROWINGS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Loans repayable on demand		
Secured		
From Banks		
(i) Working capital demand loan (Refer note 5.3 above)	**75,000**	57,000
(ii) Bank Overdraft (Refer note 5.3 above)	**301,969**	337,109
Unsecured		
From Banks		
(i) Working capital demand loan	**11,200**	2,200
(b) Collateralised Borrowings and Lending Obligations (CBLO) (Secured) [Net of unamortised discount of ₹ Nil (as at March 31, 2016: ₹ 29 lakh)] (Refer notes 8.2 and 8.3 below)	**–**	47,971
(c) Terms loans		
Secured		
From Banks (Refer notes 5.3 and 5.4 above)	**6,000**	–
(d) Other loans and advances		
Unsecured		
(i) Commercial paper (Refer note 8.1 below) [Net of unamortised discount of ₹ 9,868 lakh (as at March 31, 2016 : ₹ 6,563 lakh)]	**567,632**	478,437
(ii) Inter Corporate Deposits from Related Parties (Refer note 30)	**44,829**	50,552
Total	**1,006,630**	**973,269**

Notes

8.1. Discount on commercial paper varies between 6.66 % to 8.61% (Previous year : 8.4% to 9.3%)

8.2. Discount on Collateralised Borrowings and Lending Obligations (CBLO) is nill (Previous year: 7.3%)

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

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

9. TRADE PAYABLES

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Others		
(i) Accrued employee benefit expenses	4,321	3,497
(ii) Accrued expenses	16,170	10,349
(iii) Payable to Related Parties	-	161
(iv) Payable to Dealers / Vendors	26,571	21,868
(v) Others	1,623	1,833
Total	**48,685**	**37,708**

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

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

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(i) Amounts outstanding but not due as at year end	-	-
(ii) Amounts due but unpaid as at year end	-	-
(iii) Amounts paid after appointed date during the year	-	-
(iv) Amount of interest accrued and unpaid as at year end	-	-
(v) 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, 2017	As at March 31, 2016
(a) Current maturities of long–term debt		
(i) Debentures		
Secured	**710,380**	279,830
Privately Placed Non–Convertible Debentures		
(Refer notes 5.1 and 5.5 above)		
Unsecured	**15,000**	15,000
Privately Placed Non–Convertible Debentures		
(Refer note 5.9 above)		
(ii) Term Loans		
Secured		
From Banks (Refer note 5.4 above)	**50,000**	25,000
Unsecured		
From Banks (Refer notes 5.3 and 5.4 above)	**–**	60,000
(iii) Other Loans and Advances		
Unsecured		
Inter-Corporate Deposits from Others	**715**	–
(b) Interest accrued but not due on borrowings	**81,149**	67,021
(c) Income received in advance	**1,113**	1,718
(d) Unclaimed matured debenture application money and interest accrued thereon	**53**	51
(e) Other payables		
(i) Security deposit	**22,475**	13,186
(ii) Statutory dues	**1,305**	1,646
(iii) Payable for capital expenditure	**908**	2,362
(iv) Advances from customers	**1,403**	4,921
(v) Sundry liabilities account (interest capitalisation)	**2,058**	1,627
(vi) Amount payable - asigned loans	**5,727**	–
(vii) Others	**595**	496
Total	**892,881**	**472,858**

11. SHORT–TERM PROVISIONS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits	**875**	618
(b) Provision – Others		
(i) Contingent Provision against Standard Assets (Refer note 33)	**6,431**	4,548
(ii) Provision for tax, [Net of advance tax ₹ 29,481 lakh (as at March 31, 2016 ₹ 11,123 lakh)]	**8,575**	7,316
Total	**15,881**	**12,482**

12. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakh)

PARTICULARS	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2016	Additions/ Adjustments	Deletions	Written off during the year*	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing Balance as at March 31, 2017	As at March 31, 2017
TANGIBLE ASSETS										
Buildings	4,975	-	-	-	4,975	1,098	200	-	1,298	3,677
	4,975	*-*	*-*	*-*	*4,975*	*898*	*200*	*-*	*1,098*	*3,877*
Leasehold Improvements	4,191	338	975	-	3,554	2,343	424	914	1,853	1,701
	3,519	*816*	*144*	*-*	*4,191*	*2,055*	*406*	*118*	*2,343*	*1,848*
Furniture & Fixtures	1,190	211	220	-	1,181	716	136	163	689	492
	982	*237*	*29*	*-*	*1,190*	*564*	*170*	*18*	*716*	*474*
Computer Equipment	945	1,579	117	-	2,407	614	292	117	789	1,618
	551	*394*	*-*	*-*	*945*	*551*	*63*	*-*	*614*	*331*
Office Equipment	1,580	318	138	-	1,760	1,238	155	115	1,278	482
	1,214	*385*	*19*	*-*	*1,580*	*897*	*360*	*19*	*1,238*	*342*
Plant & Machinery	668	-	148	-	520	319	64	120	263	257
	576	*105*	*13*	*-*	*668*	*258*	*69*	*8*	*319*	*349*
Vehicles	1,000	266	332	-	934	575	209	302	482	452
	1,043	*270*	*313*	*-*	*1,000*	*607*	*237*	*269*	*575*	*425*
ASSETS GIVEN UNDER OPERATING LEASE / RENTAL										
Construction Equipment	22,843	1,435	231	-	24,047	6,905	2,894	51	9,748	14,299
	21,113	*2,126*	*396*	*-*	*22,843*	*4,653*	*2,466*	*214*	*6,905*	*15,938*
Vehicles	4,769	793	2,065	-	3,497	2,797	798	1,679	1,916	1,581
	7,115	*230*	*2,576*	*-*	*4,769*	*3,432*	*1,250*	*1,885*	*2,797*	*1,972*
Plant & Machinery	13,642	12,432	108	-	25,966	2,153	2,214	20	4,347	21,619
	7,354	*6,288*	*-*	*-*	*13,642*	*1,120*	*1,033*	*-*	*2,153*	*11,489*
Computer Equipment	22,812	7,423	8,368	-	21,867	8,222	4,687	3,942	8,967	12,900
	20,163	*5,367*	*2,718*	*-*	*22,812*	*4,873*	*4,511*	*1,162*	*8,222*	*14,590*
Furniture & Fixtures	635	411	-	-	1,046	126	86	-	212	834
	530	*105*	*-*	*-*	*635*	*65*	*61*	*-*	*126*	*509*
Office Equipments	2,607	299	195	-	2,711	862	769	165	1,466	1,245
	1,080	*1,527*	*-*	*-*	*2,607*	*340*	*522*	*-*	*862*	*1,745*
Railway Wagons	8,265	7,754	-	-	16,019	223	963	-	1,186	14,833
	-	*8,265*	*-*	*-*	*8,265*	*-*	*223*	*-*	*223*	*8,042*
Electrical Installation & Equipments	289	887	-	-	1,176	2	112	-	114	1,062
	-	*289*	*-*	*-*	*289*	*-*	*2*	*-*	*2*	*287*
TANGIBLE ASSETS – TOTAL	**90,411**	**34,146**	**12,897**	**-**	**111,660**	**28,193**	**14,003**	**7,588**	**34,608**	**77,052**
	70,215	*26,404*	*6,208*	*-*	*90,411*	*20,313*	*11,573*	*3,693*	*28,193*	*62,218*
INTANGIBLE ASSETS (other than internally generated)										
Goodwill	7,804	-	-	7,804	-	-	-	-	-	-
	7,804	*-*	*-*	*-*	*7,804*	*-*	*-*	*-*	*-*	*7,804*
Software	1,765	480	17	-	2,228	864	270	15	1,119	1,109
	1,561	*204*	*-*	*-*	*1,765*	*660*	*204*	*-*	*864*	*901*
INTANGIBLE ASSETS – TOTAL	**9,569**	**480**	**17**	**7,804**	**2,228**	**864**	**270**	**15**	**1,119**	**1,109**
	9,365	*204*	*-*	*-*	*9,569*	*660*	*204*	*-*	*864*	*8,705*
Total	**99,980**	**34,626**	**12,914**	**7,804**	**113,888**	**29,057**	**14,273**	**7,603**	**35,727**	**78,161**
	79,580	*26,608*	*6,208*	*-*	*99,980*	*20,973*	*11,777*	*3,693*	*29,057*	*70,923*
Capital work–in–progress										**518**
										149
Intangible Assets under Development										**655**
										240
Total										**79,334**
										71,312

Figures in italics relate to previous year

* Written off pursuant to Reduction of Share Capital (Refer note 39)

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

13. INVESTMENTS

(₹ in lakh)

PARTICULARS	As at March 31, 2017		As at March 31, 2016	
	Non–Current Investment	Current portion of Non–Current Investment	Non–Current Investment	Current portion of Non–Current Investment
LONG–TERM INVESTMENTS (at cost)				
Investment in Associates				
Unquoted :				
Investment in Equity Shares	3,313	-	3,313	-
Investment in Security Receipts	748	-	984	-
Investment in Others				
Quoted :				
Investment in Equity Shares	16,582	-	21,107	-
Investment in Mutual Fund	50	-	-	-
Investment in Government Securities	-	-	46,554	1,998
Unquoted :				
Investment in Equity Shares	9,749	-	20,471	-
Investment in Mutual Fund	980	-	-	-
Investment in Preference Shares	-	90	3,733	342
Sub–total	**31,422**	**90**	**96,162**	**2,340**
Less: Provision for diminution in value of investments	(5,313)	(90)	(5,858)	(36)
Total Long–Term Investments	**26,109**	**-**	**90,304**	**2,304**

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
CURRENT INVESTMENTS (At lower of cost and fair value, unless otherwise stated)		
Quoted :		
Investment in Equity Shares	**794**	178
Investment in Units of Mutual Funds	**–**	50
	794	228
Unquoted :		
Investment in Equity Shares	**–**	392
Total Current Investments	**794**	**620**

TOTAL INVESTMENTS

(₹ in lakh)

PARTICULARS	As at March 31, 2017		As at March 31, 2016	
	Non–Current Investment	Current Investment	Non–Current Investment	Current Investment
Total Investments	**26,109**	**794**	**90,304**	**2,924**
Book value of Quoted investments (net)	11,833	794	61,893	2,226
Market value of Quoted investments	10,814	802	63,284	2,240
Book value of Unquoted investments (net)	14,276	-	28,411	698

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

SCRIP–WISE DETAILS OF INVESTMENTS: (₹ in lakh)

PARTICULARS	Face value Per Unit Rs	As at March 31, 2017			As at March 31, 2016		
		No. of Units	Non–Current Investments	Current portion of Non–Current Investments	No. of Units	Non–Current Investments	Current portion of Non–Current Investments
LONG–TERM INVESTMENTS							
Investments in Associates							
Unquoted							
Investment in Equity Shares (Non–Trade)							
International Asset Reconstruction Company Pvt. Ltd.	10	**13,946,295**	**3,313**	**–**	13,946,295	3,313	–
			3,313	**–**		3,313	–
Investment in Security Receipts							
International Asset Reconstruction Company Pvt. Ltd.	1,000	**104,135**	**748**	**–**	104,135	984	–
			748	**–**		**984**	**–**
Investments in Others							
Quoted :							
Investment in Equity Shares (Non–Trade)							
Hindustan Unilever Limited	1	**2,000**	**5**	**–**	2,000	5	–
Development Credit Bank Limited	10	**–**	**–**	**–**	4,309,949	4,525	–
Praj Industries Limited	2	**13,422,400**	**16,577**	**–**	13,422,400	16,577	–
			16,582	**–**		21,107	–
Investment in Government Securities (Non–Trade)							
6.90% GOI 2019	100	-	-	-	1,500,000	1,501	-
8.07% GOI 2017	100	-	-	-	2,000,000	-	1,998
7.16% GOI 2023	100	-	-	-	7,500,000	7,005	-
7.80% GOI 2020	100	-	-	-	6,500,000	6,377	-
8.12% GOI 2020	100	-	-	-	8,000,000	7,948	-
8.35% GOI 2022	100	-	-	-	10,000,000	9,996	-
8.83% GOI 2023	100	-	-	-	8,000,000	8,204	-
8.40% GOI 2024	100	-	-	-	1,500,000	1,502	-
8.07% GOI 2017	100	-	-	-	2,500,000	2,482	-
7.94% GOI 2021	100	-	-	-	1,500,000	1,539	-
						46,554	**1,998**
Investment in units of Mutual Funds							
HDFC Debt Fund For Cancer Cure	10	500,000	50	-	–	-	-
			50	**-**		**-**	**-**
Unquoted :							
Investment in Equity Shares (Non–Trade unless otherwise stated)							
Shriram Properties Private Limited	10	2,223,569	3,935	-	2,223,569	3,935	-
Adithya Automotives Private Limited	10	1,396,500	140	-	1,396,500	140	-
Tata Tele Services Limited (Refer note 39)	10	-	-	-	62,250,000	14,318	-
Aricent Technologies Holdings Limited *	10	8	0	-	8	0	-
SKS Ispat & Power Limited	10	33,931,831	1,028	-	22,621,221	1,028	-
Varroc Engineering Private Limited *	10	155,024	2,521	-	1	0	-
Fincare Business Services Limited	10	235,992	660				
TVS Logistics Services Limited	10	217,325	1,465		151,143	1,050	
			9,749	**-**		**20,471**	**-**

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

SCRIP–WISE DETAILS OF INVESTMENTS: (Contd...) (₹ in lakh)

PARTICULARS	Face value Per Unit Rs	As at March 31, 2017			As at March 31, 2016		
		No. of Units	Non–Current Investments	Current portion of Non–Current Investments	No. of Units	Non–Current Investments	Current portion of Non–Current Investments
Investment in Preference Shares (Non–Trade)							
0.001% Spandana Spoorthy Financial Limited Optionally Cumulative Convertible Redeemable Preference Shares	10	–	–	–	20,400,000	1,122	306
Varroc Engineering Private Limited Series A Cumulative Convertible Preference Shares	100	–	–	–	2,521,007	2,521	–
0.001% Share Microfin Limited Optionally Cumulative Convertible Redeemable Preference Shares	10	**900,000**	–	**90**	1,260,000	90	36
			–	**90**		**3,733**	**342**
Investment in units of Mutual Funds							
Tata Money Market Fund	**10**	**39,412**	**980**		-	-	–
			980	-		--	–
Less : Provision for diminution in value of Investment			**(5,313)**	**(90)**		**(5,858)**	**(36)**
Total Long Term Investments			**26,109**	–		**90,304**	**2,304**

PARTICULARS	Face value Per Unit (in Rs)	As at March 31, 2017			As at March 31, 2016		
		No. of Units	₹ in lakh	₹ in lakh	No. of Units	₹ in lakh	₹ in lakh
Current Investments **Quoted :**							
Investment in Equity Shares (Non–Trade)							
IVRCL LIMITED	2	**2,776,522**	**428**		2,776,522	428	
GoI Offshore Limited	10	**644,609**	**282**		-	-	
Diamond Power Infra Limited	10	**1,631,881**	**674**	**1,384**	-	-	428
Less: MTM Provision on Current Investment				**(590)**			(250)
				794			178
Investment in Units of Mutual Funds							
HDFC Debt Fund For Cancer Cure	10	–	–	–	500,000	50	50
Unquoted :							
Investment in Equity Shares (Non–Trade)							
Coastal Projects Limited	10	**4,101,806**	**410**		4,101,806	410	
Tata Tele Services Limited (Refer note 39)*	10	**62,250,000**	**0**	**410**	–	–	410
Less: Provision for dimustion on Current Investment				**(410)**			(18)
				–			392
Total Current Investments				**794**			**620**

PARTICULARS	As at March 31, 2017		As at March 31, 2016	
	Non–Current Investment ₹ in lakh	Current Investments ₹ in lakh	Non– Current Investment ₹ in lakh	Current Investments ₹ in lakh
TOTAL INVESTMENTS	**26,109**	**794**	**90,304**	**2,924**
Book value of Quoted investments (net)	**11,833**	**794**	61,893	2,226
Market value of Quoted investments	**10,814**	**802**	63,284	2,240
Book value of Unquoted investments (net)	**14,276**	**-**	28,411	698

* amount less than ₹ 50,000.

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

14. DEFERRED TAX ASSET

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
Deferred Tax Asset (net)	**43,483**	21,811

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, 2017	As at March 31, 2016
Deferred Tax Assets :–		
(a) Deferred tax assets on account of provisions for non–performing assets	**41,006**	22,676
(b) Provision for restructured advances	**38**	938
(c) Provision for standard assets	**4,011**	2,970
(d) Employee benefits	**303**	214
(e) Other deferred tax assets	**1,061**	540
Deferred Tax Liabilities :–		
(a) Debenture issue expenses	**(518)**	(405)
(b) Depreciation on fixed assets	**(2,418)**	(5,122)
Net Deferred Tax Asset	**43,483**	**21,811**

15. LOANS AND ADVANCES – FINANCING ACTIVITY

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
NON–CURRENT		
(a) Secured Loans		
(i) Considered good	**1,251,907**	1,175,265
(ii) Considered doubtful	**26,877**	9,231
(iii) Retained portion of assigned loans	**6,321**	-
	1,285,105	1,184,496
Less: Provision for doubtful loans	**26,877**	9,231
Less: Provisions against restructured standard assets	**68**	1,782
	1,258,160	**1,173,483**
(b) Secured Credit Substitutes (Refer note 15(b) below)		
(i) Considered good	**8,136**	16,482
(ii) Considered doubtful	**2,752**	16,074
	10,888	32,556
Less: Provision for doubtful Credit Substitutes	**2,752**	16,074
	8,136	**16,482**
(c) Unsecured Loans		
(i) Considered good	**209,196**	154,372
(ii) Considered doubtful	**731**	657
	209,927	155,029
Less: Provision for doubtful loans	**731**	657
Less: Provisions against restructured standard assets	**2**	304
	209,194	**154,068**

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

15. LOANS AND ADVANCES – FINANCING ACTIVITY (Contd...) (₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(d) Unsecured Credit Substitutes (Refer note 15(b) below)		
(i) Considered good	9,924	17,007
(ii) Considered doubtful	-	-
	9,924	17,007
Less: Provision for doubtful Credit Substitutes	-	-
	9,924	17,007
TOTAL	1,485,414	1,361,040
CURRENT		
(a) Secured Loans		
(i) Considered good	601,645	599,660
(ii) Considered doubtful	65,123	30,551
(iii) Retained portion of assigned loans	697	-
	667,465	630,211
Less: Provision for doubtful loans	65,123	30,551
Less: Provisions against restructured standard assets	37	533
	602,305	599,127
(b) Secured Credit Substitutes (Refer note 15(b) below)		
(i) Considered good	4,617	21,010
(ii) Considered doubtful	14,554	5,018
	19,171	26,028
Less: Provision for doubtful Credit Substitutes	14,554	5,018
	4,617	21,010
(c) Unsecured Loans		
(i) Considered good	940,985	792,007
(ii) Considered doubtful	11,184	3,994
	952,169	796,001
Less: Provision for doubtful loans	11,184	3,994
Less: Provisions against restructured standard assets	3	91
	940,982	791,916
(d) Unsecured Credit Substitutes (Refer note 15(b) below)		
(i) Considered good	54,863	33,558
(ii) Considered doubtful	-	-
	54,863	33,558
Less: Provision for doubtful Credit Substitutes	-	-
	54,863	33,558
(e) Unsecured Inter Corporate Deposits		
(i) Considered good	11,300	4,800
(ii) Considered doubtful	-	-
	11,300	4,800
Less: Provision for doubtful loans	-	-
	11,300	4,800
TOTAL	1,614,067	1,450,411
TOTAL – LOANS AND ADVANCES FINANCING ACTIVITY	3,099,481	2,811,451

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, 2017	As at March 31, 2016
Gross Investments:		
– Within one year	10,568	6,877
– Later than one year and not later than five years	20,944	14,975
– Later than five years	225	-
TOTAL	31,737	21,852
Unearned Finance Income:		
– Within one year	2,712	1,914
– Later than one year and not later than five years	3,330	2,570
– Later than five years	76	-
TOTAL	6,118	4,484
Present Value of Rentals:		
– Within one year	7,856	4,963
– Later than one year and not later than five years	17,614	12,405
– Later than five years	149	-
TOTAL	25,619	17,368

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

15. b. Scrip–wise details of Credit Substitutes: (₹ in lakh)

PARTICULARS	Face value Per Unit ₹	As at March 31, 2017			As at March 31, 2016		
		No. of Units	Non–Current	Current	No. of Units	Non–Current	Current
Secured Quoted :							
Investment in Bonds and Debentures (Trade)							
12.75% Diamond Power Infra Limited	100,000	**1,700**	**1,027**	**-**	1,700	1,496	204
12.90% Cholamandalam Investment & Finance Company Limited	500,000	**1**	**-**	**5**	1	-	5
10.50% Tulip Telecom Limited	1,000,000	**1,623**	**-**	**-**	1,748	14,948	2,957
12.65% Consolidated Construction Consortium Limited	1,000,000	**200**	**1,840**	**139**	200	1,920	79
12.90% Godawari Power and Ispat Limited	1,000,000	**150**	**-**	**1,500**	225	375	1,500
9.40% JM Financial Asset Reconstruction Company	1,000,000	**400**	**4,000**	**-**	-	-	-
10.50% JM Financial Credit Solution Limited	600	**600**	**-**	**-**	600	6,000	-
			6,867	**1,644**		**24,739**	**4,745**
Secured Unquoted :							
Investment in Debentures (Trade)							
9% East Coast Constructions and Industries Limited	1,000	**-**	**-**	**15**	245,000	-	3,326
11.80% Elder Pharmaceuticals Limited	1,000,000	**-**	**-**	**851**	-	-	841
13.65% Metropolitan Infrahousing Private Limited	-	**75**	**-**	**7,577**	75	-	7,500
5.64% Mandava Holding Private Limited	-	**-**	**-**	**1**	-	-	1
8% JL Power Ventures Private Limited	10,000,000	**40**	**2,800**	**1,200**	40	4,000	-
11% Cargo Solar Power Gujarat Limited	20,000	**-**	**-**	**-**	15,000	-	1,500
14.50% Arohi Infrastructure Private Limited	100	**-**	**-**	**2,871**	5,000,000	-	5,007
			2,800	**12,515**		**4,000**	**18,175**
Investment in Pass Through Certificates							
Jindal ITF Limited–Series A to E	–	**–**	**–**	**2,742**		2,370	2,816
			–	**2,742**		**2,370**	**2,816**
Add: Interest accrued but not due			**1,221**	**2,271**		**1,447**	**291**
Less: Provision for doubtful credit substitutes			**2,752**	**14,555**		**16,074**	**5,017**
Total Secured			**8,136**	**4,617**		**16,482**	**21,010**
Unsecured Quoted :							
Investment in Bonds and Debentures (Trade)							
10.25% Shriram Transport Finance Company Limited	1,000,000	-	-	-	250	2,500	-
12.25% Kolte Patil Developers Limited	1,000,000	-	-	-	400	4,000	-
10.45% IDBI Bank Limited	1,000,000	50	507	-	50	507	-
10% Indian Overseas Bank Limited	1,000,000	400	4,000	-	400	4,000	-
Unsecured Unquoted			**4,507**	**-**		**11,007**	**-**
Investment in Preference Shares (Non–Trade)							
10.75% Kiri Industries Limited	10	4,333,500	-	433	4,333,500	-	433
11.50% Mcnally Bharat Engineering Co Ltd Cumulative Non Convertible Redeemable Preference Shares	100	533,898	3,417	9	625,000	4,000	9
			3,417	**442**		**4,000**	**442**

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

PARTICULARS	Face value Per Unit ₹	As at March 31, 2017			As at March 31, 2016		
		No. of Units	Non–Current	Current	No. of Units	Non–Current	Current
Investment in Debentures (Trade)							
10.90% Tata Motor Finance Limited	500,000	**400**	**2,000**	**–**	400	2,000	–
			2,000	**–**		**2,000**	**–**
Investment in Pass Through Certificates							
Capital DRL Trust			**–**	**54,293**		–	32,893
			–	**54,293**		**–**	32,893
Add : Interest accured but not due			**–**	**128**		–	223
Less : Provision for doubtful credit substitutes			**–**	**–**		–	–
Total Unsecured			**9,924**	**54,863**		**17,007**	**33,558**
Grand Total			**18,060**	**59,480**		**33,489**	**54,568**

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

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Capital advances	7,806	12,214
(b) Loans and advances to related parties	249	447
(c) Security deposits	47	47
(d) Advance payment of Income tax, [Net of provision for tax ₹ 54,789 lakh (As at March 31, 2016 ₹ 54,789 lakh)]	5,818	6,310
(e) Others		
(i) Loan to TCL Employee Welfare Trust	7,302	7,302
(ii) Prepaid Expenses	289	251
Total	**21,511**	**26,571**

17. OTHER NON–CURRENT ASSETS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer note 21(a))	**1,087**	854
(b) Unamortised loan sourcing costs	**5,752**	4,635
Total	**6,839**	**5,489**

18. TRADE RECEIVABLES

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Over six months (from the date due for payment)		
(i) Secured, considered good	**–**	–
(ii) Unsecured, considered good	**86**	136
(iii) Doubtful	**–**	–
	86	136
Less: Provision for trade receivables	**–**	–
	86	136
(b) Others		
(i) Secured, considered good	**–**	–
(ii) Unsecured, considered good	**1,898**	1,284
(iii) Doubtful	**–**	–
	1,898	1,284
Less: Provision for trade receivables	**–**	–
	1,898	1,284
Total	**1,984**	1,420

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

19. CASH AND BANK BALANCES

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Cash on Hand	**573**	733
(b) Cheques on Hand	**1,577**	795
(c) Balances with banks		
(i) In current accounts	**5,187**	2,967
(ii) In deposit accounts (Refer note (ii) below)	**3**	3
Total	**7,340**	**4,498**

Note:

(i) Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is ₹ 7,284 lakh (As at March 31, 2016 ₹ 4,444 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

(iii) Balance in current accounts includes ₹ 53 lakh (as at March 31, 2016 ₹ 51 lakh) towards unclaimed debenture application money and interest accrued thereon.

(iv) The details of the Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below (as per MCA Notification G.S.R. 307 (E) dated 30th March 2017 :

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

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

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Loans and advances to related parties	**556**	335
(b) Security Deposits	**6,983**	6,881
(c) Others		
(i) Other advances	**1,054**	191
Less : Provision for other doubtful advances	**(263)**	-
	791	191
(ii) Pass Through Certificate application money (refundable)	**16,249**	2,527
(iii) Loan and advances to employees	**104**	89
(d) Prepaid expenses	**1,036**	388
(e) Balances with government authorities	**1,431**	1,085
Total	**27,150**	**11,496**

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

21. OTHER CURRENT ASSETS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer note 21(a))	**457**	333
(b) Receivable on sale of investment	**83**	353
Less : Provision for receivable on sale of investment	**(83)**	(47)
Net receivable on Sale of Investment	**–**	306
(c) Unamortised loan sourcing costs	**8,333**	6,275
(d) Interest accrued but not due on investments	–	1,339
(e) Income accrued but not due	2,245	1,162
(f) Assets held for sale	4,438	2,279
Less :Provision for assets held for sale	(1,404)	(289)
Carrying Value of Assets held for sale	3,034	1,990
(g) Graduity Asset (Net)	239	–
(h) Other receivables	173	133
Total	**14,481**	**11,538**

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

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Unamortised share issue expenses		
Opening balance	**1**	8
Add: Expenses incurred during the year	**–**	15
Less: written off through securities premium (Refer note 40)	**1**	–
Less: written off during the year	**–**	22
Closing balance	**–**	1
(b) Unamortised debenture issue expenses		
Opening balance	**1,170**	873
Add: Expenses incurred during the year	**754**	619
Less: written off during the year	**426**	322
Closing balance	**1,498**	1,170
(c) Unamortised loan processing charges		
Opening balance	**16**	124
Add: Expenses incurred during the year	**153**	91
Less: written off during the year	**123**	199
Closing balance	**46**	16
Total	**1,544**	**1,187**

(₹ in lakh)

PARTICULARS	As at March 31, 2017		As at March 31, 2016	
	Non–Current	Current	Non–Current	Current
(a) Unamortised share issue expenses	**–**	**–**	–	1
(b) Unamortised debenture issue expenses	**1,087**	**411**	853	317
(c) Unamortised loan processing charges	**–**	**46**	1	15
Total	**1,087**	**457**	**854**	**333**
Grand Total		**1,544**		**1,187**

NOTES TO AND FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR YEAR ENDED MARCH 31, 2017

22. REVENUE FROM OPERATIONS

(₹ in lakh)

PARTICULARS	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
(a) Interest Income		
(i) From secured loans and credit substitutes	**234,127**	194,262
(ii) From unsecured loans and credit substitutes	**113,911**	95,876
(b) Income from Bill Discounting	**4,928**	4,354
(c) Others	**32,261**	23,332
Total	**385,227**	**317,824**

23. INVESTMENT INCOME

(₹ in lakh)

PARTICULARS	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
(a) Dividend from Non-current Investments	**134**	637
(b) Dividend from Current Investments	**3**	3
(c) Profit on sale of Non-current Investments	**3,278**	558
(d) Profit on sale of Current Investments	**489**	911
(e) Interest on Non-current Investments	**1,644**	4,046
Total	**5,548**	**6,155**

24. OTHER INCOME

(₹ in lakh)

PARTICULARS	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
(a) Income from operating leases	**24,165**	19,704
(b) Income from services	**2**	1
(c) Miscellaneous Income	**4,262**	3,450
Total	**28,429**	**23,155**

25. FINANCE COSTS

(₹ in lakh)

PARTICULARS	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
(a) Interest expense	**172,902**	155,063
(b) Discounting Charges		
(i) On commercial paper	**46,723**	35,835
(ii) On Collateralised Borrowings and Lending Obligations (CBLO)	**1,130**	2,847
(iii) On debentures	**407**	371
Total	**221,162**	**194,116**

26. EMPLOYEE BENEFIT EXPENSES

(₹ in lakh)

PARTICULARS	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
(a) Salaries, wages and bonus	**31,529**	24,778
(b) Contribution to provident and other fund (Refer note 29)	**2,233**	1,576
(c) Staff welfare expenses	**1,676**	1,485
Total	**35,438**	**27,839**

NOTES TO AND FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR YEAR ENDED MARCH 31, 2017

27. OTHER OPERATING EXPENSES

(₹ in lakh)

PARTICULARS	For the Year Ended March 31, 2017		For the Year Ended March 31, 2016	
(a) Advertisements and publicity		**2,186**		2,742
(b) Brand Equity and Business Promotion		**1,171**		996
(c) Corporate social responsibility cost (Refer note 27(c) below)		**910**		865
(d) Donations		**3**		3
(e) Equipment hire charges		**316**		279
(f) Incentive / commission/ brokerage		**13,380**		9,295
(g) Information technology expenses		**6,544**		5,378
(h) Insurance charges		**616**		175
(i) Legal and professional fees		**3,312**		2,482
(j) Loan processing fees		**1,837**		1,493
(k) Printing and stationery		**615**		461
(l) Provision for doubtful loans (net of recoveries)	**88,475**		**33,585**	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 39)	**(31,789)**	**56,686**	**-**	33,585
(m) Provision against other doubtful advances		**263**		-
(n) Write off - Loans and advances	**34,552**		16,316	
Less : Provision reversal on write off	**(34,552)**	**-**	(16,316)	-
(o) Provision against assets held for sale		**1,115**		200
(p) Contingent provision against Standard Assets (Refer note 33)		**3,008**		2,467
(q) Provision against Restructured Advances		**(827)**		(429)
(r) Provision for diminution in value of investments (net of reversals)		**(455)**		(2,919)
(s) Provision on Current Investment	**732**		190	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 39)	**(349)**	**383**	-	190
(t) Write-off Investments	**14,318**		-	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 39)	**(14,318)**	**-**	-	-
(u) Write-off Goodwill	**7,804**		-	
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 39)	**(7,804)**	**-**	-	-
(v) Power and fuel		**838**		704
(w) Repairs and maintenance				
(i) Buildings	**66**		21	
(ii) Annual maintenance charges	**239**		270	
(iii) Others	**129**	**434**	143	434
(x) Rent		**1,910**		1,979
(y) Rates and taxes		**133**		121
(z) Stamp charges		**541**		407
(aa) Service providers' charges		**8,560**		6,162
(ab) Training and recruitment		**597**		588
(ac) Telephone, telex and leased line		**653**		599
(ad) Travelling and conveyance		**2,214**		2,002
(ae) Loss on sale of long term Investment		**1,248**		-
(af) Directors sitting fees		**52**		50
(ag) Loss on sale of assets		**3,355**		1,180
(ah) Other expenses		**2,937**		2,322
Total		**114,535**		**73,811**

NOTES TO AND FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR YEAR ENDED MARCH 31, 2017

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

PARTICULARS	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Audit Fees	**110**	110
Tax Audit Fees	**5**	5
Other Services	**22**	22
Out of Pocket Expenses	**1**	1
Total	**138**	**138**

(Auditors' remuneration is included in Other expenses)

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

PARTICULARS	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Legal and professional fees	**438**	108
Training and recruitment	**28**	13
Commission paid	**214**	–
Other expenses	**5**	3

27. (c) Corporate social responsibility expenses

(i) Gross amount required to be spent by the company during the year was ₹ 910 lakh (PY. 865 lakh).

(ii) Amount spent during the year on:

(₹ in lakh)

PARTICULARS	PAID	YET TO BE PAID	TOTAL
Construction/acquisition of any asset	–	–	–
On purposes other than above	910	–	910

28. CONTINGENT LIABILITIES AND COMMITMENTS:

(a) Continegent Liabilities

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

PARTICULARS	As at March 31, 2017	As at March 31, 2016
Income Tax (Pending before Appellate authorities)	**1,786**	2,812
VAT (Pending before Appellate authorities)	**420**	36

(b) Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 2,276 (as at March 31, 2016: ₹ 1,111 lakh).

– Tangible : ₹ 817 lakh (Previous year : ₹ 238 lakh)

– Intangible : ₹ 1,459 lakh (Previous year : ₹ 813 lakh)

29. Employee benefits

Defined Contribution Plans

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

The Company recognised a charge of ₹ 1,089 lakh (Previous year ₹ 902 lakh) for provident fund and family pension fund contribution and ₹ 97 lakh (Previous year ₹ 114 lakh) for contribution towards the superannuation fund in the Statement of Profit and Loss.

The provident fund set up as a Trust by the Holding Company, Tata Capital Limited, manages the contributions from the Company and other participating fellow subsidiaries. As of March 31, 2017, the accumulated members' corpus of the Company is ₹ 10,187 lakh whereas the total fair value of the assets of the fund and the total accumulated members' corpus is ₹ 16,858 lakh and ₹ 16,969 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 8.65% for the first year and 8.60% thereafter. The actuarial assumptions include discount rate of 7.50%..

Defined Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) (included as part of Contribution to provident and other fund in note 26 Employee Benefit Expenses). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before separation). The gratuity scheme covers all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

Reconciliation of Benefit Obligations and Plan Assets **₹ in lakh**

Particulars	2016-17	2015-16
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**1,887**	1,571
Current Service Cost	**335**	289
Interest Cost	**148**	113
Transfer under the scheme of arrangement	**(106)**	(12)
Actuarial Losses / (Gain)	**816**	173
Benefits Paid	**(154)**	(247)
Closing Defined Benefit Obligation	**2,926**	1,887

Particulars	2016-17	2015-16
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	**1,580**	1,506
Acquisition Cost / Transfer in	**(106)**	(25)
Expected Return on Plan Assets	**184**	123
Contributions by Employer	**1,433**	66
Actuarial Gains	**74**	(90)
Benefits paid	**–**	–
Closing Fair Value of Plan Assets	**3,165**	1,580
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the year	**3,165**	1,580
Present value of the defined obligations at the end of the year	**2,926**	1,887
Funded status Deficit	**239**	(307)
Unrecognised past service cost	**–**	–
Net Asset / (Liability) recognised in the Balance Sheet	**239**	(307)
Net Gratuity cost for the year ended March 31, 2017		
Service Cost	**335**	289
Interest on Defined benefit Obligation	**148**	113
Expected return on plan assets	**(184)**	(123)
Net actuarial loss recognised in the year	**742**	280
Net Gratuity Cost	**1,041**	560
Actual contribution and benefit payments for the year		
Actual benefit payments	**(154)**	(247)
Actual contributions	**1,433**	66
Categorization of plan assets is as follows		
Investment Pattern		
Insurer managed funds:		
Government Bonds	**33%**	44%
Equity mutual funds	**16%**	23%
Bonds / Debentures	**41%**	24%
Others (Including assets as under scheme of Insurance)	**10%**	9%
Total	**100%**	**100%**
Assumptions		
Discount Rate	7.50%	8.20%
Expected Rate of Return on Plan Assets	8.00% p.a	8.00% p.a
Salary Escalation Rate	7.50% p.a for first 5 years and 6% thereafter.	7.50% p.a for first 5 years and 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%

₹ in lakh

Experience adjustment	2016-17	2015-16	2014-15	2013-14	2012-13
– On Plan Liabilities	(313)	(228)	(41)	(96)	7
– On Plan Assets	74	(90)	148	16	(5)
Present value of benefit obligation	(2,926)	(1,887)	(1,571)	(1,026)	(1,017)
Fair value of Plan Assets	3,165	1,580	1,506	946	925
Excess of (obligation over plan assets)	239	(307)	(65)	(80)	(92)

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 ₹ 484 lakh (Previous year ₹ 307 lakh) to the gratuity fund in the year ending March 2018.

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 2016-17 is ₹ 51 lakh (Previous year ₹ 29 lakh) and the provision as at March 31, 2017 is ₹ 158 lakh (Previous year ₹ 106 lakh)

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

i. List of related parties and relationship:

Ultimate Holding Company	Tata Sons Limited
Holding Company	Tata Capital Limited
Fellow Subsidiaries (with which the company had transactions)	Tata Securities Limited Tata Capital Pte. Limited Tata Capital Advisors Pte Ltd Tata Capital Markets Pte Ltd Tata Capital General Partners LLP Tata Capital Healthcare General Partners LLP Tata Opportunities General Partners LLP Tata Capital Plc TC Travel and Services Limited Tata Capital Housing Finance Limited Tata Capital Forex Limited Tata Cleantech Capital Limited
Subsidiaries of ultimate holding company (with which the company had transactions)	Tata Business Support Services Limited Tata Sky Limited Tata Consultancy Services Limited Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Infiniti Retail Limited Ewart Investments Limited Tata International Limited Tata Consulting Engineers Limited Tata Housing Development Company Limited Tata Asset Management Limited TRIF Amritsar Projects Private Limited Calsea Footwear Private Limited Automotive Stamping And Assemblies Limited Taj Air Limited Tata Advanced Systems Limited Tata Industries Limited Tata Lockheed Martin Aerostructures Limited TRIF Real Estate And Development Limited Tata Teleservices Limited (ceased to be an associate and is a subsidiary w.e.f. 02.02.2017) Tata Teleservices (Maharashtra) Limited (ceased to be an associate and is a subsidiary w.e.f. 02.02.2017)
Associates	International Asset Reconstruction Company Private Limited
Key Management Personnel	Mr. Praveen P Kadle - Managing Director & CEO

ii. **Transactions with related parties:** ₹ in lakh

Sr. No.	Party Name	Nature of transaction	2016-17	2015-16
1	Tata Sons Limited	a) Expenses:		
		– Brand Equity and Business Promotion	**1,171**	996
		– Rent	**26**	24
		– Other charges	**47**	33
		b) Income:		
		– Lease Income	**8**	-
		– Interim Interest	**-**	3
		c) Asset:		
		– Security deposit receivable	**12**	12
		– Finance Lease:		
		Facility given during the year	**65**	-
		Repaid during year	**7**	-
		Outstanding facility	**58**	-
		d) Liability:		
		– Balance Payable	**1,155**	959
2	Tata Capital Limited	a) Expenses:		
		– Interest expenses on Inter-Corporate Deposit	**4,622**	6,453
		– Interest expenses on debentures	**1,124**	538
		– Rent	**1,203**	1,089
		– Marketing & managerial service fee	**1,445**	1,202
		b) Income:		
		– Preference share arranger fees	**435**	177
		– Service Provider charges	**-**	42
		– Reimbursement of Rent & Guest house	**42**	23
		c) Amount raised by issue of Perpetual Non-Convertible debentures	**–**	10,000
		d) Amount raised by issue of Compulsory Convertible Cumulative Preference Shares	**78,500**	16,000
		e) Interim dividend paid		
		– Equity Shares	**5,839**	17,517
		– Preference Shares	**4,230**	187
		f) Inter-Corporate Deposit accepted / repaid during the year		
		– Inter-Corporate Deposit received during year	**693,970**	700,373
		– Inter-Corporate Deposit repaid during year	**699,693**	652,421
		g) Asset:		
		– Security Deposit Receivable	**4,665**	4,665
		– Balance Receivable	**61**	-
		h) Liability:		
		– Inter-Corporate Deposit Payable	**44,829**	50,552
		– Borrowings - Non-Convertible Subordinated debentures	**-**	5,000
		– Borrowings - Perpetual Non-Convertible debentures	**5,000**	10,000
		– Balance Payable	**-**	161
3	Tata Securities Limited	a) Expenses:		
		– Brokerage expenses	**-**	4
		– Services Received	**7**	14
		b) Income		
		– Reimbursement of expenses - Rent & Others	**138**	240
		c) Transfer of Fixed Assets (Purchase)	**1**	11
		d) Asset:		
		Balance Receivable (Towards expenses incurred on their behalf)	**6**	22
4	Tata Capital Pte. Limited	a) Income		
		– Income- SLA fees	**13**	10
		– Reimbursement of expenses	**10**	8
		b) Asset		
		Balance Receivable	**13**	10

5	Tata Capital Advisors Pte Limited	a) Income:		
		– Income- SLA fees	**7**	6
		– Reimbursement of expenses	**3**	4
		b) Asset		
		Balance Receivable:	**7**	7
6	Tata Capital Markets Pte Limited	a) Income		
		– Income- SLA fees :	**7**	6
		– Reimbursement of expenses	**3**	2
		b) Asset:		
		Balance Receivable	**7**	6
7	Tata Capital General Partners LLP	a) Income:		
		– Income- SLA fees *	**0**	1
		– Reimbursement of expenses	**1**	1
		b) Asset		
		Balance Receivable : *	**0**	1
8	Tata Capital Healthcare General Partners LLP	a) Income		
		Income- SLA fees *	**0**	0
		– Reimbursement of expenses	**1**	1
		b) Asset:		
		Balance Receivable *	**0**	0
9	Tata Opportunities General Partners LLP	a) Income:		
		Income SLA fees*	**0**	0
		– Reimbursement of expenses	**1**	1
		b) Asset:		
		Balance Receivable*	**0**	0
10	Tata Capital Plc	a) Income:		
		– SLA fees	**7**	5
		– Reimbursement of expenses	**8**	2
		b) Asset:		
		Balance Receivable	**7**	5
11	TC Travel and Services Limited	a) Expenses:		
		– Travel related servicess	**715**	552
		– Other	**35**	-
		b) Income:		
		– Reimbursement of Rent & Others	**106**	125
		c) Transfer of Fixed Assets (sale)	**–**	4
		d) Transfer of retiral liability of Employee	**–**	1
		e) Asset:		
		Balance Receivable	**264**	447
12	Tata Capital Housing Finance Limited	a) Expenses:		
		– Sourcing Fee	**6**	–
		– Rent & others	**42**	42
		b) Income:		
		– Loan Sourcing Fee	**43**	–
		– Reimbursement of Rent & Others	**1,113**	882
		c) Transfer of Fixed Asset (Purchase)	**14**	2
		d) Amount transferred for security deposit received from landlord on behalf of TCHFL	**–**	6
		e) Investments in Tier II Bonds/Debenture during the year	**–**	3,000
		f) Asset:		
		Balance Receivable	**235**	140
13	Tata Capital Forex Limited	a) Income:		
		– Reimbursement of Rent & Others	**124**	94
		b) Expenses		
		– Travel related services	**9**	18
		c) Asset:		
		Balance Receivable	**38**	29

14	Tata Cleantech Capital Limited	a) Expenses: – Advisory Fees – Guest house expenses Management Fee b) Income: – Reimbursement of Rent & Others- c) Balance Receivable / (Payable)	**5** **13** **–** **238** **16**	8 10 22 – 71 (7)
15	Tata Business Support Services Limited	a) Expenses: – Service Provider Charges b) Income: – Lease Income – Processing Fee – Reimbursement of Expensess – Interest Income on Loan c) Asset: – Loan Outstanding – Loan repaid during the year – Finance Lease: – Facility given during the year – Repaid during year – Outstanding facility – Lease Debtors Balance Receivable/(Payable) d) Liability: Security Deposit	 **6,770** **512** **2** **173** **122** **322** **997** **-** **85** **924** **2** **(893)** **37**	 6,149 302 - 178 161 1,313 329 204 53 1,008 2 87 37
16	Tata Consultancy Services Limited	a) Expenses: – Information technology expenses b) Reimbursement of expenses c) Asset: – Balance Receivable – Fixed Assets Purchased d) Liability: – Balance Payable	 **4,721** **4** **4** **385** **1,330**	 4,576 83 1 - 1,577
17	Tata AIG General Insurance Company Limited	a) Expenses – Insurance Expenses: b) Income : – Insurance related revenue Balance Receivable / (Payable)	 **1,971** **418** **51**	 759 346 (5)
18	Tata AIA Life Insurance Company Limited	Expenses: – Insurance Expenses on behalf of customers – Insurance Expense for Employees Claims Received Balance Payable	 – **33** **25** **–**	 147 30 13 1
19	Infiniti Retail Limited	a) Expenses: – Incentive & others – Purchase of Fixed Assets b) Income: – Lease Income – Processing fees c) Asset : – Balance Receivable:	 **726** **4** **120** **2** **1**	 461 3 – – –
20	Tata Consulting Engineers Limited	Income : Interest Income Expense : Professional Charges ICD given during the year Loan repaid during the year Outstanding Inter-Corporate Deposit Balance Payable	**93** – **1,000** **2,000** – –	21 4 – – 1,000 4
21	Tata Housing Development Company Limited	a) Income: – Referral Fee – Syndication Fees – Interest income on Loan b) Loan repaid during the year c) Asset: – Balance Receivable	 **25** – – **–** **14**	 2 25 20 2,000 1

22	International Asset Reconstruction Company Private Limited	Investment in Security Receipts during the year Redemption of Security Receipts during the year: Asset : Balance of Security Receipts	– **236** **748**	159 58 984
23	Tata Asset Management Limited	Income - Portfolio Management Service Balance Receivable *	**19** **3**	20 0
24	TRIF Amritsar Projects Private Limited	Income : Interest Income on NCDs Investment redeemed in NCD during the year	**-** **-**	321 4,910
25	Calsea Footwear Private Limited	Income - Interest income on Inter-Corporate Deposit ICD given during the year Loan repaid during the year Asset : Outstanding Inter-Corporate Deposit	**124** **1,300** **1,100** **1,300**	115 1,100 1,000 1,100
26	Automotive Stamping And Assemblies Limited	Income - Interest income on Loan Loan given during the year Loan repaid during the year: Asset : Outstanding loan	**188** **-** **217** **1,634**	218 1 149 1,851
27	Taj Air Limited	Interest income on Loan ICD given during the year Asset : Outstanding Inter-Corporate Deposit Outstanding loan	**517** **2,500** **2,500** **3,500**	395 - - 3,500
28	Tata Advanced Systems Limited	a) Income: – Interest Income – Interim Rent * b) Finance Lease Facility: – Facility given during the year – Repaid during year – Outstanding facility	 **3** **0** **30** **4** **35**	 1 0 9 1 8
29	Tata Industries Limited	a) Income: – Lease Income – Processing Fees: – Sale of Assets b) Expense: Project Expenses c) Finance Lease Facility – Facility given during the year – Repaid during year: – Outstanding facility – Balance Payable	 **1,233** **1** **6** **-** **199** **327** **358** **208**	 839 - - 55 625 161 487 264
30	Tata Lockheed Martin Aerostructures Limited	a) Lease Income b) Finance Lease Facility: Facility given during the year Repaid during year Outstanding facility	**1** **–** **9** **6**	1 15 1 14
31	TRIF Real Estate and Development Limited	Income: Referral Fee Balance receivable	**-** **-**	2 2
32	Tata Teleservices Limited	a) Income: – Lease Income b) Expense – Communication Expenses – Rent Expenses c) Finance Lease Facility: – Facility given during the year – Repaid during year – Outstanding facility d) Assets – Security Deposit Premises – Advances paid to vendors towards lease facility – Balance receivable	 **145** **31** **4** **1,235** **555** **1,326** **8** **37** **1**	 - - - - - – - -
33	Tata Teleservices (Maharashtra) Limited	a) Income: – Lease Income b) Expense: – Communication Expenses	 **2** **101**	 - -
34	Key Management Personnel	Expenses : Interest on Non – convertible debentures Liability : Outstanding Debentures	**2** **20**	2 20

* Amount below ₹ 50,000

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

(₹ in lakh)

Lease Payments	As at March 31, 2017	As at March 31, 2016
- Within one year	**497**	854
- Later than one year and not later than five years	**157**	581
- Later than five years	**25**	46

The amount charged towards lease rentals (as part of Rent expenditure) is ₹ 1,910 lakh (Previous year: ₹ 1,979 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, 2017	As at March 31, 2016
– Within one year	**16,,686**	11,844
– Later than one year and not later than five years	**41,938**	25,772
– Later than five years	**403**	33

Accumulated Depreciation on lease assets is ₹ 27,956 lakh (Previous year: ₹ 21,290 lakh).

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

32. Earnings per Share (EPS):

PARTICULARS		2016-17	2015-16
Profit after tax	₹ in lakh	**21,598**	26,579
Less: Preference dividend (including Dividend distribution tax)	₹ in lakh	**5,091**	225
Profit after tax for Basic EPS	₹ in lakh	**16,507**	26,354
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**	**1.27**	**2.03**
Profit after tax for Basic EPS	₹ in lakh	**16,507**	26,354
Add: Preference dividend on Compulsorily Convertible Cumulative Preference shares	₹ in lakh	**5,091**	225
Profit after tax for diluted EPS	₹ in lakh	**21,598**	26,579
Weighted average number of Equity Shares used in computing Basic earnings per share	Nos	**1,297,550,000**	1,297,550,000
Add: Potential weighted average number of Equity shares that could arise on conversion of preference shares	Nos	**106,,417,804**	3,968,092
Weighted average number of shares in computing Diluted earnings per share	Nos	**1,403,967,804**	1,301,518,092
Face value of equity shares	Rupees	**10**	10
Diluted earnings per share	**Rupees**	**1.27**	**2.03**

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

(₹ in lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Balance	8,583	6,116
Add: Additions during the year	3,008	2,467
Less: Utilised during the year	–	–
Closing Balance	11,591	8,583

34. 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, 2017	For the Year Ended March 31, 2016
I .	**Segment Revenue**		
	a) Financing Activity	385,227	317,824
	b) Investment Activity	5,548	6,155
	c) Others	28,429	23,155
	Total	**419,204**	**347,134**
	Less : Inter Segment Revenue	–	–
	Total Income	**419,204**	**347,134**
II	**Segment Results**		
	a) Financing Activity	36,167	34,343
	b) Investment Activity	4,755	7,075
	c) Others	5,084	5,877
	Total	**46,006**	**49,295**
	Less : Unallocated Corporate Expenses	12,759	10,247
	Profit before taxation	**33,247**	**39,048**
	Less : Provision for taxation	11,649	12,469
	Profit after taxation	**21,598**	**26,579**
III	**Segment Assets**		
	a) Financing Activity	3,146,313	2,845,023
	b) Investment Activity	26,121	94,915
	c) Others	84,118	69,935
	d) Unallocated	71,955	48,939
	Total	**3,328,507**	**3,058,813**
IV	**Segment Liabilities**		
	a) Financing Activity	2,826,662	2,615,351
	b) Investment Activity	-	193
	c) Others	81,377	72,257
	d) Unallocated	14,060	11,948
	Total	**2,922,099**	**2,699,749**
V	**Capital Expenditure (Including Capital Work-In-Progress)**		
	a) Financing Activity	–	–
	b) Investment Activity	–	–
	c) Others	28,479	27,175
	d) Unallocated	3,977	2,135
	Total	**32,456**	**29,310**
VI	**Depreciation and Amortisation**		
	a) Financing Activity	560	576
	b) Investment Activity	–	–
	c) Others	12,523	10,038
	d) Unallocated	1,190	1,163
	Total	**14,273**	**11,777**
VII	**Significant Non-Cash Expenses Other than Depreciation and Amortisation**		
	a) Financing Activity	61,177	36,344
	b) Investment Activity	(455)	(2,729)
	c) Unallocated	–	22
	Total	**60,722**	**33,637**

35. Capital to Risk Assets Ratio (CRAR)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
CRAR (%)	16.07%	16.34%
CRAR – Tier I Capital (%)	11.78%	17.79%
CRAR – Tier II Capital (%)	4.29%	4.55%
Amount of subordinated debt raised as Tier-II Capital	21,500	29,000
Amount rasied by issue of Perpetual Debt Instruments	10,000	40,000

36. Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

For the financial year 2016-17 (₹ in lakh)

PARTICULARS	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	176,200	136,790	–	550,246	–	–
Over One months to 2 months	-	322,860	–	321,990	–	–
Over 2 months upto 3 months	10,000	285,270	–	248,936	–	–
Over 3 months to 6 months	46,000	158,402	–	281,963	–	–
Over 6 months to 1 year	311,995	455,694	–	420,777	–	–
Over 1 year to 3 years	60,000	520,583	–	741,676	17,168	–
Over 3 years to 5 years	-	71,045	–	282,018	–	–
Over 5 years	-	173,570	–	251,875	9,735	–
Total	**604,195**	**2,124,214**	–	**3,099,481**	**26,903**	–

Assets and liabilities bifurcation into various buckets is based on RBI guidelines.

For the financial year 2015-16

PARTICULARS	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	127,582	153,700	–	355,691	48,55	–
Over One months to 2 months	-	198,300	–	279,783	–	–
Over 2 months upto 3 months	60,000	227,584	–	201,645	–	–
Over 3 months to 6 months	52,200	100,677	–	248.928	–	–
Over 6 months to 1 year	351,677	266,373	–	393,045	–	–
Over 1 year to 3 years	50,000	665,888	–	660,273	21,585	–
Over 3 years to 5 years	-	142,040	–	223,090	–	–
Over 5 years	-	142,550	–	448,996	23,091	–
Total	**641,459**	**1,897,112**	–	**2,811,451**	**93,228**	–

37. Disclosure of details as required by Revised Para 18 of the Non Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, earlier Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.

Liabilities Side: (₹ in lakh)

PARTICULARS	Amount Outstanding		Amount Overdue	
	31.03.17	**31.03.16**	**31.03.17**	**31.03.16**
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)				

PARTICULARS	Amount Outstanding		Amount Overdue	
	31.03.17	31.03.16	31.03.17	31.03.16
(i) Secured	1,255,995	1,128,710	–	–
(ii) Unsecured	339,114	267249	–	–
b) Deferred Credits	–	–	–	–
c) Term Loans	216,070	245,119	–	–
d) Inter–corporate loans and borrowing	45,606	51,267	–	–
e) Commercial Paper	567,632	478,437	–	–
f) Other loans (Collateralised Borrowings and Lending Obligations (CBLO))	-	47,971		
g) Loan from Bank				
– Working Capital Demand Loan	87,490	59,628	–	–
– Overdraft	301,969	337,109	–	–

Assets side: (₹ in lakh)

PARTICULARS	Amount Outstanding	
	As at 31.03.17	As at 31.03.16
2) Break up of Loans and Advances including bills receivables (other than those included in (3) below)		
a) Secured	**1,022,048**	1,015,358
b) Unsecured	**1,226,263**	1,001,349
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	**31,038**	25,458
(ii) Operating Lease	**70,795**	55,530
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	**683**	1,112
(ii) Repossessed assets	**–**	–
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	**3,034**	1,990
(ii) Other loans	**819,449**	768,174
4) Break up of Investments		
Current Investments:		
a) **Quoted:**		
(i) Shares : Equity	**794**	178
Preference	**–**	–
(ii) Debentures and Bonds	**–**	–
(iii) Units of Mutual Funds	**–**	50
(iv) Government Securities	**–**	–
(v) Others	**–**	–
b) **Unquoted:**		
(i) Shares: Equity	**–**	392
Preference	**–**	–
(ii) Debentures and Bonds	**–**	–
(iii) Units of Mutual Funds		
(iv) Government Securities	**–**	–
(v) Others (Pass through certificates)	**–**	–

Assets side: (₹ in lakh)

PARTICULARS	Amount Outstanding	
	As at 31.03.17	As at 31.03.16
Long-Term Investments (Net of Provision)		
a) **Quoted:**		
(i) Shares: Equity	11,783	15,339
Preference	–	–
(ii) Debentures and Bonds	–	–
(iii) Units of Mutual Funds	50	–
(iv) Government Securities	–	48,552
(v) Others	-	-
b) **Unquoted:**		
(i) Shares: Equity	12,548	23,784
Preference	–	3,949
(ii) Debentures and Bonds	–	–
(iii) Units of Mutual Funds	980	–
(iv) Government Securities	–	–
(v) Others		
– Pass through certificates	–	–
– Security Receipts	748	984

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

PARTICULARS	Amount net of provisions					
	Secured		Unsecured		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
a) Related Parties						
(i) Subsidiaries	–	–	–	–	–	–
(ii) Companies in the same group	10,662	9,221	1,300	3,122	11,962	12,343
(iii) Other related Parties	–	–	–	–	–	–
b) Other than related parties	1,862,556	1,800,881	1,224,963	998,227	3,087,519	2,799,108
TOTAL	**1,873,218**	**1,810,102**	**1,226,263**	**1,001,349**	**3,099,481**	**2,811,451**

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)	
	2016-17	2015-16	2016-17	2015-16
a) Related Parties				
i) Subsidiaries	–	–	–	–
ii) Companies in the same group	–	14,318	–	14,318
iii) Other related Parties	5,084	4,504	4,061	4,297
b) Other than related parties	24,600	74,780	22,840	74,613
TOTAL	**29,684**	**93,602**	**26,903**	**93,228**

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	2016-17	2015-16
a) Gross Non-Performing Assets		
1) Related parties	**–**	–
2) Other than related parties	**159147**	153,655
b) Net Non-Performing Assets		
1) Related parties	**–**	–
2) Other than related parties	**37926**	88,130
c) Assets acquired in satisfaction of debt	**5,330**	18,450

38. Loans and advances - Financing Activity (Secured) include ₹ 433 lakh (Previous Year: ₹ 433 lakh) being the value of the unquoted preference shares acquired in satisfaction of the respective loans under the Settlement Agreement. Other Current Assets include ₹ 3,034 lakh (Previous Year: ₹ 2,279 lakh) being the value of immovable property, necessary provision for which is made. Long term investments include ₹ 514 lakh (Previous year: ₹ 15,346 lakh) being the value of the unquoted equity shares acquired in satisfaction of the respective loans under the Settlement Agreement. Current investments include ₹ 802 lakh (Previous year: ₹ 392 lakh) being the value of the unqouted equity shares acquired in satisfaction of the respective loans under the Settlement Agreement. Other loans and advances include ₹ 547 lakh (Previous Year: ₹ Nil) being the assignment receivable, necessary provision for which is made.

39. In the Statement of Profit and Loss of the Company, the Company has provided/written off certain amounts comprising carrying value of investments acquired in settlement of claim, Goodwill, loans and credit substitutes and investment.

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

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

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

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

41. During the current year, the Company has made an incremental standard asset provision of ₹ 1,363 lakh (Previous year : ₹ 1,102 lakh) being 0.35% (Previous year: 0.30%) of Standard Assets as of March 31, 2016, as specified by RBI Notification No.DNBR.009/ CGM(CDS)-2015 dated March 27, 2015.

42. During the current year, the Company has changed its NPA provisioning policy based on the RBI Notification No. DNBR.009/CGM(CDS)-2015 dated March 27, 2015 pursuant to which loans outstanding for a period exceeding

120 days are classified as sub-standard assets and sub-standard assets for a period exceeding 14 months are classified as doubtful assets. The impact in the financials on account of the change was ₹ 2,801 lakh and ₹ 2,312 lakh respectively.

During the corresponding previous year, the Company had changed its NPA provisioning policy based on the above circular, pursuant to which loans outstanding for a period exceeding 150 days were classified as sub-standard assets and sub-standard assets for a period exceeding 16 months were classified as doubtful assets. The impact in the financials on account of that change was ₹ 870 lakh and ₹ 655 lakh respectively.

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 15). In the past these were classified as a part of Investments (Note 13). Management believes that the current period's classification results in a better presentation of the substance of these receivables and is in alignment with regulatory filings.

44. The company has reported frauds aggregating ₹ 954 lakh (Previous year : ₹ 68 lakh) based on management reporting to risk committee and to the RBI through prescribed returns.

45. Disclosure of Restructured Accounts as on 31-March-17

(₹ in lakh)

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification / Details		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2016 (Opening figures)*	No. of borrowers	1	3	4	-	8	-	-	-	-	-	12	86	17	-	115	13	89	21	-	123
		Amt. outstanding	10,338	7,090	6,966	-	24,394	-	-	-	-	-	3,369	18,252	10,021	-	31,641	13,707	25,341	16,986	-	56,035
		Provision thereon	1,381	1,437	1,859	-	4,678	-	-	-	-	-	450	2,060	5,159	-	7,669	1,831	3,497	7,018	-	12,347
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	27	5	-	32	-	27	5	-	32
		Amt. outstanding	-	554	(605)	-	(51)	-	-	-	-	-	-	3,678	198	-	3,876	-	4,232	(407)	-	3,825
		Provision thereon	-	1,887	4,152	-	6,039	-	-	-	-	-	-	8,417	2,557	-	10,973	-	10,303	6,709	-	17,012
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	23	(23)	(1)	-	(1)	23	(23)	(1)	-	(1)
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	638	(986)	(4)	-	(352)	638	(986)	(4)	-	(352)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	26	(106)	(0)	-	(81)	26	(106)	(0)	-	(81)
		5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	(1)	(1)	2	-	-	-	-	-	-	-	(3)	(41)	43	-	(1)	(4)	(42)	45	-	(1)
		Amt. outstanding	(1)	(3,798)	15,498	-	1,361	-	-	-	-	-	(1,031)	(4,668)	3,726	-	(1,973)	(11,369)	(8,466)	19,224	-	(612)
		Provision thereon	(1,381)	(718)	13,128	-	11,029	-	-	-	-	-	(52)	(747)	3,833	-	3,034	(1,433)	(1,465)	16,961	-	14,064
6	Wrire-off of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(2)	(16)	(6)	-	(24)	(2)	(16)	(6)	-	(24)
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	(881)	(4,624)	(1,636)	-	(7,141)	(881)	(4,624)	(1,636)	-	(7,141)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(319)	(456)	(1,009)	-	(1,785)	(319)	(456)	(1,009)	-	(1,785)
7	Restructured accounts as on 31st Mar, 2017 (Closing figures)*	**No. of borrowers**	**-**	**2**	**6**	**-**	**8**	**-**	**-**	**-**	**-**	**-**	**30**	**33**	**58**	**-**	**121**	**30**	**35**	**64**	**-**	**129**
		Amt. outstanding	**0**	**3,846**	**21,858**	**-**	**25,704**	**-**	**-**	**-**	**-**	**-**	**2,096**	**11,651**	**12,305**	**-**	**26,052**	**2,096**	**15,497**	**34,163**	**-**	**51,756**
		Provision thereon	**-**	**2,606**	**19,140**	**-**	**21,746**	**-**	**-**	**-**	**-**	**-**	**105**	**9,167**	**10,539**	**-**	**19,811**	**105**	**11,773**	**29,679**	**-**	**41,557**

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

This also includes provision made on opening standard restructured assets

NOTES

1. Fresh restucturing during the year includes ₹ 1,022.29 lakhs of fresh /additional Sanction (16 account),provision of ₹ 13,730.77 lakhs to the existing restructured accounts.
2. Write offs includes ₹ 3,304.27 lakhs (9 contracts, Provision of ₹ (380.75) lakh) of reduction from existing restructured accounts by way of sale/recovery

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, 2017:

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
Reserve Bank of India	13.02005	04-Nov-11	-	NBFC-ND-SI
Reserve Bank of India	-	15-Jan-17	14-Jan-19	Marketing and distribution of Co-branded Credit Card
Association of Mutual Fund of India	ARN No. 84894	12-Mar-15	11-Mar-18	Distributor of MF products (ARN)
Securities and Exchange Board of India	INA000002215	17-Sep-14	16-Sep-19	Investment Advisor
Insurance Regulatory and Development Authority of India	CA 0076	01-04-2016	31-03-2019	Corporate Agent

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

(i)	Rating Assigned to	Short Term Debt, Long Term Debt, Perpetual Debt, Tier II Debt
(ii)	Date of Rating	ICRA- March 08 2017, CARE- December 26, 2016, CRISIL- March 22, 2017
(iii)	Rating Valid up to	Till the Date of reaffiramation
(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/Unsecured Non Convertible Debentures** ICRA AA+, CRISIL AA+ and CARE AA+. **Tier II Debentures** ICRA AA+, CRISIL AA+ and CARE AA+ **Perpetual Debentures** CRISIL AA, CARE AA and ICRA AA
	(c) Others	Short Term Bank Loans : ICRA A1+ 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 Sheet Exposure as on March 31, 2017 is as follows :-

(a) Undrawn Commitment given to Borrowers

As on March 31, 2017 ₹ 200,322 lakh (Previous Year: ₹ 215,642 lakh)

Less than 1 Year: ₹ 167,646 lakh (Previous Year: ₹ 122,347 lakh)

More than 1 Year: ₹ 32,676 lakh (Previous Year: ₹ 93,295 lakh)

(b) Financial and Other Guarantees ₹ 29,048 lakh (Previous Year : ₹ 17,768 lakh)

(c) Leases entered but not executed ₹ 66,473 lakh (Previous Year : ₹ 47,194 lakh)

(d) Others (Tax Matters) ₹ 2,206 lakh (Previous Year : ₹ 2,848 lakh)

(v) Provisions and Contingencies (₹ in lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in the Statement of Profit and Loss	FY 16-17	FY 15-16
Provision for depreciation on Investments	**(455)**	(2,919)
Provision for MTM Loss on Investments	**383**	190
Provision towards NPA	**56,686**	33,585
Provision against assets held for sale	**1,115**	200
Provision towards Restructured Standard Assets	**(827)**	(429)
Provision against other doubtful advances	**263**	-
Provision made towards Income tax	**11,649**	12,469
Other Provision and Contingencies (with details):		
- Provision for Employee Benefits	**237**	327
- Provision for Standard Assets	**3,008**	**2,467**
Total	**72,059**	**45,891**

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

Advances # (₹ in lakh)

Particulars	FY 16-17	FY 15-16
Total Advances to twenty largest borrowers	**262,420**	281,947
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	**8.15%**	9.79%

Includes Loans, Advances & Credit Substitutes

Exposure * (₹ in lakh)

Particulars	FY 16-17	FY 15-16
Total Advances to twenty largest borrowers	**271,290**	297,411
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	**8.34%**	10.15%

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

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

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

Sr No	Particulars	FY 16-17	FY 15-16
(a)	No. of complaints pending at the beginning of the year	**25**	45
(b)	No. of complaints received during the year	**1,864**	2,052
(c)	No. of complaints redressed during the year	**1,838**	2,072
(d)	No. of complaints pending at the end of the year*	**51**	25

*Complaints related to March 2017 outstanding as on the date of signing of Balance Sheet :- NIL

(ix) Details of Assignment transactions undertaken by NBFCs:

(₹ lakh)

Sr No.	PARTICULARS	FY 16-17	FY 15-16
1	No. of accounts*	**980**	-
2	Aggregate value (net of provisions) of accounts sold	**63,149**	-
3	Aggregate consideration	**63,149**	-
4	Additional consideration realized in respect of accounts transferred in earlier years	**Nil**	-
5	Aggregate gain / loss over net book value	**Nil**	-

*Total value of the Loans sold under direct assignment route is ₹ 70,166 lakh. Company has retained 10% interest in the Loans sold

(x) (a) Non Performing Assets purchased during the year - Nil (Previous Year : Nil).

(b) Details of Non Performing Assets sold :

Sl No.	PARTICULARS	FY 16-17	FY 15-16
1	No. of accounts sold {Count}	**8,494**	494
2	Aggregate outstanding [net of provision] (Rs in lakh)*	**1,356**	177
	(a) Aggregate outstanding (Rs in lakh)	**8,454**	2,721
	(b) Provision held on date of sale	**7,098**	2,544
3	Aggregate consideration received {₹ in lakh}*	**2,129**	320

*Additionally 9,835 Accounts (Previous Year 407 Accounts) written off in earlier years of ₹ 10,657 lakh (Previous Year ₹ 3,245 lakh) were also sold along with the NPA Accounts.

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

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

(xiii) The Exposure to Unsecured Advances is ₹ 1,226,316 lakh (Previous Year ₹ 1,001,349 lakh) constituting 39.57% of the Total Loans and Advances (Previous Year 35.62%). The Exposure to Secured Loans includes ₹ 1,120 lakh (Previous year ₹ 1,120 lakh) towards a Loan given against Copy Rights for motion films.

(xiv) Concentration of NPAs

(₹ in lakh)

PARTICULARS	March 31, 2017	March 31, 2016
Total Exposure to top four NPA accounts	**32,893**	44,357

(xv) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		March 31, 2017	March 31, 2016
1	Agriculture & allied activities	**6.03%**	3.61%
2	MSME	**-**	-
3	Corporate borrowers	**6.94%**	7.98%
4	Services	**-**	-
5	Unsecured personal loans	**2.56%**	1.56%
6	Auto loans	**3.60%**	3.26%
7	Other personal loans	**1.62%**	1.34%

(xvi) Since the Company does not have significant uncertainties pending resolutions as at March 31, 2017, revenue recognition has not been postponed.

(xvii) Drawdown of reserves made during the year of ₹ 40,635 lakh includes ₹ 40,558 lakh on account of reduction in Share Capital pursuant to a Court scheme and ₹ 77 lakh on account of Share issue expenses (Previous year : Nil).

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

(xix) Derivative Instruments Exposures:

Nil Derivative positions are open as at March 31, 2017 (Previous Year : Nil). 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 (xv).

Forward exchange contracts (being derivative instrument), which are not intended for trading or speculation purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date at certain payables and receivables.

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: -

PARTICULARS	Buy / Sell	For the Year ended March 31, 2017		For the Year ended March 31, 2016	
		Yen (Million)	₹ In lakh	Yen (Million)	₹ In lakh
Forward Contracts (Payment for Capital Expenditure) i.e Notional principal of Swap Agreements	Buy	**Nil**	**Nil**	Nil	Nil
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

(xx) NPA Movement during the year (₹ in lakh)

PARTICULARS	FY 16-17	FY 15-16
(i) Net NPAs to Net Advances (%)	**1.22%**	3.13%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	**153,655.07**	137,476.00
(b) Additions during the year	**61,651.27**	56,332.60
(c) Reductions during the year	**(56,159.39)**	(40,153.53)
(d) Closing balance	**159,146.95**	153,655.07
(iii) Movement of provisions for NPAs (excluding provision on standard assets))		
(a) Opening balance	**65,524.70**	48,255.78
(b) Additions during the year	**89,171.55**	34,505.71
(c) Write-off / write-back of excess provisions	**(33,475.24)**	(17,236.79)
(d) Closing balance	**121,221.01**	65,524.70
(iv) Movement of Net NPAs		
(a) Opening balance	**88,130.37**	89,220.22
(b) Additions during the year	**(27,520.28)**	21,826.90
(c) Reductions during the year	**(22,684.15)**	(22,916.74)
(d) Closing balance	**37,925.94**	88,130.37

(xxi) Exposure to Capital Market: (₹ in lakh)

PARTICULARS	FY 16-17	FY 15-16
(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;	**36,176**	55,270
(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;	**159,231**	154,323

PARTICULARS	FY 16-17	FY 15-16
(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;	**19,912**	22,212
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	**–**	–
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**–**	–
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**–**	–
(vii) Bridge loans to companies against expected equity flows / issues;	**–**	–
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	**–**	–
Total Exposure to Capital Market	**215,319**	**231,805**

(xxii) Investments (₹ in lakh)

PARTICULARS	FY 16-17	FY 15-16
(1) Value of Investments		
(i) Gross Value of Investments	**33,306**	99,390
(a) In India	**33,306**	99,390
(b) Outside India	**-**	-
(ii) Provision for Depreciation	**6,403**	6,162
(a) In India	**6,403**	6,162
(b) Outside India	**-**	-
(iii) Net value of investments	**26,903**	93,228
(a) In India	**26,903**	93,228
(b) Outside India	**-**	-
(2) Movement of Provisions held towards depreciation on investments		
(i) Opening Balance	**6,162**	8,937
(ii) Add: Provisions made during the year	**36,429**	768
(iii) Less: Write-off / write-back of excess provisions during the year#	**(36,188)**	(3,543)
(iv) Closing balance	**6,403**	6,162

Note: The above details does not include investment in the form of Credit Substitutes.

Write back includes reversal of provision for Development Credit Bank Limited ₹ 1,110 lakh and Share Microfin Limited ₹ 36 lakh (Previous year : Praj Industries Limited ₹ 3,543 lakh)

(xxiii) Exposure to Real Estate Sector

₹ in lakh)

Category	FY 16-17	FY 15-16
(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	**274,220**	218,330
(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	**284,595**	267,670
(iii) **IInvestments in Mortgage Backed Securities (MBS) and other securitised exposures --**		
(a) Residential	**–**	–
(b) Commercial Real Estate	**–**	–
Total Exposure to Real Estate Sector	**558,815**	**486,000**

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)

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
April 28, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TATA CAPITAL FINANCIAL SERVICES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Tata Capital Financial Services Limited (hereinafter referred to as "the Holding Company") and its associate comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of the associate referred to in the Other Matter paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the matter in the note no. 37 of the consolidated financial statements, which describes the Reduction of Share Capital in accordance with Section 52 of the Companies Act, 2013 read with Sections 100 to 103 of the Companies Act, 1956 approved by the Hon'ble High Court of Judicature at Mumbai with regard to appropriating an amount of ₹ 40,558 lakh (net-off taxes, as applicable), standing to the credit of Securities Premium Account to the Statement of Profit and Loss.

Our audit report is not modified in respect of this matter.

Other Matter

The consolidated financial statements also include the Holding Company's share of profit of ₹ 204 lakh for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Holding Company.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of associate, referred in the Other Matters paragraph above we report, to the extent applicable, that:

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

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's internal financial controls over financial reporting.

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

    i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company.

    ii. The Holding Company did not have any long-term contracts including derivative contracts as at 31st March, 2017, for which there were any material foreseeable losses.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

    iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by the Holding Company for the purpose of preparation of the consolidated financial statements and as produced to us by the Management.

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

Rupen K. Bhatt
Partner
(Membership No. 46930)

MUMBAI,
April 28, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Tata Capital Financial Services Limited (hereinafter referred to as "the Holding Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Internal financial controls over financial reporting of the Holding Company, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note.

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

Rupen K. Bhatt
Partner
(Membership No. 46930)

MUMBAI,
April 28, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹ in lakh)

PARTICULARS	Note No.	As at March 31, 2017
I. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share Capital	3	224,255
(b) Reserves and Surplus	4	182,694
		406,949
2. Non–current liabilities		
(a) Long–term borrowings	5	945,684
(b) Other long–term liabilities	6	7,019
(c) Long–term provisions	7	5,318
		958,021
3. Current liabilities		
(a) Short–term borrowings	8	1,006,630
(b) Trade payables	9	
(i) Total outstanding dues of micro enterprises and small enterprises	9(a)	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		48,685
(c) Other current liabilities	10	892,881
(d) Short–term provisions	11	15,881
		1,964,077
TOTAL		**3,329,047**
II. ASSETS		
1. Non–Current assets		
(a) Property, Plant and equipment	12	
(i) Tangible assets		77,052
(ii) Intangible assets		1,109
(iii) Capital work–in–progress		518
(iv) Intangible assets under development		655
		79,334
(b) Non–current investments	13	26,650
(c) Deferred tax assets (net)	14	43,483
(d) Long–term Loans and advances – financing activity	15	1,485,414
(e) Long–term Loans and advances – others	16	21,511
(f) Other non–current assets	17	6,839
		1,583,897
2. Current assets		
(a) Current investments	13	794
(b) Trade receivables	18	1,984
(c) Cash and bank balances	19	7,340
(d) Short–term Loans and advances – financing activity	15	1,614,067
(e) Short–term Loans and advances – others	20	27,150
(f) Other current assets	21	14,481
		1,665,816
TOTAL		**3,329,047**
See accompanying notes forming part of the financial statements	**1–42**	

In terms of our report attached

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

Rupen K Bhatt
Partner

Mumbai
Date : April 28, 2017

For and on behalf of the Board of Directors

Janki Ballabh
(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)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakh)

	PARTICULARS	Note No.	For the Year ended March 31, 2017
I	Revenue from operations	22	385,227
II	Investment income	23	5,548
III	Other income	24	28,429
IV	**Total Revenue (I + II + III)**		**419,204**
V	**Expenses :**		
	Finance costs	25	221,162
	Employee benefit expenses	26	35,438
	Other operating expenses	27	114,535
	Depreciation and amortisation	12	14,273
	Amortisation of expenses (Refer note 38)	21 (a)	549
	Total expenses		**385,957**
VI	**Profit before tax (IV – V)**		**33,247**
VII	**Tax expense:**		
	(1) Current tax		19,618
	(2) Deferred tax		(7,969)
	Net tax expense		**11,649**
VIII	**Profit after tax before share of associates & minority interest (VI – VII)**		**21,598**
IX	**Share of profit of associates**		**204**
X	**Profit of the year (VIII + IX)**		**21,802**
XI	**Earning per share:**		
	(1) Basic (in Rupees)		1.29
	(2) Diluted (in Rupees)		1.29
	Face Value per share (in Rupees)		10
	See accompanying notes forming part of the financial statements	1–42	

In terms of our report attached

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

Rupen K Bhatt
Partner

Mumbai
Date : April 28, 2017

For and on behalf of the Board of Directors

Janki Ballabh
(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)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakh)

PARTICULARS		Note No.	For the Year ended March 31, 2017
1	**CASH FLOW USED IN OPERATING ACTIVITIES**		
	Profit before tax		**33,247**
	Adjustments for :		
	Amortisation of share/debenture issue expenses/loan processing expenses		**549**
	Depreciation and amortisation		14,273
	Loss on sale of fixed assets (net)		3,288
	Interest expenses		172,902
	Discounting charges on commercial paper		46,723
	Discounting charges on Collateralised Borrowings and Lending Obligations (CBLO)		1,130
	Discounting charges on debentures		407
	Interest income		(352,966)
	Income from investments		(5,548)
	Loss on sale of investment		1,248
	Provision for leave encashment		257
	Reversal of provision for diminution in value of investments (net)		(72)
	Contingent provision against standard assets		3,008
	Reversal of provision against restructured advances (net)		(827)
	Provision against assets held for sale		1,115
	Provision against other doubtful advances		263
	Provision for doubtful loans (net)		56,686
	Operating Loss before working capital changes and adjustments for interest received, interest paid and dividend received		(24,317)
	Adjustments for :		
	Increase in trade receivables		(566)
	Increase in Loans and advances – financing activity		(388,723)
	Increase in Loans and advances – others		(6,568)
	Increase in other liabilities and provisions		21,323
	Cash used in operations before adjustments for interest received, interest paid and dividend received		(398,851)
	Interest paid		(210,790)
	Interest received		351,686
	Dividend received		137
	Cash used in operations		(257,819)
	Taxes paid		(17,868)
	NET CASH USED IN OPERATING ACTIVITIES		**(275,686)**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakh)

	PARTICULARS	Note No.	For the Year ended March 31, 2017
2	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)		(32,456)
	Proceeds from sale of fixed assets		2,023
	Purchase of long–term investments		(1,075)
	Purchase of mutual fund units		(1,714,480)
	Proceeds from redemption of mutual fund units		1,713,989
	Proceeds from sale of long–term investments		57,115
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES		**25,116**
3	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of Compulsory Convertible Cumulative Preference share capital		78,500
	Share Issue / debenture issue / loan processing expenses		(984)
	Interim dividend paid on equity and preference shares (including dividend distribution tax)		(12,119)
	Net proceeds from short–term borrowings		31,943
	Proceeds from long–term borrowings		763,200
	Repayment of long–term borrowings		(607,130)
	NET CASH FROM FINANCING ACTIVITIES		**253,410**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2,840**
	CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**4,444**
	CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**7,284**
	Reconciliation of cash and cash equivalents as above with cash and bank balances		
	Cash and Cash equivalents at the end of the year as per above		7,284
	Add : Restricted Cash [Refer note 19(iii)]		53
	Add: Fixed deposits with original maturity over 3 months		3
	CASH AND BANK BALANCES AS AT THE END OF THE YEAR [Refer note 19]		**7,340**
	See accompanying notes forming part of the financial statements	1–42	

In terms of our report attached

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

Rupen K Bhatt
Partner

Mumbai
Date : April 28, 2017

For and on behalf of the Board of Directors

Janki Ballabh
(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") dated November 4, 2011.

2 SIGNIFICANT ACCOUNTING POLICIES

i Basis of accounting and preparation of the consolidated financial statements

The consolidated financial statements of Tata Financial Services Capital Limited (the "Company" / "Group") have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year except for change in the accounting policy for share issue expenses as more fully described in note 2(xii).

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

ii Principles of Consolidation

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

a) The financial statements of associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2017

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

c) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be and adjusted against the carrying amount of investment in the associate.

iii. Use of Estimates

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

iv. Revenue recognition

a. Income on Loan transactions

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.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

b. Income from Non-current and Current Investments

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

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

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

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

c. Income from Services

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

d. Income from distribution of financial products

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

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

e. Lease income

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

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

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

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

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

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

vi. Investments

Investments are classified into non-current and current investments.

a. Non–current investments

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b. Current investments

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

vii. Property, plant and equipment

a. Tangible:

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

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

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 property, plant and equipment are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets

b. Intangible:

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

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

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

c. Capital work–in–progress:

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

d. Intangible assets under development:

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

viii. Depreciation and Amortisation

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Buildings, Computer Equipment networking assets, electrical installation and equipments and Vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc.

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life	As per Schedule II
Leasehold Improvements	Lease Period (ranging from 1 to 9 years)	As per lease period
Construction Equipment	7 to 15 years	15 years
Furniture and Fixtures	Owned : 10 years	10 years
	Leased : 9 to 10 years	
Computer Equipment	Owned : 3 to 4 years	3 years
	Leased: 2 to 5 years	
Office Equipment	Owned : 5 years	5 years
	Leased : 2 to 5 years	
Vehicles	Owned : 4 years	6 years
	Leased : 4 years	
Software Licenses	Owned : 4 to 10 years	10 Years
	Leased : 1 to 5 years	
Buildings	25 years	30 years
Plant & Machinery	Owned : 10 years	15 years
	Leased : 4 to 25 years	
Railway Wagons	Leased : 15 years	15 years
Electrical Installation & Equipments	Leased : 9 years	10 years
Networking Assets	2 to 5 years	6 years

ix. Leases

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

x. Assets held for sale

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

xi. Deferred revenue 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.

xii. Share issue expenses

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

xiii. Employee Benefits

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any 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 in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

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

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

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

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

Long-term employee benefits

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

xiv. Provisions, Contingent Liabilities and Contingent Assets

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

xv. Impairment of Assets

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

Recoverable amount of the asset is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flow expected from continuing use of the asset and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

assessments of time value of money and the risk specific to the asset. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased above the lower of recoverable amount and the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

xvi. Foreign currency transactions and translations

Accounting of forward contracts :-

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

Initial recognition :-

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

Measurement at the Balance Sheet date :-

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

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

xvii. Taxation

Income Tax

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

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

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

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

xviii. 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.

xix. Operating Cycle

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

xx. Business segment

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

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

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

xxi. Cash Flow Statement

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

xxii. Earnings Per Share

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

xxiii. Securitised/Assignment Loans and Securitisation/Assignment Liabilities

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

xxiv. Dividend (including dividend distribution tax)

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

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

3. **SHARE CAPITAL** (₹ in lakh)

PARTICULARS	As at March 31, 2017
AUTHORISED	
2,500,000,000 Equity shares of ₹10 each	250,000
3,000,000,000 Preference shares of ₹10 each	300,000
	550,000
ISSUED, SUBSCRIBED & PAID UP	
1,297,550,000 Equity shares of ₹10 each fully paid up	129,755
945,000,000 9% Compulsorily Convertible Cumulative Preference shares of ₹10 each fully paid up	94,500
Total	**224,255**

(a) Reconciliation of number of shares outstanding

PARTICULARS	No. of shares
Equity Shares	
Opening balance as on April 01, 2015	1,297,550,000
Additions during the year	-
Closing Balance as on March 31, 2016	1,297,550,000
Additions during the year	-
Closing Balance as on March 31, 2017	**1,297,550,000**
Preference Shares	
Opening balance as on April 01, 2015	-
Additions during the year	160,000,000
Closing Balance as on March 31, 2016	160,000,000
Additions during the year	785,000,000
Closing Balance as on March 31, 2017	**945,000,000**

(b) Rights, preferences and restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a face value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. Tata Sons Limited is the ultimate holding company.

During the year ended March 31, 2017, the Company has issued 78,50,00,000, 9% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of face value ₹ 10/- each aggregating ₹ 78,500 lakh, which are convertible into equity shares after the completion of 9 years from the date of allotment. However, CCCPS holders have an option to convert all or any part of the holding, dividend, prior to the Equity Shareholders. The dividend proposed by the Board of Directors on the CCCPS is subject to the approval of the shareholders at an Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding.

Tranch–wise due date details for Compulsorily Convertible Cumulative Preference Shares ("CCCPS")

Date of Allotment	Date of Conversion	No. of units	₹ in lakh
29-Sep-15	29-Sep-24	35,000,000	3,500
23-Mar-16	23-Mar-25	125,000,000	12,500
28-Jun-16	28-Jun-25	285,000,000	28,500
28-Sep-16	28-Sep-25	100,000,000	10,000
29-Dec-16	29-Dec-25	100,000,000	10,000
28-Feb-17	28-Feb-26	200,000,000	20,000
31-Mar-17	31-Mar-26	100,000,000	10,000
Total		**945,000,000**	**94,500**

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

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

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

Name of company Tata Capital Limited (Holding Company)	Particulars of issue	No. of shares	₹ in lakh
Equity Shares	Opening Balance as on April 1, 2015	12,975,500,000	129,755
	Closing Balance as on March 31, 2016	12,975,500,000	129,755
	Closing Balance as on March 31, 2017	**12,975,500,000**	**129,755**
Preference Shares	Opening Balance as on April 1, 2015	-	-
	"Rights" issue during the FY 2015-16	160,000,000	16,000
	Closing Balance as on March 31, 2016	160,000,000	16,000
	"Rights" issue during the FY 2016-17	785,000,000	78,500
	Closing Balance as on March 31, 2017	**945,000,000**	**94,500**

4. **RESERVES AND SURPLUS** (₹ in lakh)

PARTICULARS	**As at March 31, 2017**	
(a) Securities Premium Account		
Opening Balance		129,500
Less : Adjustment pursuant to Reduction of Share Capital (Refer note 37)	(54,260)	
Add : Adjustment of Tax pursuant to Reduction of Share Capital (Refer note 37)	13,702	
Less : Share issue expenses written-off (Refer note 38)	(77)	(40,635)
Closing Balance		**88,865**
(b) Debenture Redemption Reserve		**30,000**
(c) Special Reserve Account		
Opening Balance		21,431
Add : Transfer from Surplus in the Statement of Profit and Loss (Refer note 4(a) below)		4,319
Closing Balance		**25,750**
(d) Surplus in Statement of Profit and Loss		
Opening Balance		32,715
Add: Profit for the year		21,802
Amount available for Appropriations		**54,517**
Less : Appropriations		
– Transfer to Special Reserve Account	(4,319)	
– Interim Dividend on equity shares (Refer note 4(b) below)	(5,839)	
– Interim Dividend on preference shares (Refer note 4(c) below)	(4,230)	
– Tax on Interim Dividend (Refer notes 4(b) and 4(c) below)	(2,050)	(16,438)
Closing Balance		**38,079**
TOTAL – RESERVES AND SURPLUS		**182,694**

Notes:

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

a) ₹ 4,319 lakh to Special Reserve as prescribed by section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the profit after taxes for the year.

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

b) During the year ended March 31, 2017, on March 22, 2017, the Company has declared and paid on March 23, 2017, an interim dividend of Re. 0.45 per share aggregating to ₹ 5,839 lakh and dividend distribution tax thereon of ₹ 1,189 lakh.

c) During the year ended March 31, 2017, on March 22, 2017, the Company has declared and paid on March 23, 2017, an interim dividend for financial year 2016-17 on Compulsorily Convertible Cumulative Preference Shares aggregating to ₹ 4,230 lakh and dividend distribution tax thereon of ₹ 861 lakh.

5. LONG–TERM BORROWINGS (₹ in lakh)

PARTICULARS		As at March 31, 2017
(a)	**Debentures**	
	Secured	
	Privately Placed Non–Convertible Debentures (Refer notes 5.1 and 5.5 below)	446,120
	Public issue of Non–Convertible Debentures (Refer notes 5.2 and 5.6 below)	28,818
	Unsecured	
	Non–Convertible Subordinated Debentures (Refer notes 5.7 and 5.10 below) (Net of unamortised discount of ₹ 1,299 lakh)	180,746
	Non–Convertible Perpetual Debentures (Refer note 5.8 below)	60,000
	Privately Placed Non–Convertible Debentures (Refer note 5.9 below)	70,000
(b)	**Term loans**	
	Secured	
	From Banks (Refer notes 5.3 and 5.4 below)	30,000
	Unsecured	
	From Banks (Refer note 5.4 below)	1,30,000
Total		**945,684**

Notes

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

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

5.3. Loans and advances from banks are secured by pari passu charge on the 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 ₹ z,000 lakh are repayable at maturity ranging between 15 and 37 months from the date of respective loan. Rate of interest payable on term loans varies between 7.95 % to 9.15%.

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

5.5. Particulars of Privately Placed Secured Non–Convertible Debentures ("NCDs") outstanding as on March 31, 2017

(₹ in lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2017*	
			Number of NCDs	₹ in lakh
TCFSL NCD AF FY 2014-15-Option-I	8-Dec-14	6-Dec-24	600	6,000
TCFSL NCD AF FY 2014-15-Option-I	8-Dec-14	6-Dec-24	150	1,500
TCFSL NCD AA FY 2014-15	20-Nov-14	20-Nov-24	950	9,500
TCFSL NCD 'AH' FY 2012-13	5-Sep-12	5-Sep-22	500	5,000
TCFSL NCD "AL" FY 2016-17	31-Mar-17	31-Mar-22	400	4,000
TCFSL NCD "AG" FY 2016-17	28-Dec-16	28-Dec-21	2,720	27,200
TCFSL NCD 'G' FY 2016-17	30-May-16	28-May-21	500	2,000
TCFSL NCD "AB" FY 2015-16	21-Mar-16	19-Mar-21	100	1,000
TCFSL NCD "AA" FY 2015-16	16-Mar-16	16-Mar-21	70	700
TCFSL NCD "X" FY 2015-16	16-Dec-15	16-Dec-20	100	1,000
TCFSL NCD "U" FY 2016-17	26-Aug-16	1-Jul-20	150	1,500
TCFSL NCD "E" FY 2015-16	5-May-15	5-May-20	3,300	33,000
TCFSL NCD "AJ" FY 2016-17	1-Mar-17	28-Feb-20	250	2,500
TCFSL NCD "I" FY 2016-17 Option - II	10-Jun-16	23-Dec-19	130	1,300
TCFSL NCD "AE" FY 2016-17	16-Nov-16	16-Dec-19	750	7,500
TCFSL NCD "AD" FY 2016-17	10-Nov-16	10-Dec-19	230	2,300
TCFSL NCD "AC" FY 2016-17	27-Oct-16	25-Oct-19	350	3,500
TCFSL NCD "V" FY 2016-17 - Option II	31-Aug-16	30-Aug-19	250	2,500
TCFSL NCD "T" FY 2016-17	25-Aug-16	23-Aug-19	250	2,500
TCFSL NCD "P" FY 2016-17	29-Jul-16	29-Jul-19	100	1,000
TCFSL NCD "O" FY 2016-17	19-Jul-16	19-Jul-19	250	2,500
TCFSL NCD "N" FY 2016-17	12-Jul-16	12-Jul-19	2,000	20,000
TCFSL NCD C FY 2014-15 - Option-II	9-Jul-14	9-Jul-19	350	3,500
TCFSL NCD "I" FY 2016-17- Option I	10-Jun-16	24-Jun-19	250	2,500
TCFSL NCD "F" FY 2016-17	24-May-16	24-May-19	250	2,500
TCFSL NCD "Z" FY 2015-16	5-Feb-16	3-May-19	1,000	10,000
TCFSL NCD "D" FY 2016-17	20-Apr-16	19-Apr-19	100	1,000
TCFSL NCD "AC" FY 2015-16	31-Mar-16	18-Apr-19	213	2,130
TCFSL NCD "B" FY 2016-17	7-Apr-16	8-Apr-19	200	2,000
TCFSL NCD "AK" FY 2016-17	27-Mar-17	27-Mar-19	190	1,900
TCFSL NCD "AA" FY 2016-17	6-Oct-16	18-Mar-19	500	5,000
TCFSL NCD "X" FY 2016-17	8-Sep-16	8-Mar-19	2,500	25,000
TCFSL NCD "AI" FY 2016-17	8-Feb-17	4-Mar-19	1,000	10,000
TCFSL NCD "AH" FY 2016-17	6-Feb-17	6-Feb-19	1,500	15,000
TCFSL NCD "Y" FY 2015-16	8-Jan-16	8-Jan-19	250	2,500
TCFSL NCD "AF" FY 2016-17	29-Nov-16	29-Nov-18	3,000	30,000
TCFSL NCD AA FY 2011-12	21-Oct-11	21-Oct-18	150	1,500
TCFSL NCD "AB" FY 2016-17	14-Oct-16	12-Oct-18	5,450	54,500
TCFSL NCD R FY 2011-12	23-Sep-11	23-Sep-18	100	1,000
TCFSL NCD "W" FY 2016-17	6-Sep-16	6-Sep-18	2,500	25,000
TCFSL NCD "V" FY 2016-17 - Option I	31-Aug-16	31-Aug-18	300	3,000
TCFSL NCD "S" FY 2015-16	26-Aug-15	24-Aug-18	250	2,500
TCFSL NCD O FY 2013-14	20-Aug-13	20-Aug-18	430	4,300
TCFSL NCD M FY 2011-12	17-Aug-11	17-Aug-18	40	400

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

5.5 Particulars of Privately Placed Secured Non–Convertible Debentures ("NCDs") outstanding as on March 31, 2017 (Contd...)

(₹ in lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2017*	
			Number of NCDs	₹ in lakh
TCFSL NCD "S" FY 2016-17	16-Aug-16	16-Aug-18	750	7,500
TCFSL NCD "R" FY 2016-17	12-Aug-16	13-Aug-18	250	2,500
TCFSL NCD "Q" FY 2016-17	2-Aug-16	2-Aug-18	1,500	15,000
TCFSL NCD 'Q' FY 2015-16	13-Jul-15	13-Jul-18	50	500
TCFSL NCD "L" FY 2015-16	22-Jun-15	22-Jun-18	3,800	38,000
TCFSL NCD G FY 2013-14	22-May-13	22-May-18	2,000	20,000
TCFSL NCD H FY 2013-14	22-May-13	22-May-18	250	2,500
TCFSL NCD D FY 2013-14	7-May-13	7-May-18	200	2,000
TCFSL NCD E FY 2013-14	7-May-13	7-May-18	500	5,000
TCFSL NCD A FY 2013-14 - 0ption-I	23-Apr-13	23-Apr-18	850	8,500
TCFSL NCD AK FY 2014-15-Option-II	15-Jan-15	5-Apr-18	59	590
TCFSL NCD AX FY 2014-15-Option-II	20-Mar-15	3-Apr-18	80	800
TCFSL NCD BF FY 2012-13	26-Mar-13	26-Mar-18	50	500
TCFSL NCD "J" FY 2016-17- Option I	15-Jun-16	26-Mar-18	300	3,000
TCFSL NCD "Y" FY 2016-17	30-Sep-16	26-Mar-18	1,500	15,000
TCFSL NCD "Z" FY 2016-17	4-Oct-16	26-Mar-18	3,500	35,000
TCFSL NCD "AY" FY 2014-15-Option-I	24-Mar-15	23-Mar-18	150	1,500
TCFSL NCD "A" FY 2016-17	5-Apr-16	20-Mar-18	1,250	12,500
TCFSL NCD "E" FY 2016-17	22-Apr-16	20-Mar-18	700	7,000
TCFSL NCD "C" FY 2016-17	13-Apr-16	15-Mar-18	2,500	25,000
TCFSL NCD AV FY 2014-15 - Option-II	10-Mar-15	9-Mar-18	500	5,000
TCFSL NCD AT FY 2014-15 - Option-I	2-Mar-15	2-Mar-18	650	6,500
TCFSL NCD AQ FY 2014-15	20-Feb-15	12-Feb-18	60	600
TCFSL NCD AP FY 2014-15-Option-I	4-Feb-15	2-Feb-18	500	5,000
TCFSL NCD AN FY 2014-15	29-Jan-15	29-Jan-18	3,000	30,000
TCFSL NCD AL FY 2014-15	20-Jan-15	24-Jan-18	210	2,100
TCFSL NCD AY FY 2012-13	22-Jan-13	22-Jan-18	2,000	20,000
TCFSL NCD BA FY 2012-13	22-Jan-13	22-Jan-18	250	2,500
TCFSL NCD 'AZ' FY 2012-13	22-Jan-13	22-Jan-18	3,000	30,000
TCFSL NCD AX FY 2012-13	16-Jan-13	16-Jan-18	650	6,500
TCFSL NCD AK FY 2014-15-Option-I	15-Jan-15	15-Jan-18	97	970
TCFSL NCD AJ FY 2014-15	14-Jan-15	10-Jan-18	162	1,620
TCFSL NCD "L" FY 2016-17	7-Jul-16	8-Jan-18	250	2,500
TCFSL NCD AH FY 2014-15-Option-III	16-Dec-14	4-Jan-18	90	900
TCFSL NCD "K" FY 2016-17	24-Jun-16	26-Dec-17	250	2,500
TCFSL NCD "J" FY 2016-17- Option II	15-Jun-16	15-Dec-17	250	2,500
TCFSL NCD AF FY 2014-15-Option-III	8-Dec-14	8-Dec-17	50	500
TCFSL NCD AS FY 2012-13	5-Dec-12	5-Dec-17	250	2,500
TCFSL NCD AB FY 2014-15-Option-III	21-Nov-14	29-Nov-17	150	1,500
TCFSL NCD AB FY 2014-15-Option-II	21-Nov-14	27-Nov-17	200	2,000
TCFSL NCD X FY 2014-15 - Option -II	14-Nov-14	24-Nov-17	150	1,500
TCFSL NCD Y FY 2014-15	18-Nov-14	20-Nov-17	100	1,000
TCFSL NCD AB FY 2014-15-Option-I	21-Nov-14	20-Nov-17	380	3,800
TCFSL NCD Z FY 2014-15	19-Nov-14	15-Nov-17	740	7,400
TCFSL NCD AQ FY 2012-13	12-Nov-12	10-Nov-17	300	3,000

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

5.5 Particulars of Privately Placed Secured Non–Convertible Debentures (“NCDs”) outstanding as on March 31, 2017 (Contd...)

(₹ in lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2017*	
			Number of NCDs	₹ in lakh
TCFSL NCD "W" FY 2015-16	10-Nov-15	10-Nov-17	200	2,000
TCFSL NCD AJ FY 2012-13	9-Nov-12	9-Nov-17	5,000	50,000
TCFSL NCD U FY 2014-15	21-Oct-14	20-Oct-17	100	1,000
TCFSL NCD "V" FY 2015-16	21-Oct-15	20-Oct-17	1,000	10,000
TCFSL NCD T FY 2014-15 - Option -III	13-Oct-14	18-Oct-17	100	1,000
TCFSL NCD S FY 2014-15 - Option -I	9-Oct-14	9-Oct-17	50	500
TCFSL NCD R FY 2014-15 - Option -III	30-Sep-14	29-Sep-17	50	500
TCFSL NCD R FY 2014-15 - Option -II	30-Sep-14	28-Sep-17	100	1,000
TCFSL NCD 'U' FY 2015-16	28-Sep-15	28-Sep-17	2,000	20,000
TCFSL NCD S FY 2014-15 - Option -V	9-Oct-14	27-Sep-17	22	220
TCFSL NCD T FY 2014-15 - Option -V	13-Oct-14	26-Sep-17	250	2,500
TCFSL NCD T FY 2014-15 - Option -I	13-Oct-14	20-Sep-17	1,500	15,000
TCFSL NCD AG FY 2012-13	10-Sep-12	8-Sep-17	100	1,000
TCFSL NCD "M" FY 2016-17	8-Jul-16	8-Sep-17	1,500	15,000
TCFSL NCD M FY 2014-15	4-Sep-14	4-Sep-17	500	5,000
TCFSL NCD L FY 2014-15 - Option- I	1-Sep-14	1-Sep-17	4,000	40,000
TCFSL NCD R FY 2013-14	26-Aug-13	25-Aug-17	300	3,000
TCFSL NCD M FY 2011-12 - Partial Redemption	17-Aug-11	17-Aug-17	30	300
TCFSL NCD "H" FY 2016-17	7-Jun-16	10-Aug-17	400	4,000
TCFSL NCD AE FY 2012-13	9-Aug-12	9-Aug-17	200	2,000
TCFSL NCD 'R' FY 2015-16	31-Jul-15	31-Jul-17	1,570	15,700
TCFSL NCD "H" FY 2015-16 Option - I	15-May-15	17-Jul-17	1,270	12,700
TCFSL NCD F FY 2014-15	14-Jul-14	14-Jul-17	100	1,000
TCFSL NCD C FY 2014-15 - Option-I	9-Jul-14	10-Jul-17	250	2,500
TCFSL NCD 'O' FY 2015-16 Option II	7-Jul-15	7-Jul-17	250	2,500
TCFSL NCD 'P' FY 2015-16	9-Jul-15	7-Jul-17	2,500	25,000
TCFSL NCD "M" FY 2015-16 - Option I	24-Jun-15	23-Jun-17	1,000	10,000
TCFSL NCD "M" FY 2015-16 - Option II	24-Jun-15	23-Jun-17	750	7,500
TCFSL NCD "M" FY 2015-16 - Option III	24-Jun-15	23-Jun-17	750	7,500
TCFSL NCD 'O' FY 2015-16 Option I	7-Jul-15	23-Jun-17	2,500	25,000
TCFSL NCD "H" FY 2015-16 Option - V	15-May-15	20-Jun-17	187	1,870
TCFSL NCD "I" FY 2015-16 Option - V	22-May-15	20-Jun-17	67	670
TCFSL NCD "K" FY 2015-16	9-Jun-15	9-Jun-17	5,000	50,000
TCFSL NCD "C" FY 2015-16 OPTION-IV	22-Apr-15	1-Jun-17	340	3,400
TCFSL NCD "H" FY 2015-16 Option - VI	15-May-15	1-Jun-17	175	1,750
TCFSL NCD "I" FY 2015-16 Option - I	22-May-15	1-Jun-17	1,273	12,730
TCFSL NCD "G" FY 2015-16 - Option I	13-May-15	24-May-17	350	3,500
TCFSL NCD "J" FY 2015-16 - Option II	26-May-15	24-May-17	5,250	52,500
TCFSL NCD "H" FY 2015-16 Option - IV	15-May-15	24-May-17	220	2,200
TCFSL NCD "B" FY 2015-16	20-Apr-15	22-May-17	1,026	10,260
TCFSL NCD "H" FY 2015-16 Option - II	15-May-15	22-May-17	780	7,800
TCFSL NCD "I" FY 2015-16 Option - II	22-May-15	17-May-17	200	2,000
TCFSL NCD "H" FY 2015-16 Option - VIII	15-May-15	15-May-17	100	1,000
TCFSL NCD "H" FY 2015-16 Option - III	15-May-15	12-May-17	250	2,500
TCFSL NCD AU FY 2014-15-Option-III	5-Mar-15	2-May-17	110	1,100

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

5.5 Particulars of Privately Placed Secured Non–Convertible Debentures ("NCDs") outstanding as on March 31, 2017 (Contd...)

(₹ in lakh)

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2017*	
			Number of NCDs	₹ in lakh
TCFSL NCD "G" FY 2015-16 - Option II	13-May-15	27-Apr-17	90	900
TCFSL NCD "C" FY 2015-16 OPTION-III	22-Apr-15	25-Apr-17	850	8,500
TCFSL NCD "C" FY 2015-16 OPTION-II	22-Apr-15	20-Apr-17	70	700
TCFSL NCD "C" FY 2015-16 OPTION-I	22-Apr-15	19-Apr-17	326	3,260
TCFSL NCD "D" FY 2015-16 OPTION-II	24-Apr-15	18-Apr-17	88	880
TCFSL NCD "A" FY 2015-16	15-Apr-15	11-Apr-17	180	1,800
TCFSL NCD "H" FY 2015-16 Option - VII	15-May-15	11-Apr-17	120	1,200
TCFSL NCD AU FY 2014-15-Option-I	5-Mar-15	10-Apr-17	115	1,150
TCFSL NCD "D" FY 2015-16 OPTION-IV	24-Apr-15	5-Apr-17	510	5,100
TCFSL NCD "D" FY 2015-16 OPTION-I	24-Apr-15	3-Apr-17	640	6,400
TCFSL NCD "D" FY 2015-16 OPTION-III	24-Apr-15	3-Apr-17	190	1,900
TOTAL				**1,156,500**
Of which current maturities classified under "Current liabilities" in note 10				**(710,380)**
TOTAL				**446,120**

*Note : Coupon rate of "NCDs" outstanding as on March 31, 2017 varies from 7.58% to 10.75%

5.6. Particulars of Public issue of Secured Non–Convertible Debentures outstanding as on March 31, 2017

Description of NCD	Issue Date	Redemption Date	Number of NCDs	₹ in lakh
TCFSL NCD Option I (2009)	06-Mar-09	05-Mar-19	310	310
TCFSL NCD Option II (2009)	06-Mar-09	05-Mar-19	177,875	1,779
TCFSL NCD Option IIII (2009)	06-Mar-09	05-Mar-19	1,497,029	14,970
TCFSL NCD Option IV (2009)	06-Mar-09	05-Mar-19	1,175,939	11,759
Total				**28,818**

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

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

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

*Net of unamortised discount of ₹1,299 lakh

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

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

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

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
TCFSL Perpetual A FY 2015-16	16-Jul-15	1000	10,000
TCFSL Perpetual B FY 2015-16	6-Jan-16	500	5,000
TCFSL Perpetual C FY 2015-16	2-Feb-16	500	5,000
TCFSL Perpetual D FY 2015-16	9-Feb-16	1000	10,000
TCFSL Perpetual E FY 2015-16	23-Mar-16	1000	10,000
TCFSL Perpetual 'A' FY 2016-17	30-Jun-16	500	5,000
TCFSL Perpetual 'B' FY 2016-17	13-Jan-17	100	1,000
TCFSL Perpetual 'C' FY 2016-17	8-Mar-17	400	4,000
Total			**60,000**

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

Particulars	Year Ended March 31, 2017
Funds Raised through Perpetual Debt Instruments	10,000
Amount outstanding at the end of year	60,000
Percentage of amount of Perpetual Debt Instruments of the amount of Tier I Capital	15.00%
Financial year in which interest on Perpetual Debt Instruments is not paid on account of 'Lock–In Clause'.	N.A.

5.9. Particulars of Privately Placed Unsecured Non–Convertible Debentures ("NCDs") outstanding as on March 31, 2017

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

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

5.10. Unsecured redeemable Non–convertible subordinated debentures includes the debentures issued to Key Management Personnel of ₹ 20 lakh.

6. OTHER LONG–TERM LIABILITIES (₹ in lakh)

PARTICULARS	As at March 31, 2017
(a) Interest accrued but not due on borrowings	4,317
(b) Income received in advance	215
(c) Sundry liabilities account (interest capitalisation)	2,487
Total	**7,019**

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

7. LONG–TERM PROVISIONS

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(a) Provision for employee benefits	158
(b) Contingent provision against Standard Assets (Refer note 35)	5,160
Total	**5,318**

8. SHORT–TERM BORROWINGS

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(a) Loans repayable on demand	
Secured	
From Banks	
(i) Working capital demand loan (Refer note 5.3 above)	75,000
(ii) Bank Overdraft (Refer note 5.3 above)	301,969
Unsecured	
From Banks	
(i) Working capital demand loan	11,200
(b) Terms loans	
Secured	
From Banks (Refer notes 5.3 and 5.4 above)	6,000
(c) Other loans and advances	
Unsecured	
(i) Commercial paper (Refer note 8.1 below) [Net of unamortised discount of ₹ 9,868 lakh]	567,632
(ii) Inter Corporate Deposits from Related Parties (Refer note 32)	44,829
Total	**1,006,630**

Notes

8.1. Discount on commercial paper varies between 6.66 % to 8.61%

9. TRADE PAYABLES

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(i) Accrued employee benefit expenses	4,321
(ii) Accrued expenses	16,170
(iii) Payable to Dealers / Vendors	26,571
(iv) Others	1,623
Total	**48,685**

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

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

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(i) Amounts outstanding but not due as at year end	-
(ii) Amounts due but unpaid as at year end	-
(iii) Amounts paid after appointed date during the year	-
(iv) Amount of interest accrued and unpaid as at year end	-
(v) The amount of further interest due and payable even in the succeeding year	-
Total	**–**

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

10. OTHER CURRENT LIABILITIES

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(a) Current maturities of long–term debt	
(i) Debentures	
Secured	710,380
Privately Placed Non–Convertible Debentures (Refer notes 5.1 and 5.5 above)	
Unsecured	15,000
Privately Placed Non–Convertible Debentures (Refer note 5.9 above)	
(ii) Term Loans	
Secured	
From Banks (Refer note 5.4 above)	50,000
(iii) Other Loans and Advances	
Unsecured	
Inter-Corporate Deposits from Others	715
(b) Interest accrued but not due on borrowings	81,149
(c) Income received in advance	1,113
(d) Unclaimed matured debenture application money and interest accrued thereon	53
(e) Other payables	
(i) Security deposit	22,475
(ii) Statutory dues	1,305
(iii) Payable for capital expenditure	908
(iv) Advances from customers	1,403
(v) Sundry liabilities account (interest capitalisation)	2,058
(vi) Amount payable - asigned loans	5,727
(vii) Others	595
Total	**892,881**

11. SHORT–TERM PROVISIONS

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(a) Provision for employee benefits	875
(b) Provision – Others	
(i) Contingent Provision against Standard Assets (Refer note 35)	6,431
(ii) Provision for tax, (Net of advance tax ₹ 29,481 lakh)	8,575
Total	**15,881**

12. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakh)

PARTICULARS	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2016	Additions/ Adjustments	Deletions	Written off during the year*	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing Balance as at March 31, 2017	As at March 31, 2017
TANGIBLE ASSETS										
Buildings	4,975	-	-	-	4,975	1,098	200	-	1,298	3,677
Leasehold Improvements	4,191	338	975	-	3,554	2,343	424	914	1,853	1,701
Furniture & Fixtures	1,190	211	220	-	1,181	716	136	163	689	492
Computer Equipment	945	1,579	117	-	2,407	614	292	117	789	1,618
Office Equipment	1,580	318	138	-	1,760	1,238	155	115	1,278	482
Plant & Machinery	668	-	148	-	520	319	64	120	263	257
Vehicles	1,000	266	332	-	934	575	209	302	482	452
ASSETS GIVEN UNDER OPERATING LEASE / RENTAL										
Construction Equipment	22,843	1,435	231	-	24,047	6,905	2,894	51	9,748	14,299
Vehicles	4,769	793	2,065	-	3,497	2,797	798	1,679	1,916	1,581
Plant & Machinery	13,642	12,432	108	-	25,966	2,153	2,214	20	4,347	21,619
Computer Equipment	22,812	7,423	8,368	-	21,867	8,222	4,687	3,942	8,967	12,900
Furniture & Fixtures	635	411	-	-	1,046	126	86	-	212	834
Office Equipments	2,607	299	195	-	2,711	862	769	165	1,466	1,245
Railway Wagons	8,265	7,754	-	-	16,019	223	963	-	1,186	14,833
Electrical Installation & Equipments	289	887	-	-	1,176	2	112	-	114	1,062
TANGIBLE ASSETS – TOTAL	**90,411**	**34,146**	**12,897**	**-**	**111,660**	**28,193**	**14,003**	**7,588**	**34,608**	**77,052**
INTANGIBLE ASSETS (other than internally generated)										
Goodwill	7,804	-	-	7,804	-	-	-	-	-	-
Software	1,765	480	17	-	2,228	864	270	15	1,119	1,109
INTANGIBLE ASSETS – TOTAL	**9,569**	**480**	**17**	**7,804**	**2,228**	**864**	**270**	**15**	**1,119**	**1,109**
Total	**99,980**	**34,626**	**12,914**	**7,804**	**113,888**	**29,057**	**14,273**	**7,603**	**35,727**	**78,161**
Capital work–in–progress										518
Intangible Assets under Development										655
Total										**79,334**

* Written off pursuant to Reduction of Share Capital (Refer note 37)

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

13. INVESTMENTS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	
	Non–Current Investment	Current portion of Non–Current Investment
LONG–TERM INVESTMENTS (at cost)		
Investment in Associates		
Unquoted :		
Carrying amount of Investment in associates (Refer note 28)	3,854	-
Investment in Security Receipts	748	-
Investment in Others		
Quoted :		
Investment in Equity Shares	16,582	-
Investment in Mutual Fund	50	-
Unquoted :		
Investment in Equity Shares	9,749	-
Investment in Mutual Fund	980	-
Investment in Preference Shares	-	90
Sub–total	**31,963**	**90**
Less: Provision for diminution in value of investments	(5,313)	(90)
Total Long–Term Investments	**26,650**	**-**

(₹ in lakh)

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

TOTAL INVESTMENTS (₹ in lakh)

PARTICULARS	As at March 31, 2017	
	Non–Current Investment	Current Investment
Total Investments	**26,650**	**794**
Book value of Quoted investments (net)	11,833	794
Market value of Quoted investments	10,814	802
Book value of Unquoted investments (net)	14,817	-

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

SCRIP–WISE DETAILS OF INVESTMENTS: (₹ in lakh)

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

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

SCRIP–WISE DETAILS OF INVESTMENTS: (Contd...) (₹ in lakh)

PARTICULARS	Face value Per Unit Rs	As at March 31, 2017		
		No. of Units	₹ in lakh	₹ in lakh
Investment in Equity Shares (Non–Trade)				
IVRCL LIMITED	2	2,776,522	428	
Gol Offshore Limited	10	644,609	282	
Diamond Power Infra Limited	10	1,631,881	674	1,384
Less: MTM Provision on Current Investment				(590)
				794
Unquoted :				
Investment in Equity Shares (Non–Trade)				
Coastal Projects Limited	10	4,101,806	410	
Tata Tele Services Limited (Refer note 37)*	10	62,250,000	0	410
Less: Provision for dimunition on Current Investment				(410)
				–
Total Current Investments				**794**

PARTICULARS	As at March 31, 2017	
	Non–Current Investment	Current Investments
TOTAL INVESTMENTS	**26,650**	**794**
Book value of Quoted investments (net)	11,833	794
Market value of Quoted investments	10,814	802
Book value of Unquoted investments (net)	14,817	-

* amount less than ₹ 50,000.

14. DEFERRED TAX ASSET

(₹ in lakh)

PARTICULARS	As at March 31, 2017
Deferred Tax Asset (net)	**43,483**

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, 2017
Deferred Tax Assets :–	
(a) Deferred tax assets on account of provisions for non–performing assets	**41,006**
(b) Provision for restructured advances	**38**
(c) Provision for standard assets	**4,011**
(d) Employee benefits	**303**
(e) Other deferred tax assets	**1,061**
Deferred Tax Liabilities :–	
(a) Debenture issue expenses	**(518)**
(b) Depreciation on fixed assets	**(2,418)**
Net Deferred Tax Asset	**43,483**

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

15. LOANS AND ADVANCES – FINANCING ACTIVITY

(₹ in lakh)

PARTICULARS	As at March 31, 2017
NON–CURRENT	
(a) Secured Loans	
(i) Considered good	1,251,907
(ii) Considered doubtful	26,877
(iii) Retained portion of assigned loans	6,321
	1,285,105
Less: Provision for doubtful loans	26,877
Less: Provisions against restructured standard assets	68
	1,258,160
(b) Secured Credit Substitutes (Refer note 15(b) below)	
(i) Considered good	8,136
(ii) Considered doubtful	2,752
	10,888
Less: Provision for doubtful Credit Substitutes	2,752
	8,136
(c) Unsecured Loans	
(i) Considered good	209,196
(ii) Considered doubtful	731
	209,927
Less: Provision for doubtful loans	731
Less: Provisions against restructured standard assets	2
	209,194
(d) Unsecured Credit Substitutes (Refer note 15(b) below)	
(i) Considered good	9,924
(ii) Considered doubtful	-
	9,924
Less: Provision for doubtful Credit Substitutes	-
	9,924
TOTAL	**1,485,414**
CURRENT	
(a) Secured Loans	
(i) Considered good	601,645
(ii) Considered doubtful	65,123
(iii) Retained portion of assigned loans	697
	667,465
Less: Provision for doubtful loans	65,123
Less: Provisions against restructured standard assets	37
	602,305
(b) Secured Credit Substitutes (Refer note 15(b) below)	
(i) Considered good	4,617
(ii) Considered doubtful	14,554
	19,171
Less: Provision for doubtful Credit Substitutes	14,554
	4,617
(c) Unsecured Loans	
(i) Considered good	940,985
(ii) Considered doubtful	11,184
	952,169
Less: Provision for doubtful loans	11,184
Less: Provisions against restructured standard assets	3
	940,982

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

15. LOANS AND ADVANCES – FINANCING ACTIVITY (Contd...) (₹ in lakh)

PARTICULARS	As at March 31, 2017
(d) Unsecured Credit Substitutes (Refer note 15(b) below)	
(i) Considered good	54,863
(ii) Considered doubtful	-
	54,863
Less: Provision for doubtful Credit Substitutes	-
	54,863
(e) Unsecured Inter Corporate Deposits	
(i) Considered good	11,300
(ii) Considered doubtful	-
	11,300
Less: Provision for doubtful loans	-
	11,300
TOTAL	**1,614,067**
TOTAL – LOANS AND ADVANCES FINANCING ACTIVITY	**3,099,481**

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, 2017
Gross Investments:	
– Within one year	10,568
– Later than one year and not later than five years	20,944
– Later than five years	225
TOTAL	**31,737**
Unearned Finance Income:	
– Within one year	2,712
– Later than one year and not later than five years	3,330
– Later than five years	76
TOTAL	**6,118**
Present Value of Rentals:	
– Within one year	7,856
– Later than one year and not later than five years	17,614
– Later than five years	149
TOTAL	**25,619**

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

15. b. Scrip–wise details of Credit Substitutes: (₹ in lakh)

PARTICULARS	Face value Per Unit ₹	As at March 31, 2017		
		No. of Units	Non– Current	Current
Secured Quoted :				
Investment in Bonds and Debentures (Trade)				
12.75% Diamond Power Infra Limited	100,000	1,700	1,027	-
12.90% Cholamandalam Investment & Finance Company Limited	500,000	1	-	5
12.65% Consolidated Construction Consortium Limited	1,000,000	200	1,840	139
12.90% Godawari Power and Ispat Limited	1,000,000	150	-	1,500
9.40% JM Financial Asset Reconstruction Company	1,000,000	400	4,000	-
			6,867	**1,644**
Secured Unquoted :				
Investment in Debentures (Trade)				
9% East Coast Constructions and Industries Limited	1,000	-	-	15
11.80% Elder Pharmaceuticals Limited	1,000,000	-	-	851
13.65% Metropolitan Infrahousing Private Limited	-	75	-	7,577
5.64% Mandava Holding Private Limited	-	-	-	1
8% JL Power Ventures Private Limited	10,000,000	40	2,800	1,200
14.50% Arohi Infrastructure Private Limited	100	-	-	2,871
			2,800	**12,515**
Investment in Pass Through Certificates				
Jindal ITF Limited–Series A to E	–	–	–	2,742
			–	**2,742**
Add: Interest accrued but not due			1,221	2,271
Less: Provision for doubtful credit substitutes			2,752	14,555
Total Secured			**8,136**	**4,617**
Unsecured Quoted :				
Investment in Bonds and Debentures (Trade)				
10.45% IDBI Bank Limited	1,000,000	50	507	-
10% Indian Overseas Bank Limited	1,000,000	400	4,000	-
Unsecured Unquoted			**4,507**	**-**
Investment in Preference Shares (Non–Trade)				
10.75% Kiri Industries Limited	10	4,333,500	-	433
11.50% Mcnally Bharat Engineering Co Ltd Cumulative Non Convertible Redeemable Preference Shares	100	533,898	3,417	9
			3,417	**442**
Investment in Debentures (Trade)				
10.90% Tata Motor Finance Limited	500,000	400	2,000	–
			2,000	**–**
Investment in Pass Through Certificates				
Capital DRL Trust	–	–	–	54,293
			–	**54,293**
Add : Interest accured but not due			–	128
Total Unsecured			**9,924**	**54,863**
Grand Total			**18,060**	**59,480**

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

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

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(a) Capital advances	7,806
(b) Loans and advances to related parties	249
(c) Security deposits	47
(d) Advance payment of Income tax, (Net of provision for tax ₹ 54,789 lakh)	5,818
(e) Others	
(i) Loan to TCL Employee Welfare Trust	7,302
(ii) Prepaid Expenses	289
Total	**21,511**

17. OTHER NON–CURRENT ASSETS

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer note 21(a))	1,087
(b) Unamortised loan sourcing costs	5,752
Total	**6,839**

18. TRADE RECEIVABLES

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(a) Over six months (from the date due for payment)	
(i) Secured, considered good	–
(ii) Unsecured, considered good	86
(iii) Doubtful	–
	86
Less: Provision for trade receivables	–
	86
(b) Others	
(i) Secured, considered good	–
(ii) Unsecured, considered good	1,898
(iii) Doubtful	–
	1,898
Less: Provision for trade receivables	–
	1,898
Total	**1,984**

19. CASH AND BANK BALANCES

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(a) Cash on Hand	573
(b) Cheques on Hand	1,577
(c) Balances with banks	
(i) In current accounts	5,187
(ii) In deposit accounts (Refer note (ii) below)	3
Total	**7,340**

Note:

(i) Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is ₹ 7,284 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

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

(iii) Balance in current accounts includes ₹ 53 lakh towards unclaimed debenture application money and interest accrued thereon.

(iv) The details of the Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below (as per MCA Notification G.S.R. 307 (E) dated 30th March 2017 :

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

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

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(a) Loans and advances to related parties	556
(b) Security Deposits	6,983
(c) Others	
(i) Other advances	1,054
Less : Provision for other doubtful advances	(263)
	791
(ii) Pass Through Certificate application money (refundable)	16,249
(iii) Loan and advances to employees	104
(d) Prepaid expenses	1,036
(e) Balances with government authorities	1,431
Total	**27,150**

21. OTHER CURRENT ASSETS

(₹ in lakh)

PARTICULARS	As at March 31, 2017
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer note 21(a))	457
(b) Receivable on sale of investment	83
Less : Provision for receivable on sale of investment	(83)
Net receivable on Sale of Investment	–
(c) Unamortised loan sourcing costs	8,333
(d) Income accrued but not due	2,245
(e) Assets held for sale	4,438
Less :Provision for assets held for sale	(1,404)
Carrying Value of Assets held for sale	3,034
(f) Gratuity Asset (Net)	239
(g) Other receivables	173
Total	**14,481**

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

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

PARTICULARS	As at March 31, 2017
(a) Unamortised share issue expenses	
Opening balance	1
Add: Expenses incurred during the year	–
Less: written off through securities premium (Refer note 38)	1
Less: written off during the year	–
Closing balance	–
(b) Unamortised debenture issue expenses	
Opening balance	1,170
Add: Expenses incurred during the year	754
Less: written off during the year	426
Closing balance	1,498
(c) Unamortised loan processing charges	
Opening balance	16
Add: Expenses incurred during the year	153
Less: written off during the year	123
Closing balance	46
Total	**1,544**

(₹ in lakh)

PARTICULARS	As at March 31, 2017	
	Non–Current	Current
(a) Unamortised share issue expenses	–	–
(b) Unamortised debenture issue expenses	1,087	411
(c) Unamortised loan processing charges	–	46
Total	1,087	457
Grand Total		**1,544**

NOTES TO AND FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR YEAR ENDED MARCH 31, 2017

22. REVENUE FROM OPERATIONS

(₹ in lakh)

PARTICULARS	For the Year Ended March 31, 2017
(a) Interest Income	
(i) From secured loans and credit substitutes	234,127
(ii) From unsecured loans and credit substitutes	113,911
(b) Income from Bill Discounting	4,928
(c) Others	32,261
Total	**385,227**

23. INVESTMENT INCOME

(₹ in lakh)

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

24. OTHER INCOME

(₹ in lakh)

PARTICULARS	For the Year Ended March 31, 2017
(a) Income from operating leases	24,165
(b) Income from services	2
(c) Miscellaneous Income	4,262
Total	**28,429**

25. FINANCE COSTS

(₹ in lakh)

PARTICULARS	For the Year Ended March 31, 2017
(a) Interest expense	172,902
(b) Discounting Charges	
(i) On commercial paper	46,723
(ii) On Collateralised Borrowings and Lending Obligations (CBLO)	1,130
(iii) On debentures	407
Total	**221,162**

26. EMPLOYEE BENEFIT EXPENSES

(₹ in lakh)

PARTICULARS	For the Year Ended March 31, 2017
(a) Salaries, wages and bonus	31,529
(b) Contribution to provident and other fund (Refer note 29)	2,233
(c) Staff welfare expenses	1,676
Total	**35,438**

NOTES TO AND FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR YEAR ENDED MARCH 31, 2017

27. OTHER OPERATING EXPENSES

(₹ in lakh)

	PARTICULARS	For the Year Ended March 31, 2017	
(a)	Advertisements and publicity		2,186
(b)	Brand Equity and Business Promotion		1,171
(c)	Corporate social responsibility cost (Refer note 27(c) below)		910
(d)	Donations		3
(e)	Equipment hire charges		316
(f)	Incentive / commission/ brokerage		13,380
(g)	Information technology expenses		6,544
(h)	Insurance charges		616
(i)	Legal and professional fees		3,312
(j)	Loan processing fees		1,837
(k)	Printing and stationery		615
(l)	Provision for doubtful loans (net of recoveries)	88,475	
	Less : Adjustment pursuant to Reduction of Share Capital (Refer note 37)	(31,789)	56,686
(m)	Provision against other doubtful advances		263
(n)	Write off - Loans and advances	34,552	
	Less : Provision reversal on write off	(34,552)	-
(o)	Provision against assets held for sale		1,115
(p)	Contingent provision against Standard Assets (Refer note 35)		3,008
(q)	Provision against Restructured Advances		(827)
(r)	Provision for diminution in value of investments (net of reversals)		(455)
(s)	Provision on Current Investment	732	
	Less : Adjustment pursuant to Reduction of Share Capital (Refer note 37)	(349)	383
(t)	Write-off Investments	14,318	
	Less : Adjustment pursuant to Reduction of Share Capital (Refer note 37)	(14,318)	-
(u)	Write-off Goodwill	7,804	
	Less : Adjustment pursuant to Reduction of Share Capital (Refer note 37)	(7,804)	-
(v)	Power and fuel		838
(w)	Repairs and maintenance		
	(i) Buildings	66	
	(ii) Annual maintenance charges	239	
	(iii) Others	129	434
(x)	Rent		1,910
(y)	Rates and taxes		133
(z)	Stamp charges		541
(aa)	Service providers' charges		8,560
(ab)	Training and recruitment		597
(ac)	Telephone, telex and leased line		653
(ad)	Travelling and conveyance		2,214
(ae)	Loss on sale of long term Investment		1,248
(af)	Directors sitting fees		52
(ag)	Loss on sale of assets		3,355
(ah)	Other expenses		2,937
Total			**114,535**

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

(₹ in lakh)

PARTICULARS	For the Year Ended March 31, 2017
Audit Fees	110
Tax Audit Fees	5
Other Services	22
Out of Pocket Expenses	1
Total	**138**

(Auditors' remuneration is included in Other expenses)

NOTES TO AND FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR YEAR ENDED MARCH 31, 2017

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

PARTICULARS	For the Year Ended March 31, 2017
Legal and professional fees	438
Training and recruitment	28
Commission paid	214
Other expenses	5

27. (c) Corporate social responsibility expenses

(i) Gross amount required to be spent by the company during the year was ₹ 910 lakh.

(ii) Amount spent during the year on:

(₹ in lakh)

PARTICULARS	Paid	Yet to be paid	Total
Construction/acquisition of any asset	–	–	–
On purposes other than above	910	–	910

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

The Particulars of investments in associates as on March 31, 2017 are as follows : (₹ in lakh)

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

Notes:

Consolidated based on unaudited financial statements as at/for the year ended March 31, 2017

29. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 (₹ in lakh)

Name of the entity	2016-2017		2016-2017	
	Net assets, i.e. total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent:				
Tata Capital Financial Services Limited	99.05%	403,095	99.06%	21,598
Associates (Investment as per the equity method)				
Indian				
International Asset Reconstruction Company Private Limited	0.95%	3,854	0.94%	204
Total	**100.00%**	**406,949**	**100.00%**	**21,802**

30. CONTINGENT LIABILITIES AND COMMITMENTS:

(a) Contingent Liabilities:-

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

PARTICULARS	As at March 31, 2017
Income Tax (Pending before Appellate authorities)	1,786
VAT (Pending before Appellate authorities)	420

(b) Commitments:-

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 2,276 Lakh.

– Tangible : ₹ 817 lakh
– Intangible : ₹ 1,459 lakh

31. 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 ₹ 1,089 lakh for provident fund and family pension fund contribution and ₹ 97 lakh for contribution towards the superannuation fund in the Statement of Profit and Loss.

The provident fund set up as a Trust by the Holding Company, Tata Capital Limited, manages the contributions from the Company and other participating fellow subsidiaries. As of March 31, 2017, the accumulated members' corpus of the Company is ₹ 10,187 lakh whereas the total fair value of the assets of the fund and the total accumulated members' corpus is ₹ 16,858 lakh and ₹ 16,969 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 8.65% for the first year and 8.60% thereafter. The actuarial assumptions include discount rate of 7.50%.

Defined Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) (included as part of Contribution to provident and other fund in note 26 Employee Benefit Expenses). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before separation). The gratuity scheme covers all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

Reconciliation of Benefit Obligations and Plan Assets **₹ in lakh**

Particulars	2016-17
Change in Defined Benefit Obligation	
Opening Defined Benefit Obligation	1,887
Current Service Cost	335
Interest Cost	148
Transfer under the scheme of arrangement	(106)
Actuarial Losses / (Gain)	816
Benefits Paid	(154)
Closing Defined Benefit Obligation	2,926
Change in the Fair Value of Assets	
Opening Fair Value of Plan Assets	1,580

Particulars	2016-17
Acquisition Cost / Transfer in	(106)
Expected Return on Plan Assets	184
Contributions by Employer	1,433
Actuarial Gains	74
Benefits paid	–
Closing Fair Value of Plan Assets	3,165
Reconciliation of present value of the obligation and the fair value of the plan assets	
Fair value of plan assets at the end of the year	3,165
Present value of the defined obligations at the end of the year	2,926
Funded status Deficit	239
Unrecognised past service cost	–
Net Asset recognised in the Balance Sheet	239
Net Gratuity cost for the year ended March 31, 2017	
Service Cost	335
Interest on Defined benefit Obligation	148
Expected return on plan assets	(184)
Net actuarial loss recognised in the year	742
Net Gratuity Cost	1,041
Actual contribution and benefit payments for the year	
Actual benefit payments	(154)
Actual contributions	1,433
Categorization of plan assets is as follows	
Investment Pattern	
Insurer managed funds:	
Government Bonds	33%
Equity mutual funds	16%
Bonds / Debentures	41%
Others (Including assets as under scheme of Insurance)	10%
Total	**100%**
Assumptions	
Discount Rate	7.50%
Expected Rate of Return on Plan Assets	8.00% p.a
Salary Escalation Rate	7.50% p.a for first 5 years and 6% thereafter.
Mortality Rate	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%

₹ in lakh

Experience adjustment	2016-17	2015-16	2014-15	2013-14	2012-13
– On Plan Liabilities	(313)	(228)	(41)	(96)	7
– On Plan Assets	74	(90)	148	16	(5)
Present value of benefit obligation	(2,926)	(1,887)	(1,571)	(1,026)	(1,017)
Fair value of Plan Assets	3,165	1,580	1,506	946	925
Excess of (obligation over plan assets)	239	(307)	(65)	(80)	(92)

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 ₹ 484 lakh to the gratuity fund in the year ending March 2018.

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 2016-17 is ₹ 51 lakh and the provision as at March 31, 2017 is ₹ 158 lakh.

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

i. **List of related parties and relationship:**

Ultimate Holding Company	Tata Sons Limited
Holding Company	Tata Capital Limited
Fellow Subsidiaries (with which the company had transactions)	Tata Securities Limited Tata Capital Pte. Limited Tata Capital Advisors Pte Limited Tata Capital Markets Pte Limited Tata Capital General Partners LLP Tata Capital Healthcare General Partners LLP Tata Opportunities General Partners LLP Tata Capital Plc TC Travel and Services Limited Tata Capital Housing Finance Limited Tata Capital Forex Limited Tata Cleantech Capital Limited
Subsidiaries of ultimate holding company (with which the company had transactions)	Tata Business Support Services Limited Tata Sky Limited Tata Consultancy Services Limited Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Infiniti Retail Limited Ewart Investments Limited Tata International Limited Tata Consulting Engineers Limited Tata Housing Development Company Limited Tata Asset Management Limited TRIF Amritsar Projects Private Limited Calsea Footwear Private Limited Automotive Stamping And Assemblies Limited Taj Air Limited Tata Advanced Systems Limited Tata Industries Limited Tata Lockheed Martin Aerostructures Limited TRIF Real Estate And Development Limited Tata Teleservices Limited (ceased to be an associate and is a subsidiary w.e.f. 02.02.2017) Tata Teleservices (Maharashtra) Limited (ceased to be an associate and is a subsidiary w.e.f. 02.02.2017)
Associates	International Asset Reconstruction Company Private Limited
Key Management Personnel	Mr. Praveen P Kadle - Managing Director & CEO

ii. Transactions with related parties: ₹ in lakh

Sr. No.	Party Name	Nature of transaction	2016-17
1	Tata Sons Limited	a) Expenses:	
		– Brand Equity and Business Promotion	1,171
		– Rent	26
		– Other charges	47
		b) Income:	
		– Lease Income	8
		c) Asset:	
		– Security deposit receivable	12
		– Finance Lease:	
		Facility given during the year	65
		Repaid during year	7
		Outstanding facility	58
		d) Liability:	
		– Balance Payable	1,155
2	Tata Capital Limited	a) Expenses:	
		– Interest expenses on Inter-Corporate Deposit	4,622
		– Interest expenses on debentures	1,124
		– Rent	1,203
		– Marketing & managerial service fee	1,445
		b) Income:	
		– Preference share arranger fees	435
		– Reimbursement of Rent & Guest house	42
		c) Amount raised by issue of Compulsory Convertible Cumulative Preference Shares	78,500
		d) Interim dividend paid	
		– Equity Shares	5,839
		– Preference Shares	4,230
		e) Inter-Corporate Deposit accepted / repaid during the year	
		– Inter-Corporate Deposit received during year	693,970
		– Inter-Corporate Deposit repaid during year	699,693
		f) Asset:	
		– Security Deposit Receivable	4,665
		– Balance Receivable	61
		g) Liability:	
		– Inter-Corporate Deposit Payable	44,829
		– Borrowings - Perpetual Non-Convertible debentures	5,000
3	Tata Securities Limited	a) Expenses:	
		– Services Received	7
		b) Income	
		– Reimbursement of expenses - Rent & Others	138
		c) Transfer of Fixed Assets (Purchase)	1
		d) Asset:	
		Balance Receivable (Towards expenses incurred on their behalf)	6

4	Tata Capital Pte. Limited	a) Income – Income- SLA fees – Reimbursement of expenses b) Asset Balance Receivable	 13 10 13
5	Tata Capital Advisors Pte Limited	a) Income: – Income- SLA fees – Reimbursement of expenses b) Asset Balance Receivable:	 7 3 7
6	Tata Capital Markets Pte Limited	a) Income – Income- SLA fees : – Reimbursement of expenses b) Asset: Balance Receivable	 7 3 7
7	Tata Capital General Partners LLP	a) Income: – Income- SLA fees * – Reimbursement of expenses b) Asset Balance Receivable :*	 0 1 0
8	Tata Capital Healthcare General Partners LLP	a) Income Income- SLA fees * – Reimbursement of expenses b) Asset: Balance Receivable *	 0 1 0
9	Tata Opportunities General Partners LLP	a) Income: Income SLA fees* – Reimbursement of expenses b) Asset: Balance Receivable*	 0 1 0
10	Tata Capital Plc	a) Income: – SLA fees – Reimbursement of expenses b) Asset: Balance Receivable	 7 8 7
11	TC Travel and Services Limited	a) Expenses: – Travel related servicess – Other b) Income: – Reimbursement of Rent & Others c) Asset: Balance Receivable	 715 35 106 264
12	Tata Capital Housing Finance Limited	a) Expenses: – Sourcing Fee – Rent & others b) Income: – Loan Sourcing Fee – Reimbursement of Rent & Others c) Transfer of Fixed Asset (Purchase) d) Asset: Balance Receivable	 6 42 43 1,113 14 235
13	Tata Capital Forex Limited	a) Income: – Reimbursement of Rent & Others b) Expenses – Travel related services c) Asset: Balance Receivable	 124 9 38

14	Tata Cleantech Capital Limited	a) Expenses: – Advisory Fees – Guest house expenses b) Income: – Reimbursement of Rent & Others- c) Balance Receivable / (Payable)	 **5** **13** **238** **16**
15	Tata Business Support Services Limited	a) Expenses: – Service Provider Charges b) Income: – Lease Income – Processing Fee – Reimbursement of Expensess – Interest Income on Loan c) Asset: – Loan Outstanding – Loan repaid during the year – Finance Lease: – Repaid during year – Outstanding facility – Lease Debtors Balance Receivable/(Payable) d) Liability : Security Deposit	 **6,770** **512** **2** **173** **122** **322** **997** **85** **924** **2** **(893)** **37**
16	Tata Consultancy Services Limited	a) Expenses: – Information technology expenses b) Reimbursement of expenses c) Asset: – Balance Receivable – Fixed Assets Purchased d) Liability: – Balance Payable	 **4,721** **4** **4** **385** **1,330**
17	Tata AIG General Insurance Company Limited	a) Expenses – Insurance Expenses: b) Income : – Insurance related revenue Balance Receivable / (Payable)	 **1,971** **418** **51**
18	Tata AIA Life Insurance Company Limited	Expenses: – Insurance Expense for Employees Claims Received	 **33** **25**
19	Infiniti Retail Limited	a) Expenses: – Incentive & others – Purchase of Fixed Assets b) Income: – Lease Income – Processing fees c) Asset : – Balance Receivable:	 **726** **4** **120** **2** **1**
20	Tata Consulting Engineers Limited	Income : Interest Income ICD given during the year Loan repaid during the year	**93** **1,000** **2,000**
21	Tata Housing Development Company Limited	a) Income: – Referral Fee b) Asset: – Balance Receivable	 **25** **14**
22	International Asset Reconstruction Company Private Limited	Investment in Security Receipts during the year Redemption of Security Receipts during the year: Asset : Balance of Security Receipts	– 236 748
23	Tata Asset Management Limited	Income - Portfolio Management Service Balance Receivable *	19 3
24	Calsea Footwear Private Limited	Income - Interest income on Inter-Corporate Deposit ICD given during the year Loan repaid during the year Asset : Outstanding Inter-Corporate Deposit	124 1,300 1,100 1,300

25	Automotive Stamping And Assemblies Limited	Income - Interest income on Loan Loan repaid during the year: Asset : Outstanding loan	188 217 1,634
26	Taj Air Limited	Interest income on Loan ICD given during the year Asset : Outstanding Inter-Corporate Deposit Outstanding loan	517 2,500 2,500 3,500
27	Tata Advanced Systems Limited	a) Income: – Interest Income – Interim Rent * b) Finance Lease Facility: – Facility given during the year – Repaid during year – Outstanding facility	 3 0 30 4 35
28	Tata Industries Limited	a) Income: – Lease Income – Processing Fees: – Sale of Assets b) Finance Lease Facility – Facility given during the year – Repaid during year: – Outstanding facility – Balance Payable	 1,233 1 6 199 327 358 208
29	Tata Lockheed Martin Aerostructures Limited	a) Lease Income b) Finance Lease Facility: Repaid during year Outstanding facility	1 9 6
30	Tata Teleservices Limited	a) Income: – Lease Income b) Expense – Communication Expenses – Rent Expenses c) Finance Lease Facility: – Facility given during the year – Repaid during year – Outstanding facility d) Assets – Security Deposit Premises – Advances paid to vendors towards lease facility – Balance receivable	 145 31 4 1,235 555 1,326 8 37 1
31	Tata Teleservices (Maharashtra) Limited	a) Income: – Lease Income b) Expense: – Communication Expenses	 2 101
32	Key Management Personnel	Expenses : Interest on Non – convertible debentures Liability : Outstanding Debentures	2 20

* Amount below ₹ 50,000

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

(₹ in lakh)

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

The amount charged towards lease rentals (as part of Rent expenditure) is ₹ 1,910 lakh (Previous year: ₹ 1,979 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, 2017
– Within one year	16,,686
– Later than one year and not later than five years	41,938
– Later than five years	403

Accumulated Depreciation on lease assets is ₹ 27,956 lakh.

Accumulated Impairment losses on the leased assets ₹ Nil

34. Earnings per Share (EPS):

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

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

(₹ in lakh)

PARTICULARS	For the year ended March 31, 2017
Opening Balance	8,583
Add: Additions during the year	3,008
Less: Utilised during the year	–
Closing Balance	11,591

36. 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, 2017
I . **Segment Revenue**	
a) Financing Activity	385,227
b) Investment Activity	5,548
c) Others	28,429
Total	**419,204**
Less : Inter Segment Revenue	–
Total Income	**419,204**

PARTICULARS			For the Year Ended March 31, 2017
II	**Segment Results**		
	a)	Financing Activity	36,167
	b)	Investment Activity	4,755
	c)	Others	5,084
	Total		**46,006**
	Less : Unallocated Corporate Expenses		12,759
	Profit before taxation		**33,247**
	Less : Provision for taxation		11,649
	Profit after taxation		**21,598**
III	**Segment Assets**		
	a)	Financing Activity	3,146,313
	b)	Investment Activity	26,662
	c)	Others	84,118
	d)	Unallocated	71,954
	Total		**3,329,047**
IV	**Segment Liabilities**		
	a)	Financing Activity	2,826,662
	b)	Investment Activity	-
	c)	Others	81,377
	d)	Unallocated	14,059
	Total		**2,922,098**
V	**Capital Expenditure (Including Capital Work-In-Progress)**		
	a)	Financing Activity	–
	b)	Investment Activity	–
	c)	Others	28,479
	d)	Unallocated	3,977
	Total		**32,456**
VI	**Depreciation and Amortisation**		
	a)	Financing Activity	560
	b)	Investment Activity	–
	c)	Others	12,523
	d)	Unallocated	1,190
	Total		**14,273**
VII	**Significant Non-Cash Expenses Other than Depreciation and Amortisation**		
	a)	Financing Activity	61,177
	b)	Investment Activity	(455)
	c)	Unallocated	–
	Total		**60,722**

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

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

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

39. During the current year, the Company has made an incremental standard asset provision of ₹ 1,363 lakh being 0.35% of Standard Assets as of March 31, 2016, as specified by RBI Notification No.DNBR.009/ CGM(CDS)-2015 dated March 27, 2015.

40. During the current year, the Company has changed its NPA provisioning policy based on the RBI Notification No. DNBR.009/CGM(CDS)-2015 dated March 27, 2015 pursuant to which loans outstanding for a period exceeding 120 days are classified as sub-standard assets and sub-standard assets for a period exceeding 14 months are classified as doubtful assets. The impact in the financials on account of the change was ₹ 2,801 lakh and ₹ 2,312 lakh respectively.

41. Investments in bonds, debentures and other financial instruments which, in substance, form a part of the Company's financing activities ("Credit Substitutes") have been classified under Loans and Advances – Financing Activity (Note 15). In the past these were classified as a part of Investments (Note 13). Management believes that the current period's classification results in a better presentation of the substance of these receivables and is in alignment with regulatory filings.

42. As this year is the first year for preparation of accounts, in accordance with Accounting Standard 21 on "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006 the comparative figures for previous year have not been disclosed.

For and on behalf of the Board of Directors

Janki Ballabh
(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
April 28, 2017

Form AOC - 1

(Pursuant to the first proviso to Sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/associates/joint ventures

Part "A": Subsidiaries

(₹ In Lakh)

Sr. No	Name of Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share Capital / Partner's Capital / Unitholder's Capital	Reserves & Surplus	Total Assets	Total Liabilites	Investments	Turnover	Profit / (Loss) before Taxation	Provision for taxation	Profit (Loss) After Taxation	Proposed Dividend	% of shareholding
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Part "B": Associate and Joint Ventures

Statement pursuant to Section 129 (3) of the Companie Act, 2013 related to Associates Companies and Joint Ventures

(₹ In Lakh)

Sr. No	Name of Associate / Joint Venture	1. Latest audited Balance Sheet date	2. Date on which the Associate or Joint Venture was associated or acquired	3. Shares of Associate/Joint Venture held by the company on the year end			4. Description of how there is significant influence	5. Reason why the associate/joint venture has not been consolidated	6. Networth attributable to shareholding as per latest audited Balance Sheet	7. Profit/Loss for the year	
				No. of Shares	Amount of investment in Associate / Joint Venture	Extent of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	International Asset Reconstruction Company Private Limited	31.03.2016	July 07, 2013	13,946,295	3,313	25.37%	Since the company holds more than 20% of voting power, significant influence is assumed	N.A	3,165	204	600

For **Tata Capital Financial Services Limited**

Janki Ballabh
(Director)

F. N. Subedar
(Director)

M. S. Dharmadhikari
(Director)

Anuradha Thakur
(Director)

Mumbai
April 28, 2017

Praveen P. Kadle
(Managing Director & CEO)

Puneet Sharma
(Chief Financial Officer)

Avan Doomasia
(Company Secretary)