

TATA SECURITIES LIMITED
Annual Report 2016-17

BOARD'S REPORT

To the Members,

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

1. BACKGROUND

Tata Securities Limited ("Tata Securities" or "Company"), a wholly owned subsidiary of Tata Capital Limited ("TCL"), is engaged in the business of:

- Investment Banking services;
- Depository Participant services as a Depository Participant of the Central Depository Services (India) Limited ("CDSL") and the National Securities Depository Limited ("NSDL"); and
- Distribution of Mutual Fund units and third party financial products.

The Company also holds licenses for carrying on activities as a stock broker from the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

2. FINANCIAL RESULTS

The performance of the Company for the Financial Year ended on March 31, 2017 is, summarized below:

(Rs. in crore)

Particulars	FY 2016-17	FY 2015-16
Total Income	23.53	21.94
Expenditure	(21.20)	(33.54)
Exceptional items	-	-
Profit / (Loss) before Depreciation, Tax, Provisions	2.33	(11.60)
Depreciation and amortization	(0.66)	(0.23)
Profit/(Loss) before Tax	1.67	(11.83)
Provision for tax	-	-
Profit / (Loss) after Tax	1.67	(11.83)
Balance brought forward from previous year	(19.26)	(7.43)
Amount available for appropriation	-	-
Appropriation	-	-
Dividend (including Dividend Distribution Tax)	-	-
Balance Carried forward to Balance Sheet	(17.59)	(19.26)

During the year under review, total income of the Company stood at Rs. 23.53 crore, as compared to Rs. 21.94 crore in the previous financial year, an increase by 7.25%. The Profit for the same period stood at Rs. 1.67 crore, as compared to the Loss of Rs. 11.83 crore in the previous financial year.

3. REVIEW OF OPERATIONS OF THE COMPANY

3.1 Retail and Institutional Equity Business

During the year under review, Tata Securities realigned its business to focus on profitable segments. In order to achieve the same, the Company curtailed its Retail Equity and Institutional Equity businesses, both of which were not performing well for the past three years. However, the licenses obtained from NSE and BSE for carrying out stock broking activities have been retained.

3.2 Institutional Distribution Business

Tata Securities is a distributor of Mutual Fund Schemes. A separate plan for direct investments in Mutual Fund ("MF") units of schemes came into effect from January 1, 2013 and had an adverse impact on the revenue from distribution of Mutual Fund schemes. There was an impact on the Average Assets Under Management ("AUM") as well as the assets mobilized. As on March 31, 2017, the institutional and corporate client base was about 985, comprising primarily of corporate clients, including companies from the Tata eco-system.

The average AUM of the Company was Rs. 7,879 crore during FY 2016-17 as against Rs. 5,449 crore during FY 2015-16. During the year under review, the Company mobilized a sum of Rs. 1,77,436 crore as against Rs. 1,56,670 crore in the previous year.

3.3 Investment Banking Services

During the year, the Company advised and successfully completed two cross border Merger and Amalgamation transactions. This included advising Tata AutoComp Systems Limited for the acquisition of Sweden based TitanX Holding AB. The Company's association with the Terra Alliance has resulted in a transaction closure for the year, where the team advised an Austria based Multinational Corporation ("MNC") on the acquisition of a fruit processing company in India. There are further mandates under development, independently and through the Terra Alliance. The gross revenue from all the transactions handled during FY 2016-17 stood at Rs. 11.47 crore, as compared to Rs. 1.23 crore in FY 2015-16.

3.4 Plans for improvement of performance

The Company has been making concerted efforts and is attempting to increase the revenue stream in the ensuing financial year through initiatives that will help the Company to enhance the advisory services offering to corporate entities investing in mutual fund units and third party financial products and execute mandates received for investment banking.

One of the key initiatives in FY 2017-18 will be to leverage cross selling opportunities within the Tata eco-system and Tata Capital clients.

4. RENEWALS / PERMANENT REGISTRATION

The Securities and Exchange Board of India (“SEBI”) has:

- (i) granted permanent registration to the Company as a Depository Participant of NSDL, with effect from September 10, 2013;
- (ii) granted permanent registration to the Company for the Merchant Banking activity, with effect from July 2, 2014;
- (iii) granted permanent registration to the Company as a Stock Broker, with effect from August 28, 2015; and
- (iv) granted registration to the Company as a Research Analyst for a period of 5 years from November 5, 2015 to November 4, 2020.

5. SHARE CAPITAL

The Authorized Share Capital of the Company is Rs. 101,00,00,000, consisting of 8,10,00,000 Equity Shares of Rs. 10/- each and 2,00,00,000 Compulsorily Convertible Cumulative Preference Shares (“CCCPS”) of Rs. 10/- each.

The Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 18,82,94,180 consisting of 38,29,418 Equity Shares of Rs. 10/- each and 1,50,00,000 CCCPS of Rs. 10/- each, fully paid, which is entirely held by TCL.

There was no change in the Authorised, Issued, Subscribed or Paid-Up Share Capital during FY 2016-17.

6. DIVIDEND

In view of the accumulated losses of the Company, to conserve the resources of the Company and taking into consideration its business plans, the Board of Directors do not recommend any dividend on the Equity and Preference Share Capital of the Company for FY 2016-17.

7. FINANCE

During FY 2016-17, the Company met its funding requirements through Inter Corporate Deposits (“ICDs”) from TCL and the Company also has arrangements in place with banks for meeting its working capital requirements. As on March 31, 2017, the Company has repaid all the ICDs borrowed from TCL and has Nil borrowings from banks.

8. INTERNAL CONTROL SYSTEMS

In accordance with the guidelines issued by SEBI, the Company has appointed M/s. NMAH & Associates, Chartered Accountants, for conducting the internal audit of Stock Broking and Depository Participant operations. The purpose of this internal audit is to examine whether the processes and procedures followed and the operations carried out by the Trading Members/Clearing Members meet the requirements prescribed by SEBI, the Stock Exchanges and the Depositories. In addition to this, 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.

9. 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 in 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 in 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.

10. HUMAN RESOURCES

The Company had 24 employees on its payroll as at March 31, 2017 as compared to 121 employees as on March 31, 2016. During FY 2016-17, except for the employees who exited and 24 employees who were retained, all the other employees were transferred, in phases, to other subsidiary companies of TCL, considering their skill sets and experience.

The Company recognizes the value of its human capital and is continuously upgrading skill levels of its workforce through regular internal and external training and management development workshops.

11. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The provisions of Section 135 of the Companies Act, 2013 ("Act") relating to CSR are not applicable to the Company.

12. COMPLIANCE

The Company has complied with and continues to comply with all the applicable provisions of the Act, Securities and Exchange Board of India Act, 1992, SEBI (Stock Brokers & Sub-Brokers) Regulations, 1992, the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, SEBI (Merchant Bankers) Regulations, 1992, SEBI (KYC (Know Your Customer) Registration Agency) Regulations, 2011, SEBI (Foreign Portfolio Investors) Regulations, 2014, SEBI (Research Analysts) Regulations, 2014 and other applicable rules/regulations/guidelines issued from time to time.

The Company has also been in continuous compliance with all the applicable Regulations, Circulars and Guidelines issued by SEBI, the Stock Exchanges, the Depositories and other Regulatory Authorities relating to disclosures and submission of periodic reports. During the year under review, there were no frauds committed by the Company and no material frauds committed on the Company by its officers or employees.

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 Chief Financial Officer and are placed before the Board, on a half-yearly basis, by the Company Secretary.

The Company has, in terms of the provisions of the applicable regulations formulated by SEBI, appointed Ms. Pinal Zatakia, Company Secretary as the Compliance Officer in respect of the business carried out by the Company for Stock Broking, Depository Participant and Merchant Banker and has also appointed her as the Principal Officer for the purpose of the Prevention of Money Laundering Act, 2002.

13. 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.

14. 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.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During FY 2016-17, the Company has not made any investments, granted loans to any person or body corporate, given guarantees or provided security in connection with loans to any other body corporate or persons in terms of the provisions of Section 186 of the Act.

16. DIRECTORS

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Noshir J. Driver, is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and is eligible for re-appointment. The Members of the Company may wish to refer to the accompanying Notice of the AGM of the Company, for a brief resume of Mr. Driver.

Pursuant to Section 149(7) of the Act, the Company has received declarations from the Independent Directors viz. Mr. Prabhakar Dalal and Ms. Sangeeta Singh, stating that they continue to meet the criteria of independence as provided in Section 149(6) of the Act.

Mr. Dalal and Ms. Singh, being Independent Directors of the Company, are not liable to retire by rotation.

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

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee (“NRC”). The performance evaluation was carried out by seeking inputs from all the Directors/Members of the Committees, as the case may be. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, were encouraged to follow the additional criteria. The Board of the Company followed the said additional criteria recommended under the Guidance Note.

Pursuant to the provisions of Schedule IV to the Act, the Independent Directors had held their separate Meeting on March 23, 2017. 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.

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

The Nomination and Remuneration Committee (“NRC”) of the Board comprises Ms. Sangeeta Singh, (Chairperson), Mr. Praveen P. Kadle, Mr. Francisco J. Da Cunha, and Mr. Prabhakar Dalal. The NRC develops the competency requirements of the Board based on the industry and strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board, as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence of all Directors, before recommending them to the Board. Besides the above, the NRC ensures that the new Directors are familiarized with the operations of the Company and endeavours to provide relevant training to the Directors.

In accordance with the provisions of Section 178 of the Act, the Board of Directors have adopted a Policy on Board Diversity and Director Attributes and the Remuneration Policy. The Policy on Board Diversity and Director Attributes has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Remuneration Policy for Directors, Key Managerial Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of

leadership with trust. The 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 'A' and 'B', respectively.

19. KEY MANAGERIAL PERSONNEL ("KMP")

During FY 2016-17, Mr. Sanjeet Dawar, Chief Operating Officer-Retail Equity Business, was appointed as the Manager of the Company for a period of 5 years with effect from April 25, 2016. Mr. Dawar ceased to be the Manager of the Company, with effect from December 9, 2016, consequent upon his transfer to a fellow subsidiary company. Mr. Bineet Jha ceased to be the Company Secretary and KMP of the Company, with effect from January 20, 2017, consequent upon his resignation. The Board places on record its appreciation for the services rendered by Mr. Dawar and Mr. Jha during their tenure with the Company.

Mr. Aneesh Hosangadi is the Chief Financial Officer of the Company. Ms. Pinal Zatakia was appointed as the Company Secretary of the Company with effect from April 26, 2017. Accordingly, Mr. Hosangadi and Ms. Zatakia are the Key Managerial Personnel ("KMP") of the Company, as on the date of this Report.

Further, at the Meeting of the Board of Directors held on April 26, 2017, Mr. Himanshu Chaturvedi, Senior Vice President - Investment Banking Business, was appointed as the Manager and KMP of the Company, for a period of 5 years with effect from May 1, 2017. The approval of the Members is being sought at the ensuing AGM of the Company, for the appointment and payment of remuneration (for a period of three years) to Mr. Chaturvedi.

20. 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 Auditors and Statutory Auditors including the 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 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 profits and loss and the 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they had prepared the annual accounts on a going concern basis;

- e. they had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. CORPORATE GOVERNANCE

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

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stakeholders.

The Corporate Governance philosophy is further strengthened with the adherence to 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 Whistle Blower Policy, a Policy against Sexual Harassment in the Workplace, a remuneration Policy, a Policy on Board Diversity and Director Attributes, a Code of Conduct for Non-Executive Directors and an Anti-Bribery and Anti-Corruption Policy.

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

i. Board of Directors

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

- The size of the Board is commensurate with the size and business of the Company. At present, the Board comprises six Directors viz. Mr. Praveen P. Kadle, Mr. Phillie D Karkaria, Mr. Francisco J Da Cunha, Mr. Noshir J Driver, Mr. Prabhakar Dalal and Ms. Sangeeta Singh. Mr. Dalal and Ms. Singh are Independent Directors ("IDs") of the Company. All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Companies Act, 2013. Mr. Kadle, Mr. Karkaria, Mr. Da Cunha, Mr. Driver are Non-Executive Director ("NED") of the Company.
- During FY 2016-17, five Meetings of the Board of Directors were held on the following dates: April 25, 2016, July 21, 2016, October 24, 2016, January 25, 2017 and February 16, 2017. Details of Directors, their attendance at Board Meetings and at the previous AGM of the Company are, given below:

Name of Director(s)	Director Identification Number	Category	Board Meetings Attended	Whether present at previous AGM held on May 26, 2016
Mr. Praveen P Kadle, Chairman	00016814	Non-Executive	5	Yes
Mr. Phillie D Karkaria	00059397	Non-Executive	5	No
Mr. Francisco J Da Cunha	00904680	Non-Executive	4	No
Mr. Noshir J Driver	00025025	Non-Executive	4	No
Mr. Prabhakar Dalal	00544948	Independent	5	Yes
Ms. Sangeeta Singh	06920906	Independent	5	No

- Mr. Phillie D Karkaria, Chairman of the Audit Committee and Ms. Sangeeta Singh, Chairperson of the NRC had respectively authorized Mr. Prabhakar Dalal, a Member of both the Committees, to attend the last AGM on their behalf.
- The Company paid Sitting Fees for attending meetings of the Board and its Committees for FY 2016-17, within the maximum prescribed limits, to the Non-Executive Directors and Independent Directors. As requested by Mr. Praveen P. Kadle, no sitting fee was paid to him, since he is the Managing Director & CEO of TCL, the holding company.

Details of the Sitting fees are, given below:

Name of Director(s)	Sitting Fees paid for attending Board and Committee Meetings during FY 2016-17
Mr. Phillie D Karkaria	Rs. 3,30,000
Mr. Francisco J Da Cunha	Rs. 1,20,000
Mr. Noshir J Driver	Rs. 1,20,000
Mr. Prabhakar R Dalal	Rs. 3,90,000
Ms. Sangeeta K Singh	Rs. 3,90,000

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

ii. **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 and the Nomination and Remuneration Committee ("NRC"). The Company Secretary is the Secretary of 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 meeting. The minutes of the meetings of all Committees of the Board are circulated to the Board of Directors, for their noting.

Audit Committee

The Audit Committee comprises Mr. Phillie D. Karkaria, Non-Executive Director as Chairman, Mr. Prabhakar Dalal, Independent Director and Ms. Sangeeta Singh,

Independent Director. The composition of the Audit Committee is in line with the provisions of Section 177 of the Act. All the Members have the ability to read and understand financial statements and have relevant finance and/or audit experience. The Internal Audit function is outsourced to M/s NMAH & Associates, Chartered Accountants, which reports to the Audit Committee and works under its supervision. Further, the Internal audit function is provided an oversight by the Internal Audit Department of TCL, the holding company, headed by the Chief Internal Auditor of TCL..

The Board has adopted an Audit Committee Charter which defines the composition of the Audit Committee, its authority, role, responsibilities and powers and reporting functions in accordance with the Act. The said Charter is reviewed from time to time.

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 and the nature and scope of audit
- Ensure adequacy of internal controls and compliances and recommend remedial measures
- Review adequacy of the Internal Audit function
- Review and monitor the auditors' independence and performance and effectiveness of the audit process
- Oversee financial reporting process and disclosure of financial information
- Examine the financial statements and the auditors' report thereon
- Evaluate internal financial controls and the risk management systems
- Act as a link between the Statutory Auditors, Internal Auditors and the Board of Directors
- Review accounting policies
- Monitor compliance with the Tata Code of Conduct
- Approve any transactions of the Company with related parties or any subsequent modifications thereof
- Scrutinize 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 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 the Code of Corporate Disclosure Practices.

During FY 2016-17, six Meetings of the Audit Committee were held on the following dates: April 25, 2016, June 24, 2016, July 21, 2016, October 24, 2016, December 23, 2016 and January 25, 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(s)	Category	No. of Meetings attended
Mr. Phillie D Karkaria, Chairman	Non-Executive	6
Mr. Prabhakar Dalal	Independent	6
Ms. Sangeeta Singh	Independent	6

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 usually attended by the remaining Directors, Chief Financial Officer, Business Heads, Company Secretary, Statutory Auditors and Internal Auditor. Further, Meetings of the Audit Committee for consideration of Financials are also attended by all the Directors.

Nomination and Remuneration Committee

The NRC of the Board comprises Ms. Sangeeta Singh, Independent Director as Chairperson, Mr. Praveen P. Kadle, Non-Executive Director, Mr. Francisco J. Da Cunha, Non-Executive Director and Mr. Prabhakar Dalal, Independent Director. The NRC identifies persons who are qualified to become Directors and who may be appointed in Senior Management, recommends to the Board their appointment or removal and carries out the evaluation of every Director's performance on a periodic basis. The role of the Committee is in line with that prescribed under the Act.

During FY 2016-17, one Meeting of the NRC was held on April 25, 2016, and was attended by all Members, except Mr. Da Cunha.

iii. Details of Managerial Personnel:

The terms and conditions, *inter alia*, of the appointment and remuneration of Mr. Sanjeet Dawar is, as given below:

Particulars	Mr. Sanjeet Dawar (Manager) (April 25, 2016 to December 9, 2016)	Mr. Himanshu Chaturvedi (Manager)
Remuneration	Salary: Rs. 2,31,065/- per month upto maximum of Rs. 3,50,000/- per month. The annual increments which would be effective 1 st April each year, to be decided by the Board or any Committee thereof and would be merit-based and after taking into account the Company's performance as well. Such Incentive Remuneration not exceeding Rs. 75,00,000/- to be paid at the discretion of the Board annually, based	Salary: Rs. 2,24,751/- per month upto maximum of Rs. 4,00,000/- per month. The annual increments which would be effective 1 st April each year, to be decided by the Board or any Committee thereof and would be merit-based and after taking into account the Company's performance as well. Such Incentive Remuneration not exceeding Rs. 80,00,000/- to be paid at the

	on certain performance criteria and such other parameters as may be considered appropriate from time to time. In addition, benefits, perquisites and allowances as per the Agreement.	discretion of the Board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time. In addition, benefits, perquisites and allowances as per the Agreement.
Minimum Remuneration	Where in any financial year during the currency of the tenure of the Manager, the Company has no profits or its profits are inadequate, the Company will pay to the Manager remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration, as specified above.	Where in any financial year during the currency of the tenure of the Manager, the Company has no profits or its profits are inadequate, the Company will pay to the Manager remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration, as specified above.
Term & Termination	Term of five years, with effect from April 25, 2016. The appointment may be terminated by either party by giving to the other party, three months' notice of such termination or the Company paying three months' remuneration which shall be limited to provision of monthly basic Salary, in lieu of the Notice.	Term of five years, with effect from May 1, 2017. The appointment may be terminated by either party by giving to the other party, three months' notice of such termination or the Company paying three months' remuneration which shall be limited to provision of monthly basic Salary, in lieu of the Notice.
Other Terms	The said terms and conditions also include clauses pertaining to adherence with the Tata Code of Conduct, including no conflict of interest with the Company, non-solicit, non-compete and maintenance of confidentiality.	The said terms and conditions also include clauses pertaining to adherence with the Tata Code of Conduct, including no conflict of interest with the Company, non-solicit, non-compete and maintenance of confidentiality.

The details of the ESOPs offered to and exercised by Mr. Dawar and Mr. Chaturvedi under the Tata Capital Limited Employee Stock Purchase / Option Scheme by are, as under:

Scheme	Sanjeet Dawar		Himanshu Chaturvedi	
	Offered	Exercised	Offered	Exercised
ESPS 2009	74223	74223	-	-
ESOP2011	-	-	53333	53333
ESPS 2013	8001	0	-	-
ESOP 2016	10000	0	10000	0
ESOP 2017	10000	-	10000	0

- iv. The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is U67120MH1994PLC080918 and the website of the Company is www.tatacapital.com.

v. The provisions of Section 204 of the Act regarding Secretarial Audit are not applicable to the Company.

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

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

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

The Company has not received any complaint on sexual harassment during FY 2016-17.

23. 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 Twenty Third 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 the Company as also of TCL, the holding company, at the conclusion of TCL's ensuing Twenty Sixth AGM. TCL proposes to appoint B S R & Co. LLP ("BSR"), Chartered Accountants (ICAI Firm Registration Number: 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 Twenty Third AGM till the conclusion of the Twenty Eighth 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 Twenty Third AGM up to the conclusion of the Twenty Eighth 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.

24. EXPLANATIONS ON STATUTORY AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by DHS, in their Report dated April 26, 2017, on the Financial Statements of the Company for FY 2016-17.

25. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

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

26. 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 April 26, 2017, being the date of this Report.

27. PARTICULARS OF RELATED PARTY TRANSACTIONS U/S 188 OF THE ACT

The Company has adopted a Framework on Related Party Transactions for the purpose of identification and monitoring of such transactions.

A Statement containing the 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 and the applicable Rules framed thereunder in the prescribed Form No. AOC-2, is attached as Annexure 'C'. 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 FY 2016-17, 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.

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

(A) Conservation of energy:

- i. Steps taken / impact on conservation of energy;

Considering the nature and operations, the Company requires normal consumption of electricity. The Company is taking steps to reduce the consumption of energy.

- ii. Steps taken by the Company for utilising alternate sources of energy;
- iii. Capital investment on energy conservation equipments.

In view of the nature of activities carried on by the Company, there is no capital investment made 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 matters under (i) to (iv) above would not be applicable to the Company.

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year under review was Rs. 43 lakh and the Foreign Exchange outgo during the year under review in terms of actual outflows, was Rs. 15 lakh.

29. EXTRACT OF THE 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 MGT-9, is attached as Annexure 'D'.

30. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude towards the valuable guidance and support received from Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Central Depository Services (India) Limited, National Securities Depository Limited, Association of Mutual Funds of India 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 and for their confidence in its Management. 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

**Praveen P Kadle
Chairman**

Mumbai, July 28, 2017

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") 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 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 the effective corporate governance and sustained commercial success of a Company.

In view of the above, Tata Securities Limited ("TSL" 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 TSL 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 and as amended from time to time by SEBI and 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.

The Remuneration Policy

1. COMPENSATION PHILOSOPHY

Tata Securities 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 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”) / Manager / CEO / KMP / rest of the employees (Note 1)

- (i) The extent of overall remuneration to the MD / ED / KMPs / Manager / CEO /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 / ED / Manager / CEO should be as per the contract approved by the Shareholders. In case of any change which is beyond the remuneration approved by the Shareholders, the same would require the approval of the Shareholders.
 - basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - in addition to the basic / fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imburements or insurance cover and accidental death and dismemberment through personal accident insurance.
 - the Company provides retirement benefits, as applicable.
 - in addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company may provide MD/ ED / Manager / CEO 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 / Manager / CEO would be based on the performance of the MD / ED / Manager / CEO 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 / Manager / CEO, such remuneration by way of an annual incentive remuneration / performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
 - Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time,
 - Industry benchmarks of remuneration,
 - Performance of the individual.
- The Company will provide the rest of the employees, a performance linked incentive pay. The performance linked pay would be driven by the outcome of the performance appraisal process and the performance of the Company.

2.3 Remuneration payable to Director for services rendered in other capacity

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

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

2.4 Loans to employees

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

2.5 Policy implementation

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

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

Form No. 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 arms 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:

(Rs. In lakh)

Sr. No.	Name of the Party	Nature of Relationship	Nature of contracts/ arrangements/transactions	Amount	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Tata Capital Limited	Holding Company	Inter Corporate Deposits ("ICD") accepted during the year	900	Tenor upto 1 Year	Cost of Funds below bank borrowing rate, Cost of funds of provider for previous month plus 100 bps	-
			ICDs Paid during the year	2,334	Tenor upto 1 Year	Cost of Funds below bank borrowing rate, Cost of funds of provider for previous month plus 100 bps	-
2	Tata Autocomp Systems Limited	Fellow Subsidiary Company	Advisory Income	1,073	Not Applicable	As per the mandate letter between the Company and Tata Autocomp Systems Limited	-

Notes :

- 1) 10% of total revenue is considered as threshold limit for identification of related party transaction, but total transaction value is considered for the reporting.
- 2) Appropriate approvals have been taken for Related Party Transactions.

For and on behalf of the Board of Directors

Mumbai
Date: July 28, 2017

Praveen P Kadle
Chairman

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: U67120MH1994PLC080918
- ii) Registration Date: September 7, 1994
- iii) Name of the Company: Tata Securities 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:

Telephone Number: 022 66069400

E-mail id: pinal.zatakia@tatacapital.com

- vi) Whether listed company: No
- vii) Name, Address and Contact details of Registrar and Transfer agent, if any: Not Applicable

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	Investment Banking	66190	48.75
2	Share Broking	66120	24.78
3	Institutional Distribution	64990	19.59

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)

The Company does not have any subsidiary or associate company.

e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others									
Public Charitable Trust	-	-	-	-	-	-	-	-	-
TCL Employee Welfare Trust (ESOP Trust)	-	-	-	-	-	-	-	-	-
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)	38,29,411	7	38,29,418	100	38,29,411	7	38,29,418	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	38,29,418	100%	-	38,29,418	100%	-	-
	Total	38,29,418	100%	-	38,29,418	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	38,29,418	100%	38,29,418	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	38,29,418	100%	38,29,418	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 Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
3.	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

v) **Shareholding (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 Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
3.	At the end of the year	-	-	-	-

Govt									
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others									
Public Charitable Trust	-	-	-	-	-	-	-	-	-
TCL Employee Welfare Trust (ESOP Trust)	-	-	-	-	-	-	-	-	-
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)	1,50,00,000	-	1,50,00,000	100	1,50,00,000	-	1,50,00,000	100	-

ii) Shareholding of Promoters (Preference Share Capital):

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	1,50,00,000	100%	-	1,50,00,000	100%	-	-
	Total	1,50,00,000	100%	-	1,50,00,000	100%	-	-

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

Sr. No.	For each of the Director 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	1,50,00,000	100%	1,50,00,000	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	1,50,00,000	100%	1,50,00,000	100%

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

iv) Shareholding Pattern (Preference 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 (Preference Share Capital) of Directors and Key Managerial Personnel:**

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

V. INDEBTEDNESS

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

(Amount in Rs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness At the beginning of the financial year	-	14,34,00,000	-	14,34,00,000
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	14,34,00,000	-	14,34,00,000
Change in Indebtedness during the financial year	-	90,02,334	-	90,02,334
• Addition				
• Reduction				
Net Change	-	14,34,00,000	-	14,34,00,000

Indebtedness	-	-	-	-
At the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Sanjeet Dawar	
1.	Gross salary	62,33,198	62,33,198
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,68,814	4,68,814
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option*	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	67,02,012	67,02,012
	Ceiling as per the Act	Since the Company has inadequate profits, the remuneration had been paid as per Section 197 of the Companies Act, 2013 ("Act") read with Schedule V of the Act.	

Notes:

1. Mr. Sanjeet Dawar was appointed as a Manager on April 25, 2016 and he ceased to be Manager of the Company w.e.f. December 9, 2016. Accordingly, the details of remuneration furnished above is for the period April 25, 2016 to December 9, 2016.

B. Remuneration to other directors:

(Amount in Rs.)

Sr. no	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Mr. Prabhakar Dalal	Ms. Sangeeta Singh		
	· Fee for attending board committee meetings	3,90,000	3,90,000		7,80,000
	· Commission	-	-		-
	· Others, please specify	-	-		-
	Total (1)	3,90,000	3,90,000		7,80,000
2.	Other Non-Executive Directors	Mr. Phillie Karkaria	Mr. Francisco J Da Cunha	Mr. Noshir J Driver	Total Amount
	· Fee for attending board committee meetings	3,30,000	1,20,000	1,20,000	5,70,000
	· Commission	-	-		-
	· Others, please specify	-	-		-
	Total (2)	3,30,000	1,20,000	1,20,000	5,70,000
	Total (B)=(1+2)	7,20,000	5,10,000	1,20,000	13,50,000
	Total Managerial Remuneration				80,52,012
	Overall Ceiling as per the Act	Since the Company has inadequate profits, the remuneration had been paid as per Section 197 of the Companies Act, 2013 ("Act") read with Schedule V of the Act.			

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
		NA	Bineet Jha	Aneesh Hosangadi	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961		9,09,384	17,18,717	26,28,101
			-	7,782	7,782
			-	-	-
2.	Stock Option*		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit - others, specify...		-	-	-
5.	Others, please specify		-	-	-
	Total		9,09,384	17,26,499	26,35,883

Notes:

- 1) Mr. Bineet Jha ceased to be the Company Secretary of the Company w.e.f January 20, 2017. Accordingly, the details of remuneration furnished above are for the period April 1, 2016 to January 20, 2017.

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	-	-	-	-	-

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TATA SECURITIES LIMITED
Report on the Financial Statements**

We have audited the accompanying financial statements of **TATA SECURITIES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

Opinion

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

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 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 March 31, 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at the March 31, 2017, for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 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's Registration No.117366W /W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

MUMBAI, April 26, 2017

**ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT
(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’
section 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 SECURITIES 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 (the “Guidance Note”) 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing 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's Registration No. 117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No.109839)

Place: Mumbai
Date: April 26, 2017

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ 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, the Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (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) The Company has not granted any loans, made investments or provided guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause (iv) of the Order is not 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 been regular in depositing undisputed statutory dues, including Income-tax, Service Tax, Provident Fund, Employees' State Insurance, 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, 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) There are no dues of Income-tax and Service Tax as on March 31, 2017 on account of disputes.

- (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 borrowings to banks. The Company has not taken any loans from banks and not taken any loans or borrowings from financial institutions and government or has not issued any debentures.
- (ix) To the best of our knowledge and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (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 (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 not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

G. K. Subramaniam
Partner
(Membership No. 109839)

MUMBAI, April 26, 2017

TATA SECURITIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	As at March 31, 2017	As at March 31, 2016
		Rs in lakh	Rs in lakh
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	3	1,883	1,883
(b) Reserves and Surplus	4	(399)	(566)
		1,484	1,317
2. Non-Current liabilities			
(a) Long-term provisions	5	22	12
		22	12
3. Current liabilities			
(a) Short-term borrowings	6	-	1,434
(b) Trade payables	7		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		474	369
(c) Other current liabilities	8	24	1,389
(d) Short-term provisions	9	39	62
		537	3,254
TOTAL		2,043	4,583
II. ASSETS			
1. Non-Current assets			
(a) Fixed Assets	10		
(i) Tangible assets		3	42
(ii) Intangible assets		-	21
(b) Non-current Investments	11	40	-
(c) Long-term loans and advances	12	771	856
(d) Other non-current assets	13	-	12
		814	931
2. Current assets			
(a) Trade receivables	14	86	95
(b) Cash and Bank Balances	15	1,021	2,681
(c) Short-term loans and advances	16	104	247
(d) Other current assets	17	18	629
		1,229	3,652
TOTAL		2,043	4,583

See accompanying notes forming part of the financial statements

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In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner

Praveen P. Kadle
Chairman

P.D. Karkaria
Director

F. J. Da Cunha
Director

N. J. Driver
Director

Prabhakar R Dalal
Director

Sangeeta K Singh
Director

Mumbai
Date: April 26, 2017

Aneesh M. Hosangadi
Chief Financial Officer

Pinal Zatakia
Company Secretary &
Compliance Officer

TATA SECURITIES LIMITED

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

	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
		Rs in lakh	Rs in lakh
I Revenue from Operations	18	2,107	1,793
II Other Income	19	246	401
III Total Revenue (I + II)		2,353	2,194
IV Expenses :			
Employee benefits expense	20	968	1,662
Finance cost	21	113	137
Other expenses	22	1,039	1,555
Depreciation and amortisation	10	66	23
Total expenses		2,186	3,377
V Profit / (Loss) before tax		167	(1183)
VI Profit/(Loss) from continuing operations before tax		724	(292)
VII Tax expense		-	-
VIII Profit / (Loss) from continuing operations after tax		724	(292)
IX Loss from discontinuing operations before tax		(557)	(892)
X Tax expense		-	-
XI Loss from discontinuing operations after tax		(557)	(892)
XII Profit / (Loss) from operations after tax		167	(1183)
XIII Earnings per equity share:			
(a) Basic (in Rupees)			
(i) Continuing operations		14.90	(11.64)
(ii) Total operations		0.36	(34.91)
(b) Diluted (in Rupees)			
(i) Continuing operations		14.90	(11.64)
(ii) Total operations		0.36	(34.91)
(c) Face value per share (in Rupees)		10	10

See accompanying notes forming part of the financial statements

1-34

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner

Praveen P. Kadle
Chairman

P.D. Karkaria
Director

F. J. Da Cunha
Director

N. J. Driver
Director

Prabhakar R Dalal
Director

Sangeeta K Singh
Director

Mumbai
Date: April 26, 2017

Aneesh M. Hosangadi
Chief Financial Officer

Pinal Zatakia
Company Secretary &
Compliance Officer

TATA SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Note No.	For the year ended	For the year ended
		March 31, 2017	March 31, 2016
		Rs. in lakh	Rs. in lakh
A	Cash flow from Operating Activities		
	Profit / (Loss) before income tax from		
	Continuing Operations	724	(292)
	Discontinuing Operations	(557)	(892)
	a. Profit / (Loss) before tax including discontinuing Operations	167	(1183)
	Adjustment for:		
	Depreciation and amortisation	66	23
	Provisions for Doubtful Debts/Advances	11	8
	Bad Debts Written Off	0	3
	Interest Income	(72)	(162)
	Interest on Inter Corporate Deposits	96	111
	Interest on Bank overdraft	1	5
	b. Operating Loss before working capital changes	267	-1,195
	Adjustments for:		
	Trade and other receivables	532	402
	Fixed Deposits with Scheduled Banks placed under lien with		
	stock exchanges for trading margins	660	250
	Current Liabilities and Provisions	(1,285)	(2,218)
	Non - Current Liabilities and provisions	9	(13)
	Loans and advances	200	148
	Bank balance in client account	989	787
	c. Cash (used in) / generated from operations before adjustments for interest received	1,373	-1,839
	Interest received on Fixed Deposits	137	193
	d. Cash (used in) / generated from operations	1,510	-1,646
	Taxes paid	43	90
A	Net Cash from / (used in) Operating Activities	1,553	(1,556)
B	Cash flow from Investing Activities		
	Purchase of fixed assets and capital advance given	(3)	(58)
	Sale of Fixed Assets	9	1
	Fixed Deposits with Scheduled Banks	-	900
	Redemption of Investments in Bonds	(40)	-
	Net Cash flow from / (used) in Investing Activities	(33)	843
C	Cash flow from Financing Activities		
	Interest on Bank Overdraft	(1)	(5)
	Interest on Inter Corporate Deposits	(96)	(111)
	Inter Corporate Deposits (repaid) / received	(1,434)	1,034
	Bank Overdraft	-	(18)
	Net Cash (used in) / from Financing Activities	(1,531)	900
D	Net decrease in Cash and Cash equivalents	-11	187
	<u>Cash and Cash equivalents at beginning of the period</u>		
	Cash balance	1	2
	Bank balance in current account	229	39
		230	41
	<u>Cash and Cash equivalents at end of the period</u>		
	Cash balance	0	1
	Bank balance in current account	219	227
		219	228
	Net decrease in Cash and Cash equivalents	-11	187

TATA SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
		Rs. in lakh	Rs. in lakh
E Reconciliation of cash and cash equivalents as above with cash and bank balances			
Cash and Cash equivalents at end of the period as per above		219	228
Add: Fixed Deposit with scheduled banks		778	1,438
Add: Bank balance in client account		24	1,015
Cash and Bank Balance at end of the period		1,021	2,681

See accompanying notes forming part of the financial statements

1-34

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner

Praveen P. Kadle
Chairman

P.D. Karkaria
Director

F. J. Da Cunha
Director

N. J. Driver
Director

Prabhakar R Dalal
Director

Sangeeta K Singh
Director

Mumbai
Date: April 26, 2017

Aneesh M. Hosangadi
Chief Financial Officer

Pinal Zatakia
Company Secretary &
Compliance Officer

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION:

Tata Securities Limited (TSL) is a wholly owned subsidiary of Tata Capital Limited. The Company is a member of the Bombay Stock Exchange Limited (BSE) in the cash and derivatives segment and of National Stock Exchange of India Limited (NSE) in respect of capital market, derivative, currency derivative and wholesale debt market segments. The Company is also a Depository Participant of Central Depository Services (India) Limited (CDSL) and of National Securities Depository Limited (NSDL). The Company is also registered with SEBI as Portfolio Manager and as a Merchant Banker.

The Company is also engaged in distribution of mutual fund units, in the capacity of an AMFI registered distributor. The Company has been empanelled with several Asset Management Companies operating in India. The company has emerged as one of the largest distribution houses in the mutual fund industry. The Company also distributing primary market products like IPO / FPOs and also third party financial products like Bonds and Fixed Deposits.

2. SIGNIFICANT ACCOUNTING POLICIES:

(i) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. 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.

(ii) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(iii) Fixed Assets and Depreciation/Amortisation

a) Tangible fixed assets and depreciation

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

The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use.

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 Motor car and Mobile handsets, in whose case the life of the assets has been assessed as under based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement.

The following table sets out the estimated useful lives by the Company.

Asset Type	Estimated useful life	As per Schedule II
Motor car	4 Years	6 Years
Mobile Handset	Written off in the year of purchase	2 Years
Office equipment	5 Years	5 Years
Furniture and fixtures	10 Years	10 Years
Computer equipment	4 Years	3 Years

Leasehold improvements are capitalised and depreciated using the straight line method over the primary period of lease unless the corresponding life under Schedule II are higher.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase.

b) Intangible assets and amortisation

Intangible assets are valued at cost less amortisation. Intangible assets are reported at acquisition value, with deductions for accumulated amortisation and impairment losses, if any.

Intangible assets are amortised on a straight line basis over the asset's anticipated useful life estimated by management.

An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

Intangible assets comprise of Trading Rights in BSE Limited ("BSEL Rights") and purchased software licenses. These are amortised as under:

- a) The cost of BSEL Rights has already been amortised.
- b) Costs of software licenses amortised evenly over a period of four years unless the licenses are expected to be used for shorter period in which case such costs are amortised over a shorter period. Expenses on software support and maintenance are charged to Statement of Profit and Loss during the period in which such costs are incurred.

(iv) Impairment of assets

The carrying values of assets of the Company's cash generating units at each Balance Sheet are reviewed for impairment at each balance sheet date. If any indication for such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discounting factor.

(v) Investments and investment income

Long term investments are carried at cost, less provision for diminution in value that is other than temporary, if any. Current investments are stated at cost or market value whichever is lower. Cost includes the purchase and related expenses such as brokerage and stamp duties. The difference between cost and redemption/ sale proceeds net of expenses is recognised in the Statement of Profit and Loss. For calculation of profit / loss on investment, cost is calculated using weighted average method. Dividend income is accounted when the right to receive the income is established.

(vi) Revenue Recognition

Revenues are recognised after the services are rendered provided there are no significant uncertainties as to recovery of such amounts at the time of performance.

a. Brokerage Income:

Brokerage from distribution of financial products is earned as under:

- Upfront brokerage - earned from distribution of financial products to investors;
- Annualised brokerage - on the basis of the average assets held by the investor; and

Brokerage also includes additional fees for marketing and promotion of financial products

Brokerage revenues are based largely on pre-defined rates and the amounts invested. Revenue from upfront brokerage is recognised when the service is rendered. Annualized brokerage is recognized at the end of the measurement period when the pre-defined thresholds are met. Revenue is net of taxes and sub-brokerage.

Income from equity broking business is recognised on the trade date basis as the securities transaction occur and is exclusive of service tax, securities transaction tax, stamp duties and other levies by stock exchanges and Securities and Exchange Board of India ("SEBI").

Fees for subscription based services are received periodically but are recognized as earned on a pro-rata basis over the term of the contract.

b. Investment banking services :

Fees for Investment banking services are accounted based on stage of completion of assignments, when there is reasonable certainty of its ultimate realization / collection.

c. Margin Trading:

Margin trading is a product offered to Tata Securities Limited clients in Cash Segment within the framework laid down by SEBI Guidelines, wherein a client can get finance to buy stocks. With Margin trading, client can get up to 50% of the value of the stocks for a maximum tenure of 60 days. Interest is charged to clients and the same is recognised as Interest income on Margin Trading on a time proportion basis taking into account the amount outstanding and the rate applicable.

d. Dividend Income:

Dividend income is recognised when right to receive the dividend is established.

e. Interest Income:

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

(vii) Employee Benefits

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

a) Defined-contribution plans

The eligible employee 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 contribution at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. Provident fund is administered by the Regional Provident Fund Commissioner. The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

b) Defined-benefit plans

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

c) Short-term employee benefits

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

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

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

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

d) Long-term employee benefits

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

(viii) Taxes on Income

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 provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on 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 is unabsorbed depreciation and carry forward of 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 the 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 is recognised in reserves and not in the Statement of Profit and Loss.

(ix) Provisions, Contingent Liabilities and Contingent Assets

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

(x) Segment Reporting

The accounting policies adopted for segment reporting are in accordance with the accounting policy of the Company. Segment Revenue, Segment Expenses, Segment Assets and Segment Liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis, are included under “Unallocated Revenue/Expenses/Assets /Liabilities”.

(xi) Cash and Cash Equivalents

Cash and bank balances, and current investments that have insignificant risk of change in value and original duration of up to three months, are included in the Company’s cash and cash equivalents in the Cash Flow Statement.

(xii) 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.

(xiii) Leases

Leases are classified as finance lease where the terms of the lease transfer substantially all risks and rewards of ownership to lessee. Fixed assets acquired under finance lease are capitalised at the inception of the lease, at the lower of fair value and present value of minimum lease payment. Lease payments are apportioned between outstanding liability and finance charges. The finance charges are allocated to the periods during the lease term so as to obtain a constant periodic rate of interest on the outstanding liability.

Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease are retained by the lessor. Lease rentals for such leases are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

(xiv) Foreign currency transaction and translations

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 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.

3. SHARE CAPITAL

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
AUTHORISED		
81,000,000 (Previous year 81,000,000) Equity Shares of Rs. 10/- each	8,100	8,100
20,000,000 (Previous year 20,000,000) Preference Shares of Rs. 10/- each	2,000	2,000
	10,100	10,100
ISSUED, SUBSCRIBED AND FULLY PAID UP		
3,829,418 (Previous year 3,829,418) Equity Shares of Rs. 10/- each fully paid up	383	383
15,000,000 (Previous year 15,000,000) 8.50% Compulsorily Convertible Cumulative Preference Shares of Rs 10/- each	1,500	1,500
	1,883	1,883
Total	1,883	1,883

3 (a) Reconciliation of number of shares outstanding

PARTICULARS	No. of shares	Rs in lakh
Opening Share Capital as on April 1, 2015		
Equity Shares Face Value Rs. 10 fully paid up	38,29,418	383
8.50% Compulsorily Convertible Cumulative Preference Shares of Rs 10/-each	1,50,00,000	1,500
Additions during the year	-	-
Closing Share Capital as on March 31, 2016		
Equity Shares Face Value Rs. 10 fully paid up	38,29,418	383
8.50% Compulsorily Convertible Cumulative Preference Shares of Rs 10/-each	1,50,00,000	1,500
Additions during the year	-	-
Closing Share Capital as on March 31, 2017		
Equity Shares Face Value Rs. 10 fully paid up	38,29,418	383
8.50% Compulsorily Convertible Cumulative Preference Shares of Rs 10/-each	1,50,00,000	1,500
	1,88,29,418	1,883

3 (b) The Company issued 15,000,000 Compulsorily Convertible Cumulative Preference Shares ("CCCPS") to Tata Capital Limited carrying dividend at the rate of 8.5% per annum of Rs. 10/- each at par on March 26, 2014 convertible at the end of 5 years from the date of allotment at the fair value of the equity share at the time of conversion. However, the holder of CCCPS shall have an option to get the CCCPS converted into Equity Shares of the Company at an earlier date before the expiry of the aforesaid period of five years.

3 (c) The entire equity share capital and preference share capital of the Company is held by Tata Capital Limited (the holding company) and its nominees. Tata Sons Limited is the ultimate holding company.

3 (d) Rights, preferences and restrictions attached to shares

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

Preference Shares: The company had issued Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of face value Rs. 10/- each at par on March 26, 2014, having terms of issuance disclosed in Note 3 (b) above. The CCCPS holders have a right to receive dividend, prior to Equity Shareholders. The dividend proposed by the Board of Directors on the CCCPS is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the Preference Shareholders are eligible to receive the remaining assets of the Company before distribution to the Equity Shareholders, in proportion to their shareholding.

4. RESERVES AND SURPLUS

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
Security Premium		
As per last balance sheet	807	807
Add : Premium received during the year	-	-
	807	807
General Reserve		
As per last balance sheet	553	553
	553	553
Deficit in Statement of Profit and Loss		
As per last balance sheet	(1926)	(743)
Add: Net Profit / (Loss) for the year	167	(1183)
	(1759)	(1926)
Total	(399)	(566)

5. LONG TERM PROVISIONS

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
Provision for retirement and other employee benefits (see notes no. 28 and 29)	22	12
Total	22	12

6. SHORT TERM BORROWINGS

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
Loans and advances from related parties		
Unsecured		
(1) Inter Corporate Deposits from the Holding Company (Refer footnote)	-	1,434
Total	-	1,434

Footnote: Inter Corporate Deposits are repayable on demand

7. TRADE PAYABLES

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
(i) Others		
(a) Accrued employee benefit expenses	117	63
(b) Accrued expenses	345	295
(c) Others	12	11
Total	474	369

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 :

Particulars	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day during the year	-	-
(b) Interest due and payable for delay during the year	-	-
(c) Amount of interest accrued and unpaid as at year end	-	-
(d) The amount of further interest due and payable even in the succeeding year	-	-
Total	-	-

8. OTHER CURRENT LIABILITIES

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
(a) Other payables		
(i) Statutory Dues	10	45
(ii) Exchange settlement / Due to clients	1	991
(iii) Margin money due to clients	-	289
(iv) Others	13	64
Total	24	1,389

9. SHORT TERM PROVISIONS

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
(a) Provision for retirement and other employee benefits	19	42
(b) Provision - Others:		
(i) Provision for tax (net of advance tax Rs. 364 lakhs - Previous year Rs. 364 lakhs)	20	20
Total	39	62

10. Fixed Assets

Description of Assets	Gross Block					Depreciation			Net Block	
	Opening Balance as at 01.04.2016	Additions during the year	Disposals during the year	Closing Balance as at 31.03.2017	Opening Balance as at 01.04.2016	Depreciation for the year	Depreciation on disposals	Closing Balance as at 31.03.2017	As at 31.03.2017	As at 31.03.2016
TANGIBLE :										
Office Equipment	76 74	1 2	2 -	75 76	71 67	5 4	2 -	74 71	1 5	5
Leasehold Improvements	61 41	- 20	6 -	55 61	46 41	15 5	6 -	54 46	1 15	15
Computer Equipment	102 93	- 9	- -	102 102	95 93	6 2	- -	101 95	- 7	7
Furniture and Fixtures	15 4	2 11	2 -	15 15	4 3	11 7	2 -	13 4	1 11	11
Motor Vehicles	25 36	11 -	8 11	28 25	21 25	7 6	- 10	28 21	- 4	4
Sub-Total	279 249	14 42	19 11	274 279	237 229	44 18	10 10	271 237	3 41	42
INTANGIBLE (other than internally generated) :										
Trading Rights in BSE Limited (BSEL)	228 228	- -	- -	228 228	228 228	- -	- -	228 228	- -	-
Software	60 35	- 25	- -	60 60	39 34	21 5	- -	60 39	- 21	21
Sub-Total	288 263	- 25	- -	288 288	267 262	21 5	- -	288 267	- 21	21
Total	567	14	19	563	505	65	10	559	3	63
Previous Year	511	67	11	567	491	23	10	504	63	
Total Fixed Assets									3	63

Previous year figures are given in *Italics*

11. NON-CURRENT INVESTMENTS

PARTICULARS	Face value Per Unit Rs	No. of Units	As at March 31, 2017	As at March 31, 2016
			Rs in lakh	Rs in lakh
Investments in Mutual Fund (Non-Trade) Tata Money Market Fund Regular Plan (Unquoted)	1002	3,975	40	-
Investment in Equity Shares (Non-Trade) BSE Limited (Quoted) *	2	5,700	-	-
Total			40	-

Particulars	Non-Current Investment	Non-Current Investment
	Rs in lakh	Rs in lakh
Cost of Quoted Investments	-	-
Book Value of Quoted investment	-	-
Market value of Quoted Investments	56	-
Book Value of Unquoted Investments	40	-

* Less than Rs. 50,000/-

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

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
(a) Capital Advances	-	11
(b) Security Deposits		
(i) With Exchanges	197	197
(ii) With Others	56	60
Less - Provision for doubtful Deposits	(24)	-
(c) Others		
(i) Prepaid Expenses	3	6
(ii) Advance income tax (net of provisions Rs. 1,474 lakhs (As at March 31, 2016 Rs.1,474 lakhs))	525	567
(iii) Loan to Tata Capital Welfare Trust	14	14
Total	771	856

13. OTHER NON-CURRENT ASSETS

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
Gratuity Asset (Net)	-	12
Total	-	12

14. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
(a) Outstanding for a period exceeding six months		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	34	30
	34	30
Less: Provision for doubtful trade receivables	34	30
	-	-
(b) Others		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	86	95
(iii) Doubtful	-	-
	86	95
Less: Provision for doubtful trade receivables	-	-
	86	95
Total	86	95

15. CASH AND BANK BALANCES

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
(a) Cash on hand	-	1
(b) Balance with Banks		
(i) in Current account	219	229
(ii) in Client account (Current account)	24	1,012
(iii) in Deposit account (Refer footnote no.2 below)	778	1,438
Total	1,021	2,681

Foot Notes:

1) Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement is Rs.219 lakh. (As at March 31, 2016 Rs. 230 lakh)

2) Deposits includes lien with Banks and Stock Exchanges as margin, amounting to Rs.428 lakh (As at March 31, 2016 Rs. 1,438 lakh).

3) The details of the Specific 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	1
(+) Permitted receipts	-	0	0
(-) Permitted payments	-	(0)	(0)
(-) Amounts deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	1	1

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

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
(a) Prepaid Expenses	13	61
(b) Advances recoverable in cash or kind	21	127
(c) Security Deposits with Exchanges	70	55
(d) Loan to Employees*	-	1
(e) Receivable from related parties	-	2
Total	104	246

* Less than Rs. 50,000/-

17. OTHER CURRENT ASSETS

PARTICULARS	As at March 31, 2017	As at March 31, 2016
	Rs in lakh	Rs in lakh
(a) Interest Accrued but not due on Fixed Deposit	18	83
(b) Exchange Settlement / Dues from Client	7	546
(c) Dues from Client	35	35
Less- Provision for doubtful debts	(42)	(35)
Total	18	629

18. REVENUE FROM OPERATIONS

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rs in lakh	Rs in lakh
Income from services		
(A) Brokerage Income		
(i) Distribution Income (Net of taxes)	461	570
(ii) Equity Brokerage (Net of taxes)	487	1,072
(B) Income from Investment Banking services	1,147	96
(C) Privilege Fees and Other Income	12	55
Total	2,107	1,793

19. OTHER INCOME

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rs in lakh	Rs in lakh
(a) Interest Income on Fixed Deposits	72	162
(b) Dividend from Current Investments	1	1
(c) Miscellaneous Income	50	84
(d) Exchange gain	3	2
(e) Advertisement Income	120	152
	246	401

20. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rs in lakh	Rs in lakh
(a) Salaries, wages and bonus	841	1,468
(b) Contribution to provident fund, superannuation fund and other funds	73	100
(c) Staff welfare expenses	54	94
Total	968	1,662

21. FINANCE COST

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rs in lakh	Rs in lakh
(a) Interest expense		
(i) Interest on Inter Corporate Deposit	96	111
(ii) Interest on Bank overdraft	1	5
(b) Bank Guarantee Charges	16	21
Total	113	137

22. OTHER OPERATING EXPENSES

PARTICULARS	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Rs in lakh	Rs in lakh	Rs in lakh	Rs in lakh
(a) Sub Brokerage		202		440
(b) Administration and Support Expenses		38		67
(c) Advertisement and Marketing		6		10
(d) Communication expenses		61		57
(e) Director's Sitting Fees		15		17
(f) Insurance charges		6		10
(g) Legal and Professional fees		59		210
(h) Franking Charges		-		7
(i) Printing and stationery		11		15
(j) Provision for Doubtful Debts		11		12
(k) Provision for Deposits		24		-
(l) Power and fuel		6		9
(m) Repairs and Maintenance				
(i) AMC Charges	2		6	
(ii) Others	5	7	10	16
(n) Rent		222		354
(o) Rates and taxes		2		0
(p) SEBI Turnover Fees		2		3
(q) Training and recruitment		1		5
(r) Membership and Subscription		75		135
(s) Travelling and conveyance		64		89
(t) Software Expenses		149		30
(u) Other expenses		79		70
Total		1,039		1,555

Other expenses includes Auditors' Remuneration

Auditors' Remuneration	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rs in lakh	Rs in lakh
(a) Statutory Audit Fees	21	21
(b) Tax Audit Fees	2	2
(c) Other Services	1	2
Total	24	25

23 A. Commitments

a) Commitments as at March 31, 2017 Nil (Previous year Nil).

23 B. Contingent liabilities

The contingent liability as at March 31, 2017 is on account of dividend on 8.50% Compulsorily Convertible Cumulative Preference Shares and dividend distribution tax thereon aggregating to Rs. 463 lakh (Previous year Rs. 309 lakh)

24. Deferred tax

The Company has deferred tax assets arising on account of brought forward losses, unabsorbed depreciation and timing differences in respect of depreciation, employee benefits and provision for doubtful debts which have not been recognised due to absence of virtual certainty backed by convincing evidence, of sufficient future taxable income against which such assets could be offset.

25. The Company avails from time to time non-cancellable long-term leases for office premises including office furniture. The total of future minimum lease payments that the Company is committed to make is Rs. Nil (Previous year Rs. Nil)

The amount charged towards lease rentals (as part of rent expenditure) is Rs. 222 lakh (Previous year: Rs. 354 lakh).

26. Earnings per share

Earnings per share are calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The numbers used in calculating earnings per share are as stated below:

Particulars		2016-17	2015-16
Profit / (Loss) after tax	Rs. in Lakhs	167	(1,183)
Less: Preference dividend payable to cumulative redeemable preference shareholders	Rs. in Lakhs	153	153
Profit / (Loss) after tax for equity shareholders	Rs. in Lakhs	14	(1,336)
Weighted average number of Equity shares used in computing Basic EPS	Nos	3,829,418	3,829,418
Face value of equity shares	Rupees	10	10
Basic earnings per share	Rupees	0.36	(34.91)
Profit / (Loss) after tax for equity shareholders	Rs. in Lakhs	14	(1,336)
Add: Preference dividend payable to cumulative redeemable preference shareholders	Rs. in Lakhs	153	153
Profit / (Loss) after tax diluted EPS	Rs. in Lakhs	167	(1,183)
Weighted Average Number of Equity Shares used in computing Basic earnings per share	Nos	3,829,418	3,829,418
Weighted average number of shares in computing Diluted earnings per share	Nos	5,238,398	4,322,790
Face value of equity shares	Rupees	10	10
Diluted earnings per share (Anti Dilutive)	Rupees	3.19	(27.36)
Diluted earnings per share	Rupees	0.36	(34.91)

27. Related Party Disclosures

Disclosure as required by Accounting Standard (AS) – 18 on “Related Party Disclosures” detailed below:

Names of the related parties and description of relationship:

<u>Related Party</u>	<u>Relationship</u>
Tata Sons Limited	Ultimate Holding Company
Tata Capital Limited	Holding Company

Subsidiaries of Tata Sons Limited (with whom the Company has transactions)

Tata AIG General Insurance Co. Limited
Tata Business Support Services Limited
Tata Consultancy Services Limited
Tata Investment Corporation Limited
Ewart Investments Limited
Tata Housing Development Company Limited
Simto Investment Company Limited
Tata AIA Life Insurance Company Limited
Tata Autocomp Systems Limited
Tata Toyo Radiator Limited
Tata Industries Limited
Tata Asset Management Limited
Tata Teleservices (Maharashtra) Limited

Subsidiaries of Tata Capital Limited (with whom the Company has transactions)

TC Travel and Services Limited
Tata Capital Housing Finance Limited
Tata Capital Forex Limited
Tata Capital Financial Services Limited
Tata Capital PLC
Tata Capital Market Pte. Limited
Tata Cleantech Capital Limited

Key Management Personnel

Mr Sanjeet Dawar –Manager and COO-Retail Equity Business (Transferred to Tata Capital Financial Services Ltd w.e.f 10th December 2016)

The Company’s related party balances and transactions are summarised as follows:

		Rs. in Lakh		
Sr. No.	Party Name	Nature of transaction	2016-17	2015-16
1	Tata Sons Limited	A) Expenditure Rent BEBP Expenses Rates & Taxes	54 5 1	54 1
		B) Equity Brokerage Income	-	(41)
		C) Deposits Placed	27	27
		D) Balance Payable BEBP Subscription Payable	(5)	-

Sr. No.	Party Name		Nature of transaction	2016-17	2015-16
2	Tata Capital Limited	A)	Expenditure Rent Electricity Charges Interest on Inter Corporate Deposit Insurance Expenses Salaries, Wages and Bonus	- - 96 1 -	- - 111 - 14
		B)	Income Services provided	-	(163)
		C)	Inter-corporate deposit taken	900	1,034
		D)	Inter-corporate deposit paid	(2334)	-
		E)	Balance Payable Inter Corporate Deposit Payable Trade Payable	- -	(1,434) -
3	Tata Capital Financial Services Limited	A)	Expenditure Rent Employee Cost Professional and Legal Fees General Expenses	115 - - 4	230 - - 8
		B)	Income Equity Brokerage Income Services provided Reimbursement of Rent Expenses General Expenses	(5) - (3) (6)	(4) - (3) (3)
		C)	Asset Transfer to TCFSL	8	11
		D)	Balance Payable Trade Payable	(34)	(21)
4	Tata AIG General Insurance Co. Limited	A)	Expenditure Insurance Expenses *	-	1
		B)	Balance Payable	-	-
5	Tata Business Support Services Limited	A)	Expenditure Administration and Support expenses Professional and Legal Fees	19 1	35 1
		B)	Income Reimbursement of Out of pocket expenses	(4)	(3)
		C)	Balance Receivable Other Receivable	-	3
		D)	Balance Payable Outstanding Payable	(2)	(5)
6	Simto Investment Company Limited	A)	Equity Brokerage Income	(3)	(4)
7	Tata Consultancy Services Limited	A)	Expenditure Professional and Legal Fees	26	129
		B)	Balance Payable	(26)	(129)

Sr. No.	Party Name		Nature of transaction	2016-17	2015-16
8	Tata Investment Corporation Limited	A)	Expenses Re-imburement of Expenses	(1)	(3)
		B)	Income Equity Brokerage Income	(4)	(5)
9	TC Travel and Services Limited	A)	Expenditure Travelling and Conveyance	31	36
		B)	Balance Payable Outstanding Payable	(1)	(9)
10	Tata Capital Forex Limited	A)	Foreign Exchange Purchased	11	10
		B)	Balance Payable Outstanding Payable*	-	(2)
11	Tata Housing Development Company Limited	A)	Income Services provided	-	(3)
		B)	Balance Receivable	-	-
12	Tata Autocomp Systems Limited	A)	Income from operations	(1073)	(3)
13	Tata Capital PLC	A)	Income Services provided	(6)	(7)
		B)	Balance Receivable Receivable	-	7
14	Tata Capital Market Pte. Limited	A)	Income Services provided	-	(20)
		B)	Balance Receivable Receivable	-	20
15	Tata Asset Management Limited	A)	Income * Services provided	-	-
16	Ewart Investments Limited	A)	Income Equity Brokerage Income *	-	(1)
17	Tata Cleantech Capital Limited	A)	Re-imburement of expenses*	-	1
18	Tata AIA Life Insurance Company Limited	A)	Insurance Expenses	2	2
19	Tata Toyo Radiator Limited	A)	Other Income Reimbursement of out of pocket expenses	-	(6)
		B)	Balance Receivable	-	5
20	Tata Industries Limited	A)	Equity Brokerage Income	-	(17)
21	Tata Capital Housing Finance Limited	A)	Re-imburement of expenses*	-	-
		B)	Income Services provided	-	(1)
22	Tata Teleservices (Maharashtra) Limited.	A)	Expenditure Conference Bridge Plan	-	-
			Mobile Expenses	5	5
			Telephone Expenses	14	11
			Data Card Expenses	4	7
B)	Balance Payable	(11)	(17)		
23	Key Management Personnel	A)	Remuneration to key management personnel	-	47

* Less than Rs. 50,000/-

28. Employee Benefit Obligations

Defined-Contribution Plans:

The Company offers its employees defined contribution plan in the form of provident fund, family pension fund and superannuation fund. Provident fund and family pension fund cover substantially all regular employees while the contribution to superannuation fund is at the option of the Employee. Contributions are paid during the year into a fund managed by independent agencies. 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 Rs. 31 lakh (Previous year Rs. 63 lakh) for Provident Fund and Family Pension Fund contribution and Rs.4 Lakh (Previous year Rs. 5 lakh) for Superannuation contribution in the Statement of Profit and Loss.

Defined-Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount), Long Term Service award and a supplemental pay scheme (a life long pension). Benefits under the defined benefit plans are typically based either on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme and Long Term Awards Scheme covers substantially all regular employees, while supplemental pay plan covers certain executives. In the case of the gratuity scheme, the Company contributes to a Gratuity Trust, which is irrevocable. Commitments are actuarially determined at year-end. On adoption of the Accounting Standard (AS) 15 on "Employee Benefits" 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. Liability for Long Term Compensated Absences is estimated by independent actuaries as at the balance sheet date.

A) Gratuity

Change in defined benefit obligations (DBO) during the year:

Particulars	Rs. in lakh	
	Gratuity –Funded Plan	
	2016 – 17	2015 – 16
Present value of DBO at beginning of the year	123	122
Current Service Cost	23	27
Interest expenses	10	8
Employees transferred	(106)	(9)
Actuarial (gain) / loss	20	1
Paid benefits	(8)	(26)
Present value of DBO at the end of the year	62	123

Change in fair value of assets during the year:

Particulars	Rs. in lakh	
	Gratuity –Funded Plan	
	2016 – 17	2015 – 16
Plan assets at beginning of the year	136	109
Employees resigned/transferred	(106)	(16)
Expected return on Plan assets	11	10
Contributions by the Company	0	39
Actuarial gain / (loss)	3	(6)
Benefits Paid	-	-
Plan assets at the end of the year	44	136

Reconciliation of present value of the obligations and the fair value of the plan assets

Particulars	Rs. in lakh	
	Gratuity –Funded Plan	
	2016 – 17	2015 – 16
Present Value of Defined Benefit Obligations	62	124
Fair Value of Plans Assets	44	136
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(18)	12

Return on plan assets:

Rs. in lakh

Particulars	Gratuity –Funded Plan	
	2016 – 17	2015 – 16
Expected return on plan assets	11	10
Actuarial gain / (loss)	3	(7)
Actual return on plan assets	14	3

Components of employer's expense:

Rs. in lakh

Particulars	Gratuity –Funded Plan	
	2016 – 17	2015 – 16
Current service costs	22	27
Interest cost	10	8
Expected return on plan assets	(11)	(10)
Curtailement cost / (credit)	-	-
Settlement cost / (credit)	-	4
Past service cost	-	-
Actuarial losses/(gains)	17	7
Total expense recognised in the Statement of Profit and Loss	38	36

The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the previous four annual periods are given below:

Rs. in lakh

Particulars	Gratuity –Funded Plan				
	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligation at the end of the year	(62)	(123)	(122)	(97)	(90)
Plan Assets at the end of the year	44	136	109	93	76
Net obligation as at the year end	(18)	12	(13)	(4)	(14)
Experience adjustment on plan liabilities – Gain / (Loss)	(8)	(5)	12	(1)	14
Experience adjustment on plan assets – Gain / (Loss)	3	(6)	7	-	-
Actuarial Gain / (Loss) due to change in assumptions	(12)	4	(23)	16	(9)

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements and pension expense.

	2016 – 17	2015 – 16
Discount Rate	7.50%	8.20%
Expected Rate of Return on Plan Assets	8.00%	8.00%
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	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: 2.50% 10 years and more: 1%	0 – 2 years: 10% 3 – 4 years: 5% 5 – 9 years: 2.50% 10 years and more: 1%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

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

The Contributions expected to be made by the Company during the financial year 2017-18 is Rs. 2 lakh (Previous year Rs. 23 lakh)

Composition of the plan assets is as follows:

(Rs. in lakh)

Investment Pattern	2016-17	2015-16
Government Securities	33%	44%
Deposit and money market securities	10%	9%
Debentures and Bonds	41%	24%
Equity Shares	16%	23%
Total	100%	100%

29. **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. The Long Term Service award expense for financial year 2016-17 Rs. Nil (Previous year Nil) and the provision as at March 31, 2017 is Rs.4 lakh (Previous year Rs.12 lakh)

30. **Segment Reporting**

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, risks and returns, organisation structure and internal reporting system.

The business operations of the Company are carried out only in India. As the Company operates in a single geographic segment, no separate disclosure is required in this regard.

Post curtailment the Company's operations predominantly relate to distribution of third party products (Mutual Funds, Corporate Deposits, Bonds and others), equity broking and investment banking services.

Revenue and expense directly attributable to segments are reported under each reportable segment. All other income and expenses which are not attributable or allocable to segments have been disclosed as unallocable income or 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. Certain fixed assets located at branches have not been allocated between segments as these are used interchangeably between segments.

Segment Report for the year ended March 31, 2017

Rs in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Segment Revenue		
(a) Distribution	461	570
(b) Equity Broking	583	1,328
(c) Investment Banking	1,147	123
Total	2,191	2,021
Less : Inter Segment Revenue	-	-
Total Income	2,191	2,021
Segment Results		
(a) Distribution	336	414
(b) Equity Broking	(557)	(891)
(c) Investment Banking	580	(404)
Total	359	(881)
Add : Unallocated Corporate Income	162	173
Less : Unallocated Corporate Expenses	(353)	(475)
Profit / (Loss) before taxation	167	(1,183)
Less : Provision for taxation	-	-
Profit / (Loss) after taxation	167	(1,183)
	As at	As at
	March 31, 2017	March 31, 2016
Segment Assets		
(a) Distribution	54	42
(b) Equity Broking	743	3,503
(c) Investment Banking	39	45
(d) Unallocated	1,231	993
Total	2,067	4,583
Segment Liabilities		
(a) Distribution	34	5
(b) Equity Broking	179	3,112
(c) Investment Banking	114	43
(d) Unallocated	256	106
Total	583	3,266
Capital Expenditure		
(a) Distribution	1	1
(b) Equity Broking	0	63
(c) Investment Banking	1	2
(d) Unallocated	1	-
Total	3	66
Depreciation and Amortisation		
(a) Distribution	-	-
(b) Equity Broking	62	18
(c) Investment Banking	4	3
(d) Unallocated	-	1
Total	66	22

31. Expenditure in foreign currency:

Rs. in lakh

Particulars	As at March 31, 2017	As at March 31, 2016
Other Matters	15	50

32. Earnings in foreign Exchanges:

Rs. in lakh

Particulars	As at March 31, 2017	As at March 31, 2016
Advisory Fees	43	83

33. On July 21, 2016, the Board of Directors approved a plan to realign its business by scaling down the Company's Retails and Institutional Equity broking and depository businesses "Equity Business", which is also a separate segment as per AS 17.

The said realignment is consistent with the company's long-term strategy to focus its activities on the other profitable segments of the Company viz. Mergers & Amalgamations and Institutional Distribution which would leverage other Tata Capital Business.

The Company received in-principal approval from Central Depository Services (India) Limited on September 27, 2016 for assignment of part of its depository clients accounts to a leading private sector bank. The Company entered into an agreement on September 27, 2016 for the same.

Broking and Depository licences are retained by the Company after the closure of Equity Business.

As at 31st March 2017, the carrying amount of the assets of the Equity Business was Rs. 743 lakhs (previous year Rs. 3503 lakhs) and its liabilities were Rs. 179 lakhs (previous year Rs.3112 lakhs).

The following statement shows the revenue and expenses of continuing and discontinuing operations:

Rs. in Lakhs

Particulars	Continuing Operations						Discontinuing Operations		Grand Total	
	Institutional Distribution		Investment Banking		Unallocated		Equity Business			
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
Turnover	461	570	1,147	123	161	173	583	1,328	2,352	2,194
Operating Expenses	(125)	(156)	(567)	(527)	(353)	(475)	(1,027)	(2,082)	(2,072)	(3,240)
Impairment Loss	-	-	-	-	-	-	-	-	-	-
Provision for Employee Termination	-	-	-	-	-	-	-	-	-	-
Pre-tax profit (Loss) from operating activities	336	414	580	(404)	(192)	(302)	(444)	(754)	280	(1,046)
Interest Expenses	-	-	-	-	-	-	(113)	(137)	(113)	(137)
Profit (loss) before Tax	336	414	580	(404)	(192)	(302)	(557)	(891)	167	(1,183)
Income tax expenses	-	-	-	-	-	-	-	-	-	-
Profit (Loss) from operating activities after tax	336	414	580	(404)	(192)	(302)	(557)	(891)	167	(1,183)

34. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
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For and behalf of the Board of Directors

Praveen P. Kadle
Chairman

P. D. Karkaria
Director

F. J. Da Cunha
Director

N. J. Driver
Director

Prabhakar R Dalal
Director

Sangeeta K Singh
Director

Aneesh M. Hosangadi
Chief Financial Officer

Pinal Zatakia
Company Secretary &
Compliance Officer

Mumbai
Date: April 26, 2017