

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Tata Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Securities Limited (“the Company”), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's report but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report (Continued)

Tata Securities Limited

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified 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 of 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 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.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report *(Continued)*

Tata Securities Limited

Auditor's Responsibilities for the Audit of the Financial Statements *(Continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

Independent Auditor's Report (Continued)

Tata Securities Limited

Report on Other Legal and Regulatory Requirements (Continued)

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- (B) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 29 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts 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. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Continued)

Tata Securities Limited

Report on Other Legal and Regulatory Requirements (Continued)

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (i) and (iv) (ii) contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us and as per special resolution passed by the Company at its annual general meeting held on 24 June 2021 as further explained in Note 41 to the Financial Statements, the remuneration paid by the company to its directors during the current year is in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

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

Place: Mumbai
Date: 21 April 2022

Pranav Gune

Partner

Membership No. 121058
UDIN: 22121058AHNMHR6079

Tata Securities Limited

Annexure A to the Independent Auditors' report of even date

We report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. Pursuant to the program, all the fixed assets have been physically verified by the management in November 2019. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property in its name. Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering DP services as a depository participant of CDSL and NSDL, Distribution of Mutual Funds and wealth management services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and securities under Section 185 of the Act. The Company has complied with the provisions of Sections 186 of the Act in respect of grant of loans and making investments. The Company has not provided any guarantees and securities. Accordingly, para 3(iv) of the Order is not applicable to that extent.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

Tata Securities Limited

Annexure A to the Independent Auditors' report of even date (*Continued*)

- (vi) 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 Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Income-Tax, cess and other statutory dues have been regularly deposited by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year. Accordingly, the provision of clause 3(ix) (a) of the Order is not applicable to the company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year. Accordingly, the provision of clause 3(ix) (b) of the Order is not applicable to the company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any term loans from any lender/ financial institution during the year. Accordingly, the provision of clause 3(ix) (c) of the Order is not applicable to the company.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, the Company did not have any outstanding loans or borrowings from any other lender during the year. Hence, no funds raised on short-term basis have been used for long-term purposes by the company. Accordingly, the provision of clause 3(ix) (d) of the Order is not applicable to the company.

Tata Securities Limited

Annexure A to the Independent Auditors' report of even date (*Continued*)

- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not have subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by us as auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) (a) to (c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

Tata Securities Limited

Annexure A to the Independent Auditors' report of even date (*Continued*)

- (d) According to the information and explanations provided to us during the course of audit, the Group has six CICs.
- (xvii) The Company has incurred cash losses of Rs. 1,293 lakhs in the current financial year and Rs. 43 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans of capital infusion from the holding company and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.
- (xxi) The Company does not have subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(xxi) is not applicable.

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

Place: Mumbai
Date: 21 April 2022

Pranav Gune
Partner
Membership No. 121058
UDIN: 22121058AHNMHR6079

Annexure B to the Independent Auditors' report on the financial statements of Tata Securities Limited for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid - financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Tata Securities Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and

B S R & Co. LLP

Tata Securities Limited

Annexure B to the Independent Auditors' report on the financial statements of Tata Securities Limited for the period ended 31 March 2022 (Continued)

Auditors' Responsibility (Continued)

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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

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

Place: Mumbai

Date: 21 April 2022

Pranav Gune

Partner

Membership No. 121058

UDIN: 22121058AHNMHR6079

Tata Securities Limited

Balance Sheet

as at March 31, 2022

(Rs. in lakh)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
(a) Cash and cash equivalents	3	25	23
(b) Bank balance other than (a) above	4	602	2,039
(c) Receivables			
Trade receivables	5	92	33
(d) Investments	6	193	132
(e) Other financial assets	7	156	156
Total financial assets		1,068	2,383
Non-financial assets			
(a) Current tax assets (net)		75	141
(b) Property, plant and equipment	8	5	1
(c) Other intangible assets	8	36	35
(d) Intangible assets under development	8	147	-
(e) Other non-financial assets	9	241	57
Total non-financial assets		504	234
Total Assets		1,572	2,617
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
(a) Payables			
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	10(i)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10	104	103
(b) Other financial liabilities	11	152	58
Total financial liabilities		256	161
Non-financial liabilities			
(a) Current tax liabilities (Net)		19	19
(b) Provisions	12	19	14
(c) Other non-financial liabilities	13	51	25
Total non-financial liabilities		89	58
Equity			
(a) Equity share capital	14	618	618
(b) Other equity	15	609	1,780
Total Equity		1,227	2,398
Total Equity and Liabilities		1,572	2,617
Summary of significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-47		

In terms of our report of even date

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors

Tata Securities Limited

Pranav Gune

Partner

Membership No : 121058

Rajiv Sabharwal

Chairman

DIN: 00057333

Avijit Bhattacharya

Director

DIN: 02330805

Abonty Banerjee

Director

DIN: 08822128

Mumbai

April 21, 2022

Udaya Rao

Manager

Vivek D'Souza

Chief Financial Officer

Tata Securities Limited

Statement of Profit and Loss

for the year ended March 31, 2022

(Rs. in lakh)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from operations :			
(i) Fees and commission income	16	330	445
(ii) Net gain on fair value changes	18	129	16
Total revenue from operations		459	461
II Other income	17	119	157
III Total income (I + II)		578	618
IV Expenses :			
(i) Impairment on financial instruments	19	5	(6)
(ii) Employee benefit expenses	20	583	288
(iii) Depreciation, amortisation expense and impairment	8	8	162
(iv) Other expenses	21	1,154	370
Total expenses (IV)		1,750	814
V Loss before exceptional items and tax (III - IV)		(1,172)	(196)
VI Exceptional items		-	-
VII Loss before tax (V - VI)		(1,172)	(196)
VIII Tax expense			
(1) Current tax			
-for the year		-	-
-earlier years *		(0)	(7)
Total tax expenses *		(0)	(7)
IX Loss before the year from continuing operations (VII-VIII)		(1,172)	(189)
X Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to statement of profit or loss			
- Remeasurement of defined employee benefit plans		1	4
Total Other comprehensive income		1	4
XI Total Comprehensive loss of the year (IX+X)		(1,171)	(185)
(Comprising Loss and Other comprehensive income for the year)			
XII Earnings per equity share:			
(a) Basic (Rs.)		<u>(18.96)</u>	<u>(3.06)</u>
(b) Diluted (Rs.)		<u>(18.96)</u>	<u>(3.06)</u>

* Less than Rs. 50,000/-

Summary of significant accounting policies

See accompanying notes forming part of the financial statements

In terms of our report of even date

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors

Tata Securities Limited

Pranav Gune

Partner

Membership No : 121058

Rajiv Sabharwal

Chairman

DIN: 00057333

Avijit Bhattacharya

Director

DIN: 02330805

Abonty Banerjee

Director

DIN: 08822128

Mumbai

April 21, 2022

Udaya Rao

Manager

Vivek D'Souza

Chief Financial Officer

Tata Securities Limited

Statement of Cash Flow

for the year ended March 31, 2022

(Rs in lakh)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
1. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES			
Loss before taxes:		(1,172)	(196)
Adjustments for:			
Depreciation and amortisation		8	162
Net gain on fair value changes		(129)	(16)
Dividend income		(5)	(14)
Provision for employee benefits		2	1
Provision for Life time credit loss*		-	(0)
Interest on Income Tax Refund		(49)	-
Interest Income		(65)	(110)
Interest paid others *		0	2
Prior period Interest on Income Tax Refund		-	(18)
Income tax provision write back		-	7
Operating Profit before working capital changes and adjustments for interest received		(1,410)	(182)
Adjustments for:			
(Increase) / Decrease in trade receivables		(59)	13
(Increase) in other financial / non-financial assets		(184)	(12)
Increase in trade payables		1	-
Increase in in other financial / non-financial liabilities and provisions		124	14
Cash used in operations		(1,528)	(167)
Cash used in operations		(1,528)	(167)
Refund/(Payment) of Tax		66	85
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		(1,462)	(82)
2. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment (including capital advances)		(7)	-
Proceeds from sale of property, plant and equipment		1	-
Purchase of other intangible assets (including asset under development)		(154)	(71)
Interest income on fixed deposits		107	102
Investments in fixed deposits		-	(515)
Dividend Income		5	14
Interest on income tax refund		49	31
Proceeds from maturity of fixed deposits		1,395	-
Purchase of investment-mutual fund		(788)	(41)
Proceeds from redemption of investment-mutual fund		856	550
NET CASH FROM INVESTING ACTIVITIES		1,464	70
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		2	(12)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3	23	35
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	25	23

* Less than Rs. 50,000/-

Summary of significant accounting policies

2

See accompanying notes forming part of the financial statements

1-47

In terms of our report of even date

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

Chartered Accountants

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

For and on behalf of the Board of Directors

Tata Securities Limited

Pranav Gune

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Chief Financial Officer

Tata Securities Limited

Statement of Changes in Equity

for the year ended March 31, 2022

(Rs. in lakh)

A. Equity share capital

Particulars	Rs. in Lakh
Balance as at April 01, 2020	618
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	618
Changes in equity share capital during the year	-
Balance as at March 31, 2021	618
Balance as at April 01, 2021	618
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	618
Changes in equity share capital during the year	-
Balance as at March 31, 2022	618

B. Other equity

(Rs in Lakh)

Particulars	Reserves and surplus		Share options outstanding account	Remeasurement of defined benefit liability /asset	General Reserve	Total equity
	Securities premium	Retained earnings				
Balance as at April 01, 2020	2,072	(676)	-	4	565	1,965
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2020	2,072	(676)	-	4	565	1,965
Profit for the year	-	(189)	-	-	-	(189)
Other comprehensive income for the year, net of income tax	-	-	-	4	-	4
Balance as at March 31, 2021	2,072	(865)	-	8	565	1,780
Balance as at April 01, 2021	2,072	(865)	-	8	565	1,780
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2021	2,072	(865)	-	8	565	1,780
Loss for the year	-	(1,172)	-	-	-	(1,172)
Other comprehensive income for the year, net of income tax	-	-	-	1	-	1
Balance as at March 31, 2022	2,072	(2,037)	-	9	565	609

In terms of our report of even date

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors

Tata Securities Limited

Pranav Gune

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April 21, 2022

Udaya Rao

Manager

Vivek D'Souza

Chief Financial Officer

Tata Securities Limited

Notes forming part of the financial statements

For the year ended March 31, 2022

1. CORPORATE INFORMATION

Tata Securities Limited (TSL) is a wholly owned subsidiary of Tata Capital Limited. The Company is domiciled in India and incorporated under the Companies Act, 2013. The Company is a member of the Bombay Stock Exchange Limited (BSE) registered in the cash segment and of National Stock Exchange of India Limited (NSE) registered in the capital market, futures and options and currency derivatives 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 a Research Analyst and is also registered with Pension Fund Regulatory and Development Authority (PFRDA) to act as a POP_SE (Point of Presence -Sub Equity) under National Pension System (NPS).

The Company ventured into Digital Wealth Business in March 2020 through the launch of Moneyfy application to distribute mutual funds and other financial and investment products to cater the millennial tech savvy population of India. The Company is also engaged in distribution of mutual fund units, in the capacity of an AMFI registered distributor and is empanelled with several Asset Management Companies operating in India.

2. SIGNIFICANT ACCOUNTING POLICIES

i. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act and other accounting principles generally accepted in India. Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the accounting policy hitherto in use. The financial statements were authorised for issue by the Board of Directors (BOD) on April 21, 2022.

ii. Presentation of financial statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 (the 'Act'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS.

A summary of the significant accounting policies and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as specified under Section 133 of the Companies Act, 2013 (the 'Act') including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

iii. Functional and presentation currency

Amounts in the financial statements are presented in Indian Rupees in Lakh, which is also the Company's functional currency and all amounts have been rounded off to the nearest lakhs unless otherwise indicated.

iv. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of entering into the transaction.

v. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value for measurement and/or disclosure purposes for certain items in these financial statements is determined considering the following measurement methods:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Net defined benefit (asset)/liability	Fair value of planned assets less present value of defined benefit obligations
Property plant and equipment	Value in use under Ind AS 36

Fair values are categorized into different levels (Level 1, Level 2 or Level 3) in a fair value hierarchy based on the inputs used in the valuation techniques. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The levels are described as follows:

- a) Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date
- b) Level 2: inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

c) Level 3: inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at the measurement date.

Valuation model and framework used for fair value measurement and disclosure of financial instrument:

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

vi. Basis of going concern

Having regard to the Company's existing business plan, the Company gets continued financial support from Tata Capital Limited, the Holding Company. The Company will continue to get such support to meet its financial obligations, liabilities and networth requirements as and when they fall due for a period of not less than twelve months from the date of signing the financial statement for the period ended 31 March 2022. Accordingly, assets and liabilities are recorded on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business and the financial statements have been prepared on a going concern basis.

vii. Use of Estimates and judgements

The preparation of financial statements requires the management of the Company to make judgements, assumptions and estimates that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed as applicable in the respective notes to accounts. Accounting estimates could change from period to period. Future results could differ from these estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Judgements:

Information about judgements made in applying accounting policies that have significant effect on the amounts recognised in the financial statements is included in the following note:

- Note x - classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation of uncertainties:

Information about assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 are included in the following notes:

- Note xi - useful life of property, plant, equipment and intangibles.
- Note xv – recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used

- Notes xvii – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note x – determination of the fair value of financial instruments with significant unobservable inputs.
- Note xii – measurement of defined benefit obligations: key actuarial assumptions.

viii. Fee and commission income

The Company recognises the fee and commission income not integral to EIR under Ind AS 109 in accordance with the terms of the relevant customer contracts / agreement and when it is probable that the Company will collect the consideration for items.

Revenue from mutual fund brokerage is recognised when the service is performed. Annualised and Trail brokerage is recognised at the end of the measurement period when the pre-defined thresholds are met in accordance with Ind AS 115 - Revenue from contracts with customers. Revenue is net of applicable indirect taxes and sub-brokerage.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Other Income includes activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

ix. Dividend Income

Income from dividend on investment in equity shares of corporate bodies and units of mutual funds is accounted when the Company's right to receive dividend is established. Dividend income on financial assets measured at fair value through profit and loss is presented under Dividend income and not as a part of Net gains / (losses) on fair value changes.

x. Financial asset

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

1. amortised cost;
2. fair value through other comprehensive income (FVOCI); or
3. fair value through profit and loss (FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) method if it meets both of the following conditions and is not recognised as at FVTPL:

1. The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made an investment – by – investment basis.

All financials assets not classified and measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate the financials assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if

	any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

1. the rights to receive cash flows from the asset have expired, or
2. the Company has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset, or
3. the Company has neither transferred nor retained substantially all the risks and rewards of the ownership of the asset, but has transferred control of the asset

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

Financial liability, Equity and Compound Financial Instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense are recognised in the Statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

Classification

The Company classifies its financial liability as "Financial liability measured at amortised cost" except for those classified as financial liabilities measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment of Trade receivable

Impairment allowance on trade receivables is made on the basis of simplified approach, in addition to specific provision considering the uncertainty of recoverability of certain receivables.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Cash, Cash equivalents and bank balances

Cash, Cash equivalents and bank balances include fixed deposits, margin money deposits, and earmarked balances with banks are carried at amortised cost. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents

xi. Property, plant and equipment ('PPE')

a. PPE

Property, plant and equipment (PPE) acquired by the Company are reported at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Estimated cost of dismantling and removing the item and restoring the site on which its located does not arise for owned assets. The acquisition cost includes any cost attributable for bringing an asset to its working condition net of tax/duty credits availed, which comprises of purchase consideration and other directly attributable costs of bringing the assets to their working condition for their intended use. PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

b. Capital work-in-progress

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress" and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c. Other intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the year in which such costs are incurred.

d. Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

e. Depreciation and Amortisation

Depreciable amount for tangible property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of computer equipment in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation for additions to/deductions on owned assets is calculated pro rata to the remaining period of use. Depreciation charge for impaired assets is adjusted in future

periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. All capital assets with individual value less than Rs. 5,000 are depreciated fully in the year in which they are purchased.

Purchased software / licenses are amortised over the estimated useful life during which the benefits are expected to accrue. The method of Residual values and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life
Computer Equipment	Owned: 3 to 4 years
Office Equipment	Owned: 5 years
Software Licenses	Owned: 1 to 10 years

f. Impairment of assets

Upon an observed trigger or at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property and intangible asset to determine whether there is any indication that the asset have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

g. De-recognition of property, plant and equipment and intangible asset

An item of PPE and intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is

determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

xii. Employee Benefits

Defined Contribution benefits include superannuation fund and provident fund.

Defined Employee benefits include gratuity fund, compensated absences and long service awards.

Defined contribution plans

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

The Company makes Provident Fund contributions, a defined contribution plan for qualifying employees. Under the Schemes, both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to provident fund administered by the Regional Provident Fund Commissioner.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

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

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

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

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long term service awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. The obligation is measured on the basis of actuarial valuation using projected unit credit method and remeasurements gains/ losses are recognised in P&L in the period in which they arise.

Share based payment transaction

The stock options of the Parent Company, granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date as per Black and Scholes model. The fair value of the options is treated as discount and accounted as employee compensation cost, with a corresponding increase in other equity, over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense, with a corresponding increase in other equity, in respect of such grant is transferred to the General reserve within other equity.

xiii. Segment reporting

The Company's operating segments consist of Distribution Business and Digital Wealth.

The main business is distribution of financial products. All other activities revolve around the main business and are carried out within India. As such, there are no separate reportable segments as per the provisions of Ind As 108 operating segment.

The Chief Operating Decision Maker (CODM) of the Company is the Board of Directors.

xiv. Earnings per share

Basic earnings per share has been computed by dividing net income attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive

xv. Taxation

Income Tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss, other comprehensive income or directly in equity when they relate to items that are recognized in the respective line items.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best

estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax loss) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized. The carrying amount of deferred tax assets are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

xvi. Goods and Services Input Tax Credit

Goods and Services input tax credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

xvii. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- (i) an entity has a present obligation (legal or constructive) as a result of a past event; and
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent assets are not recognised in the financial statements

xviii. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

xix. Dividend payable (including dividend distribution tax)

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

xx. New Ind AS issued but not effective as on March 31, 2022

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new Ind AS, interpretations and amendments to Ind AS are not expected to have a significant impact on the Company's financial statements and the Company's statement of financial position.

Applicable to financial year ended March 31, 2022 Company's financial statements:

- Amendments to References to Conceptual Framework in Ind AS Standards
- Definition of a Business (Amendments to Ind AS 103)
- Definition of Material (Amendment to Ind AS 1 and Ind AS 8)

Tata Securities Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
3 CASH AND CASH EQUIVALENTS		
(a) Balance with Banks		
(i) In Current accounts	25	23
(ii) In Client accounts *	0	0
Total	<u>25</u>	<u>23</u>
<i>* Less than Rs. 50,000/-</i>		
4 OTHER BALANCES OTHER THAN (3) ABOVE		
Balances with banks		
(a) In deposit accounts (Refer note below)	588	1,983
(b) Interest accrued but not due on fixed deposits	14	56
Total	<u>602</u>	<u>2,039</u>
Note:		
Deposits include lien with Stock Exchanges as margin amounting to Rs.63 lakh (March 31, 2021: Rs.63 lakh)		
5 RECEIVABLES		
Trade receivable		
(i) Receivables considered good - Secured	-	-
(ii) Receivables considered good - Unsecured	92	33
(iii) Trade receivables - credit impaired	<u>71</u>	<u>66</u>
	163	99
Less: Allowance for impairment loss		
(i) Impairment loss allowance *	-	(0)
(ii) Credit impaired	<u>(71)</u>	<u>(66)</u>
Total	<u>92</u>	<u>33</u>
<i>* Less than Rs. 50,000/-</i>		

Note:

All Trade receivables are non-interest bearing and are generally on terms of 1 month to 3 months

Tata Securities Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
6 INVESTMENTS		
(A) Investments carried at fair value through profit or loss		
Mutual and other funds (unquoted)	32	99
Fully paid equity shares (quoted)	161	33
Total	<u>193</u>	<u>132</u>
Note:		
(a) The market value of quoted investments is equal to the carrying value.		
(b) The Company does not have any Investment outside India.		
7 OTHER FINANCIAL ASSETS		
Security deposits	156	156
Total	<u>156</u>	<u>156</u>

Tata Securities Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

8 Property, plant and equipment

Particulars	Gross Block					Accumulated depreciation and amortisation					Net Carrying Value
	Opening balance as at April 1, 2021	Additions/ Adjustments	Deletions	Written off during the year	Closing balance as at March 31, 2022	Opening Balance as at April 01, 2021	Depreciation for the year	Impairment	Deletions / Adjustments	Closing balance as at March 31, 2022	As at March 31, 2022
TANGIBLE :											
Office Equipment *	1	-	-	-	1	1	-	-	-	1	-
	<i>1</i>	-	-	-	<i>1</i>	<i>1</i>	<i>0</i>	-	-	<i>1</i>	-
Computer Equipment *	6	7	1	-	12	5	2	-	-	7	5
	<i>6</i>	-	-	-	<i>6</i>	<i>4</i>	<i>1</i>	-	-	<i>5</i>	<i>1</i>
PROPERTY, PLANT AND EQUIPMENT-Total	7	7	1	-	13	6	2	-	-	8	5
	<i>7</i>	-	-	-	<i>7</i>	<i>5</i>	<i>1</i>	-	-	<i>6</i>	<i>1</i>
Software	199	7	-	-	206	164	6	-	-	170	36
	<i>128</i>	<i>71</i>	-	-	<i>199</i>	<i>3</i>	<i>31</i>	<i>130</i>	-	<i>164</i>	<i>35</i>
INTANGIBLE ASSET-Total	199	7	-	-	206	164	6	-	-	170	36
	<i>128</i>	<i>71</i>	-	-	<i>199</i>	<i>3</i>	<i>31</i>	<i>130</i>	-	<i>164</i>	<i>35</i>
Total	206	14	1	-	219	170	8	-	-	178	41
	<i>135</i>	<i>71</i>	-	-	<i>206</i>	<i>8</i>	<i>32</i>	<i>130</i>	-	<i>170</i>	<i>36</i>
Intangible assets under development											147
											-

Figures in italics relate to March 31, 2021.

*Less than Rs. 50,000/-

Tata Securities Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

8.1 INTANGIBLE ASSETS UNDER DEVELOPMENT

Ageing for intangible asses under development as at March 31, 2022 is as follows:

As at March 31, 2022

PARTICULARS	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	147	-	-	-	147
(ii) Projects temporarily suspended	-	-	-	-	-
Total					147

Intangible assets under development completion schedule

PARTICULARS	Less than 1 year	To be completed in			Total
		1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	147	-	-	-	147
(ii) Projects temporarily suspended	-	-	-	-	-
Total					147

Ageing for intangible asses under development as at March 31, 2021 is as follows:

As at March 31, 2021

PARTICULARS	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total					-

Intangible assets under development completion schedule

PARTICULARS	Less than 1 year	To be completed in			Total
		1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total					-

Tata Securities Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
9 OTHER NON-FINANCIAL ASSETS (UNSECURED - CONSIDERED GOOD)		
(a) Prepaid expenses	29	20
(b) Gratuity asset (Net)	-	3
(c) Balances with government authorities	209	32
(d) Other advances	3	2
Total	241	57
10 TRADE PAYABLES		
(a) Others		
(i) Accrued expenses	96	94
(ii) Other payables	8	9
Total	104	103

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 period is given below :

10(i) TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period	-	-
(b) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting period;	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting period;	-	-
Total	-	-

Tata Securities Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

10(ii) TRADE PAYABLES (Continued)

Ageing for trade payable outstanding as at March 31, 2022 is as follows:

PARTICULARS	As at March 31, 2022						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME *	-	-	-	-	-	-	-
(ii) Others	104	-	-	-	-	-	104
(iii) Disputed dues – MSME *	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total							104

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payable outstanding as at March 31, 2021 is as follows:

PARTICULARS	As at March 31, 2021						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME *	-	-	-	-	-	-	-
(ii) Others	103	-	-	-	-	-	103
(iii) Disputed dues – MSME *	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total							103

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Tata Securities Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
11 OTHER FINANCIAL LIABILITIES		
(a) Accrued employee benefit expenses	151	56
(b) Salary Payable	1	2
Total	<u>152</u>	<u>58</u>
12 PROVISIONS		
(a) Provision for gratuity (net)	1	-
(a) Provision for compensated absences	16	12
(b) Provision for long-term service award	2	2
Total	<u>19</u>	<u>14</u>

Tata Securities Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
13 OTHER NON-FINANCIAL LIABILITIES		
(a) Statutory dues	46	21
(b) Others	5	4
Total	51	25

14 SHARE CAPITAL

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

6,183,837 (Previous year 6,183,837) Equity shares of Rs. 10 each fully paid up

618 618

Total

618 618

14 (a) Details of shareholding of promoters in the Company are given below

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Tata Capital Limited	61,83,837	100%	61,83,837	100%	0%
Total	61,83,837	100%	61,83,837	100%	0%

14 (b) Reconciliation of number of shares outstanding

PARTICULARS	No. of shares	Rs in lakh
Equity Shares		
Opening Share Capital as on April 01, 2020	61,83,837	618
Issued during the period	-	-
Closing Share Capital as on March 31, 2021	61,83,837	618
Issued during the period	-	-
Closing Share Capital as on March 31, 2022	61,83,837	618
	61,83,837	618

14 (b) The entire Equity Share Capital of the Company is held by Tata Capital Limited (the Holding Company) and its nominees. Tata Sons Private Limited is the ultimate holding company.

14 (c) Rights 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.

Tata Securities Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
15 OTHER EQUITY		
(a) Securities Premium Account	2,072	2,072
(b) Deficit in Profit and Loss	(2,037)	(865)
(c) General Reserve	565	565
(d) Other Comprehensive Income	9	8
Total	<u>609</u>	<u>1,780</u>

15 (a) Nature & Purpose of Reserves

As part of a qualitative disclosure, Company is required to present disclosures as required by Para 79 of Ind AS-1 i.e. nature & purpose of each reserve :

Sr. No.	Particulars	Nature & Purpose of Reserves
(a)	Securities Premium Account	Premium on issue of shares above par value
(b)	Deficit in Profit and Loss	Accumulated profits
(c)	General reserve	Free reserves created by appropriation of profits of earlier years and employees stock options that expired unexercised or upon forfeiture of options granted.
(d)	Other Comprehensive income	Reserve on account of items measured through Other Comprehensive Income

Notes forming part of the financial statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
16 FEES AND COMMISSION INCOME		
(a) Brokerage Income		
(i) Distribution Income	251	441
(b) Depository Participant Fees	43	3
(c) Commission Income	36	1
Total	330	445
17 OTHER INCOME		
(a) Interest on Income Tax Refund	49	31
(b) Interest Income on Fixed Deposits	65	110
(c) Dividend on investments	5	14
(d) Miscellaneous Income *	0	2
Total	119	157
*Less than Rs. 50,000/-		
18 NET GAIN / LOSS ON FAIR VALUE CHANGES		
Unrealised gain on financial instruments measured at fair value through profit or loss	129	16
Total	129	16
19 IMPAIRMENT OF FINANCIAL INSTRUMENTS		
On Financial Instruments measured at amortized cost		
(i) Investments	-	(6)
(ii) Trade Receivables *	5	(0)
Total	5	(6)
*Less than Rs. 50,000/-		
20 EMPLOYEE BENEFIT EXPENSES		
(a) Salaries, wages and bonus	558	273
(b) Contribution to provident and other fund	24	14
(c) Staff welfare expenses	1	1
Total	583	288

Notes forming part of the financial statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
21 OTHER OPERATING EXPENSES		
(a) Administration and Support expenses	44	23
(b) Corporate social responsibility expenses	1	7
(c) Advertisement and Marketing expenses	680	69
(d) Communication expenses	2	1
(e) Director's Sitting Fees	-	1
(f) DP fees	3	2
(g) Information Technology expenses	62	78
(h) Insurance expenses	14	7
(i) Legal and Professional fees	217	94
(j) Repairs and Maintenance	2	3
(k) Rent	60	40
(l) Membership and Subscription	41	10
(m) Travelling and conveyance	4	1
(n) SEBI registration fee	1	2
(o) Record management expenses	3	3
(p) Auditors remuneration	15	10
(q) Miscellaneous expenses	5	19
Total	1,154	370

21 (a) Auditors' Remuneration (excluding GST)

Auditors' Remuneration

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Statutory Audit Fees	14	9
(b) Tax Audit Fees #	-	(2)
(c) Other Services	1	2
(d) Out of Pocket Expenses *	-	0
Total	15	10

*Less than Rs. 50,000/-

Includes reversal of excess provision pertaining to PY

21 (b) Expenditure incurred for corporate social responsibility

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Amount required to be spent by the company during the year	1	7
(b) Amount of expenditure incurred on:	-	-
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	1	7
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities	TSL has tied up with Bhajandas Bajaj Foundation for conducting screening camps for the population living in the slum pockets of Mumbai for detection of Diabetes / Eyebetes and other common blinding eye diseases.	
(g) Details of related party transactions in relation to CSR expenditure as per relevant Accounting	NA	NA

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

22. Financial Instruments :

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in to the financial statements.

A. Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- b) Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- c) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at measurement date. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. Valuation techniques include net present value and discounted cash flow models, income approach, comparison with similar instruments for which observable market prices exist, option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free returns, benchmark interest rates and credit spreads used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Observable prices or model inputs are usually available in the market for listed equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

B. Valuation framework

The Company has established a policy for the measurement of fair values addressing the requirement to independently verify the results of all significant fair value measurements. Specific controls include:

- 1) verification of observable pricing basis actual market transactions;
- 2) re-performance of model valuations;
- 3) a review and approval process for new models and changes to models
- 4) annual calibration and back-testing of models against observed market transactions;
- 5) analysis and investigation of significant annual valuation movements; and
- 6) review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous year.

When third party information, such as valuation agency report is used to measure fair value, the Company assesses the documents and evidence used to support the conclusion that the valuations meet the requirements of Ind AS. This includes:

- 1) understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
- 2) when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- 3) if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

Significant valuation issues are reported to the Board of Directors.

C. Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(Rs in Lakh)				
Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortised cost	Total Carrying Value
Financial Assets:				
Cash and cash equivalents	-	-	25	25
Other balances with banks	-	-	602	602
Trade receivables	-	-	92	92
Investments	193	-	-	193
Other financial assets	-	-	156	156
Total	193	-	875	1,068
Financial Liabilities:				
Trade and other payables	-	-	104	104
Other financial liabilities	-	-	152	152
Total	-	-	256	256

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

Particulars	(Rs in Lakh)			
	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortised cost	Total Carrying Value
Financial Assets:				
Cash and cash equivalents	-	-	23	23
Other balances with banks	-	-	2,039	2,039
Trade receivables	-	-	33	33
Investments	132	-	-	132
Other financial assets	-	-	156	156
Total	132	-	2,251	2,383
Financial Liabilities:				
Trade and other payables	-	-	103	103
Other financial liabilities	-	-	58	58
Total	-	-	161	161

Carrying amounts of cash and cash equivalents, other balances with banks, trade and other receivables, trade and other payables as on March 31, 2022 and March 31, 2021 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets and other financial liabilities, subsequently measured at amortised cost is not significant in each of the year presented.

Fair value hierarchy:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

Level 2- Inputs are inputs, other than quoted prices included within level 1, that are observable for the investment. This category includes inputs from Net Asset Value (NAV) published by the fund as on the measurement date.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis:

(Rs in Lakh)			
As at March 31, 2022	Level 1	Level 2	Total
Financial Assets:			
Equity Shares	161	-	161
Mutual fund units	-	32	32
Total	161	32	193
As at March 31, 2021	Level 1	Level 2	Total
Financial Assets:			
Equity Shares	33	-	33
Mutual fund units	-	99	99
Total	33	99	132

The following table summarises valuation techniques used to determine fair value, valuation inputs and relationship to fair value.

Financial Instruments	Fair Value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2022	As at March 31, 2021				
	Equity shares	161				
Mutual Fund Units	32	99	Level 2	Net Asset Value	Net Asset Value	Higher the Net Asset Value higher the fair

23. Employee Stock Purchase/Option Scheme

Employee of the Company who meet the eligibility criteria (as defined under each scheme) will be entitled to the Stock Purchase / Stock options Scheme offered by Tata Capital Limited

Tata Securities Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

Rs in lakh

24. Deferred Tax

The Company has not recognized net deferred tax assets as at March 31, 2022 on the following item, since it is not probable that the economic benefits will flow in future years against which such deferred tax assets can be realized.

Particulars	Closing balance as at 31st Mar 2022	DTA @25.17% as at 31st Mar 2022	Closing balance as at 31st Mar 2021	DTA @25.17% as at 31st Mar 2021
Deferred Tax Asset (A)				
On Business Losses as per Income Tax *	2,518	634	2,444	615
On Unabsorbed Dep. as per Income Tax	463	116	406	102
Provision for doubtful debts	71	18	66	17
Employee benefits - Leave encashment	16	4	12	3
On account of depreciation on fixed assets	93	23	83	21
Deferred Tax Liability (B)				
Net Deferred Tax Asset (A-B)		796		758
Total		796		758

* The Company has business Losses as per Income Tax Act, 1961 of Rs. 1,117 lakh expiring in FY 2023-24, Rs. 117 lakh expiring in FY 2028-29 and Rs. 1,285 lakh expiring in FY 2029-30 (PY Rs. 1,210 lakh expiring in FY 2021-22, Rs. 1,117 lakh expiring in FY 2023-24 and Rs. 117 lakh expiring in FY 2028-29).

25. Income Tax :

A. The income tax expense consist of the following:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax:		
Current tax expense for the year	-	-
Current tax expense / (benefit) pertaining to prior years	(0)	(7)
	(0)	(7)
Total income tax expense recognised in the period	(0)	(7)

The reconciliation of estimated income tax expense at statutory income tax rate income tax expense reported in statement of profit and loss is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before income taxes	(1172)	(196)
Indian statutory income tax rate	25.17%	25.17%
Expected income tax expense	(295)	(49)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	-	-
Recognition of previously unrecognised tax losses and unabsorbed depreciation	295	52
Impact of unrecognised timing differences	-	-
Non deductible expenses	(0)	(3)
Impact of MAT	-	-
Total income tax expense	-	-

B. Amounts recognised in OCI

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Before tax	Tax (Expense) Benefit	Net of Tax	Before tax	Tax (Expense) Benefit	Net of Tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	1	-	1	4	-	4
	1	-	1	4	-	4

26. Operating Leases :

The Company does not have any non-cancellable leases. The total lease rentals of Rs. 60 lakh (Previous year: Rs.40 lakh) is debited under the head "Other expenses - Rent" under Note 21 in the Statement of Profit & Loss.

27. Earning 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 year. The numbers used in calculating earnings per share are as stated below:

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(Loss) / Profit after tax	Rs In Lacs	(1,172)	(189)
(Loss) / Profit after tax for attributable to Equity share holders	Rs In Lacs	(1,172)	(189)
Weighted average number of Equity shares used in computing Basic EPS	No's	61,83,837	61,83,837
Face value of equity shares	Rupees	10	10
Basic and diluted earning per share	Rupees	(18.96)	(3.06)

28. Disclosure as required by Accounting Standard (Ind AS) – 24 on “Related Party Disclosures” detailed below:

Names of the related parties and description of relationship:

Relationship

Ultimate Holding Company
Holding Company

Related Party

Tata Sons Private Limited (formerly Tata Sons Limited)
Tata Capital Limited

Subsidiaries of Holding Company

Tata Capital Pte. Limited
Tata Capital Growth Fund I
Tata Capital Special Situation Fund
Tata Capital Healthcare Fund I
Tata Capital Healthcare Fund II (w.e.f. 12.09.2019)
Tata Capital Innovations Fund
Tata Capital Growth Fund II
Tata Capital Growth II General Partners LLP
Tata Capital Markets Pte. Ltd. (ceased w.e.f. 23.09.2020)
Tata Capital Advisors Pte. Ltd.
Tata Capital Plc
Tata Capital General Partners LLP
Tata Capital Healthcare General Partners LLP
Tata Opportunities General Partners LLP
Tata Securities Limited
Tata Capital Financial Services Limited
TCL Employee Welfare Trust
Tata Capital Healthcare II General Partners LLP
Tata Capital Opportunities II General Partners LLP (ceased w.e.f. 23.09.2020)
Tata Capital Opportunities II Alternative Investment Fund (in the process of winding up)
Tata Cleantech Capital Limited

Subsidiaries and associates of ultimate holding

(with which the company had transactions)

Tata Consultancy Services Limited
Tata AIA Life Insurance Company Limited
Tata AIG General Insurance Company Limited
Tata Teleservices (Maharashtra) Limited
Conneqt Business Solutions Limited (Ceased w.e.f. 16.04.2021)
Tata Digital Private Limited

Plans

Tata Securities Limited Gratuity Scheme
Tata Securities Limited Superannuation Scheme

Key Management Personnel

Mr. Rajiv Sabharwal (Non- Executive Director and Chairman)
Mr. N. J. Driver (Ceased to be Non-Executive Director w.e.f. September 15, 2020)
Mr. Avijit Bhattacharya (Non- Executive Director)
Ms. Abonty Banerjee (Non- Executive Director)
Ms. Udaya Rao (Manager)
Mr. Vivek D'Souza (Chief Financial Officer)

SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES :

Sr No.	Party Name	Group	P&L/BS line item	Nature of Transaction / balances	FY 21-22	FY 20-21
1	Tata Capital Limited	a) Expenditure	Other Expenses	Insurance Expenses *	0	0
2	Tata Capital Financial Services Limited	a) Expenditure	Rent	Rent Expenses	46	37
			Membership Expenses	Reimbursement of Expenses	-	3
			Professional Expenses	Reimbursement of CIBIL Expenses	10	-
			Mobile Expenses	Reimbursement of Mobile Expenses *	0	-
		b) Income	Depository Participant Fees	DP Income	3	3
			Commission Income	Income from loan commission	25	-
			Commission Income	Moneyfy platform usage charges	6	-
		d) Asset	Receivable from related parties	Trade Receivable #	28	3
			Asset Transfer	Transfer of Laptop *	0	-
		e) Liabilities	Accrued Expenses	Trade Payable	10	3
3	Tata Cleantech Capital Limited	a) Income	Depository Participant Fees	DP Income *	25	0
		b) Asset	Receivable from related parties	Trade Receivable * #	25	0
4	Tata Capital Housing Finance Limited	a) Expenditure	Rent	Rent Expenses	15	2
		c) Income	Depository Participant Fees	DP Income *	8	0
			Commission	Commission Income *	0	1
		c) Asset	Receivable from related parties	Trade Receivable #	8	1
		d) Liabilities	Accrued Expenses	Trade Payable	3	-
5	Tata AIA Life Insurance Company Limited	a) Expenditure	Other Expenses	Insurance Expenses *	1	0
6	Tata AIG General Insurance Company Limited	a) Expenditure	Other Expenses	Insurance Expenses *	0	-
7	Tata Consultancy Services Limited	a) Expenditure	Professional Fees	IT Professional Fees *	0	3
		b) Liabilities	Accrued Expenses	Trade Payable *	0	0
8	Tata Capital Growth Fund I	a) Income	Depository Participant Fees	DP Income *	1	0
		b) Asset	Trade Receivable	Trade Receivable *#	0	0
9	TATA Capital Healthcare Fund I	a) Income	Depository Participant Fees	DP Income *	0	0
			Stamp Duty	Reimbursement of Expenses	-	2
		b) Asset	Trade Receivable	Trade Receivable *#	-	0
10	Tata Capital Innovations Fund	a) Income	Depository Participant Fees	DP Income *	0	0
			Stamp Duty	Reimbursement of Expenses *	1	2
		b) Asset	Trade Receivable	Trade Receivable *#	0	0
11	Tata Capital Special Situation Fund Trust	a) Income	Depository Participant Fees	DP Income *	0	0
		b) Asset	Trade Receivable	Trade Receivable *#	0	0
12	Conneqt Business Solutions Limited	a) Expenditure	Outsourcing Expenses	Contract Support staff	-	22
		b) Liabilities	Accrued Expenses	Trade Payable	-	4

Sr No.	Party Name	Group	P&L/BS line item	Nature of Transaction / balances	FY 21-22	FY 20-21
13	Tata Teleservices (Maharashtra) Limited	a) Expenditure	Communication Expenses	Communication Expenses	1	1
		b) Liabilities	Accrued Expenses	Trade Payable *	0	0
14	Tata Digital Private Limited	a) Expenditure	Business Promotion	Business Promotion Expenses *	0	-
		b) Liabilities	Accrued Expenses	Trade Payable *	0	-
15	Tata Securities Limited Employees Gratuity Scheme	a) Expenditure	Contribution to Gratuity	Contribution to Gratuity *	5	4
16	Tata Securities Limited Employees Superannuation Scheme	a) Expenditure	Contribution to Superannuation	Contribution to Superannuation *	0	0
17	Key Management Personnel (KMP)	a) Expenditure	Director Sitting Fees	Director Sitting Fees	-	1
		a) Expenditure	Employee Benefit expenses	Remuneration to KMP		
				- Short Term Employee Benefits	60	53
				- Post Employment Benefits	2	2
			ESOP	- Share based payments (No. of Shares)		
				(a) Options granted **	1,24,217	1,24,217
				(b) Options exercised	41,325	41,325

* Amount Less than Rs.50,000/-

** ESOP have been granted by Tata Capital Limited

All the balances above are not secured

The above related party transactions are at Arm's length and in the ordinary course of business.

The above figures do not include provisions for encashable leave, gratuity and premium paid, as separate actuarial valuation / premium paid are not available.

29. Provisions and Contingencies:

As at March 31, 2022, claims against the Company in respect of one litigation and one legal notice totalling to Rs.25.77 Lakhs. Based on management assessment of the progress of this matter, provision has been continued in the financial statement as on 31 March 22 of Rs. 25 lakhs (as at March 31, 2021 : Rs. 25 lakh).

Tata Securities Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

Rs in lakh

30. Segment Reporting :

In accordance with Ind AS 108 on Operating Segment, the Company has identified two business segments i.e. Distribution Business and Digital Wealth and one Geographical Segment viz. India, as secondary segment. The business segments are the primary segments.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Segment Revenue		
(a) Distribution Business	237	440
(b) Digital Wealth	50	2
Total	287	442
Less : Inter segment Revenue	-	-
Total Income	287	442
Segment Results		
(a) Distribution Business	59	281
(b) Digital Wealth	(1,403)	(570)
Total	(1,344)	(289)
Add : Unallocated Corporate Income #	291	176
Less : Unallocated Corporate Expenses	(119)	(83)
(Loss) / Profit before taxation	(1,172)	(196)
Less : Provision for taxation *	0	7
(Loss) / Profit after taxation	(1,172)	(189)

Particulars	As at March 31, 2022	As at March 31, 2021
Segment Assets		
(a) Distribution	27	48
(b) Digital Wealth	262	58
(c) Unallocated #	1,283	2,511
Total	1,572	2,617
Segment Liabilities		
(a) Distribution	41	40
(b) Digital Wealth	172	67
(c) Unallocated #	132	112
Total	345	219
Capital Employed		
(a) Distribution	(14)	8
(b) Digital Wealth	90	(9)
(c) Unallocated #	1,151	2,399
Total	1,227	2,398

* Less than Rs. 50,000/-

The deposits paid to NSE and BSE for equity licences of Rs.156 lacs, Investment in Equity shares with BSE Limited of Rs. 161 lacs and Fixed deposits of Rs. 588 lacs are included in the unallocated segment assets and unallocated income includes one time income of Rs.129 lacs from net gain on fair value changes on BSE equity shares due to closure of equity business.

Tata Securities Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

Rs in lakh

31. Financial risk review :

A Liquidity risk

Maturity analysis for financial liabilities and financial assets

The table below shows an analysis of financial assets and financial liabilities analysed according to when they are expected to be recovered or settled.

ASSETS	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	25	-	25	23	-	23
Bank Balance other than (a) above	557	45	602	1,989	50	2,039
Trade Receivables	92	-	92	33	-	33
Investments	161	32	193	69	63	132
Other financial assets	-	156	156	-	156	156
Total	835	233	1,068	2,114	269	2,383
Financial liabilities	256	-	256	161	-	161
Trade Payables	104	-	104	103	-	103
Other financial liabilities	152	-	152	58	-	58
Total	256	-	256	161	-	161

Impact of COVID 19

A long-drawn nation-wide lockdown necessitated by the outbreak of COVID-19 pandemic, has not impacted the liquidity risk of the Company.

31. Financial risk review(continued)

B. Liquidity risk

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Companies financial liabilities and financial assets:

As at March 31, 2022	Carrying amount	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years
Financial liability by type						
Trade payables	104	104	-	-	-	-
Other financial liabilities	152	-	-	152	-	-
Total	256	104	-	152	-	-
Financial asset by type						
Cash and cash equivalents	25	25	-	-	-	-
Bank balances	602	8	151	398	45	-
Receivables	92	-	92	-	-	-
Investments	193	161	-	-	-	32
Other Financial Assets	156	-	19	-	-	137
Total	1,068	194	262	398	45	169

31. Financial risk review(continued)

C. Liquidity risk

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Companies financial liabilities and financial assets:

As at March 31, 2021	Carrying amount	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years
Financial liability by type						
Trade payables	103	103	-	-	-	-
Other financial liabilities	58	-	-	58	-	-
Total	161	103	-	58	-	-
Financial asset by type						
Cash and cash equivalents	23	23	-	-	-	-
Bank balances	2,039	220	146	1,623	50	-
Receivables	33	-	33	-	-	-
Investments	132	69	-	-	-	63
Other Financial Assets	156	-	-	-	-	156
Total	2,383	312	179	1,623	50	219

Tata Securities Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

Rs in lakh

32. Credit Risk :

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable.

A. Method of Expected Credit Loss

The Company has computed ECL on trade receivables using the Simplified Method. This approach uses historical credit loss experience, for a revenue stream, of the Company to estimate Lifetime Expected Credit Loss and compute a provision matrix.

For 2022, historical data of trade receivable is averaged for 5 years i.e. from 2021 till 2017. Based on reasonable and supportable information that is available without undue cost or effort, for 2021 similar data is averaged for 5 years which is from 2020 till 2016.

B. Revenue Stream wise ECL

As at March 31, 2022

Particulars	Trade receivables	ECL	Unbilled	ECL	% of ECL
Brokerage income *	21	-	-	-	0.00%
Depository fees *	-	-	38	-	0.00%
Other Income	27	-	7	-	0.00%
Total *	48	-	44	-	0.00%

As at March 31, 2021

Particulars	Trade receivables	ECL	Unbilled	ECL	% of ECL
Brokerage income *	29	0	-	-	0.08%
Depository fees *	0	0	3	0	0.08%
Other Income *	-	-	1	0	0.00%
Total *	29	0	4	0	0.00%

Deposits with Bank and bank balances, the Company doesn't expect any ECL.

* Less than Rs.50,000/-

C. Movement in loss allowance

As at March 31, 2022

Particulars	Trade receivables	ECL	Unbilled	ECL
Opening balance *	29	0	4	0
Addition during the year *	48	-	44	-
Reversed during the year *	(29)	(0)	(4)	(0)
Closing balance *	48	-	44	-

As at March 31, 2021

Particulars	Trade receivables	ECL	Unbilled	ECL
Opening balance *	46	0	-	0
Addition during the year *	29	0	4	0
Reversed during the year *	(46)	(0)	(0)	(0)
Closing balance *	29	0	4	0

* Less than Rs.50,000/-

Impact of COVID 19

No part of trade and other receivables has become impaired as a part of COVID - 19 outbreak.

33. Market Risk :

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Currency Risk

The Company is not exposed to any currency risk as all the transactions are in INR which is the reporting and the functional currency of the entity.

B. Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments/borrowings will fluctuate because of fluctuations in the interest rates.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss and doesn't have any floating rate interest bearing investment and borrowings. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Impact of COVID 19

The Company does not envisage any impact of COVID-19 on interest rate risk.

Tata Securities Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

34. Revenue from contracts with customers

(a) Below table provides disaggregation of the Company's revenue from contracts with customers

PARTICULARS	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
	Rs in lakh	Rs in lakh
i. Type of service		
- Fee and commission income	330	445
Total	330	445
ii. Primary geographical market:		
- Outside India	-	-
- India	330	445
Total revenue from contracts with customers	330	445
iii. Timing of revenue recognition		
- at a point in time upon rendering services	330	445
- over period of time upon rendering services	-	-
Total	330	445
iv. Trade receivables towards contracts with customers		
- Opening Balance	33	31
- Closing Balance	92	33
v. Impairment on trade receivables towards contracts with customers *	-	(0)

* Less than Rs. 50,000/-

The unbilled revenue of Rs. 44.11 lakh as at March 31, 2022 (as at March 31, 2021 : Rs. 3.49 lakh) has been considered as Contract assets, which are billable on completion of milestones specified in the contracts.

As on March 2022/2021, the Company doesn't have any unsatisfied/partially satisfied performance obligation.

(b) Reconciliation between revenue as per IndAS 108 Segment Reporting and revenue as per IndAS 115 Revenue from contract with customers

PARTICULARS	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Revenue reported as per IndAS 108 Segment Reporting	578	618
Less:		
(a) Revenue reported as per IndAS 109-Financial Instruments	199	142
(b) Revenue reported as per IndAS 12-Income Taxes	49	31
Revenue reported as per IndAS 115 Revenue from contract with customers	330	445

Tata Securities Ltd

Notes forming part of the financial statements (*Continued*)

for the year ended March 31, 2022

35.

Employee benefit expenses

A. Defined contribution plans

1) Superannuation Fund

The Company makes contribution towards superannuation fund, a defined contribution retirement plan for qualifying employees. The Superannuation fund is administered by superannuation fund set up as Trust by Tata Capital Limited ("the ultimate parent Company"). The Company is liable to pay to the superannuation fund to the extent of the amount contributed. The Company recognizes such contribution as an expense in the year of contribution. The Company has recognised ₹ 0.33 Lakhs (Year ended 31 March 2021 ₹ 0.24 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss.

2) Provident Fund

The Company makes Provident Fund contributions, a defined contribution plan for qualifying employees. Under the Schemes, both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to provident fund administered by the Regional Provident Fund Commissioner.

The Provident Fund contributions along with the interest shortfall if any are recognized as an expense in the year in which it is determined. The Company has recognised ₹ 18 Lakhs (Year ended 31 March 2021 ₹ 10 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss.

B. Defined benefit plan

1) Gratuity

The Company offers its employees defined benefit plans in the form of a gratuity scheme (a lump-sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are recorded in the Other Comprehensive Income. The Company provides gratuity for employees in India as per payment of Gratuity Act, 1972. The gratuity scheme for employees is as under:

Eligibility	Continuous service for 5 years (not applicable in case of death or disability while in service)
Benefit payable upon	Retirement, Withdrawal, Death/Disability
Benefit payable	For service less than 10 years: 15/26 X Salary X Service For service greater than 10 years: Salary X Service
Salary definition	Last drawn monthly basic salary + Dearness Allowance
Service definition	Number of years of service rounded to the nearest integer
Normal retirement age	60 years

There are no statutory minimum funding requirements for gratuity plans mandated in India. However, a Company can fund the benefits by way of a separate irrevocable Trust to take advantage of tax exemptions and also to ensure security of benefits.

The Tata Securities Limited Gratuity Scheme is funded by way of a separate irrevocable Trust and the Company is expected to make regular contributions to the Trust. The fund is managed internally by the Company and the assets are invested as per the pattern prescribed under Rule 67 of Income Tax Rules, 1962. The asset allocation of the Trust is set by Trustees from time to time, taking into account the membership profile, the liquidity requirements of the plan and risk appetite of the plan sponsor as per the investment norms. Each year asset-liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and Contribution policies are integrated within this study.

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

1. Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
2. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
3. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.
4. Investment risk : For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
5. Legislative risk : Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Movement in net defined benefit (asset) liability

a) Reconciliation of balances of Defined Benefit Obligations.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Defined Obligations at the beginning of the year	58.64	-	45.14	-
Current service cost	5.34	-	4.25	-
Interest cost	3.75	-	2.84	-
Plan participant's contributions	-	-	-	-
Exchange (gain) / loss	-	-	-	-
Benefits paid	-	-	-	-
Past service cost	-	-	-	-
Amalgamations / Acquisitions	0.12	-	7.88	-
Liabilities assumed on transfer of employees	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Curtailement cost / (credit)	-	-	-	-
Plan amendments	-	-	-	-
Change in secured pensioner value	-	-	-	-
Due to company ceasing to be a subsidiary	-	-	-	-
Due to company becoming subsidiary	-	-	-	-
Actuarial (Gains)/ Losses on obligations arising from:	-	-	-	-
a. Due to change in financial assumptions	(0.39)	-	(0.34)	-
b. Due to change in experience adjustments	1.77	-	(1.14)	-
c. Due to experience adjustments	-	-	-	-
Others (please specify below)	-	-	-	-
Benefits paid directly by the Company	-	-	-	-
Defined Obligations at the end of the year	69.24	-	58.64	-

b) Reconciliation of balances of Fair Value of Plan Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
As on 31 March 2022				
Fair Value at the beginning of the year	61.68	-	48.59	-
Expected return on plan assets	2.02	-	2.15	-
Actuarial gain / (loss) on plan assets	-	-	-	-
Exchange gain/(loss)	-	-	-	-
Employer contributions	-	-	-	-
Plan participant's contributions	-	-	-	-
Benefits paid	-	-	-	-
Amalgamations / Acquisitions	0.12	-	7.88	-
Assets transferred on transfer of employees	-	-	-	-
Adjustment on plan settlement	-	-	-	-
Change in secured pensioner value	-	-	-	-
Others (please specify below)	-	-	-	-
Interest Income on Plan Assets	3.95	-	3.06	-
Due to company ceasing to be a subsidiary	-	-	-	-
Fair Value of Plan Assets at the end of the year	67.77	-	61.68	-

c) Funded status

Particulars	As at March 31, 2022		As at March 31, 2021	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
As on 31 March 2022				
Deficit of plan assets over obligations	-	-	-	-
Surplus of plan assets over obligations	(1.47)	-	3.04	-
Unrecognised asset due to asset ceiling	-	-	-	-
Total	(1.47)	-	3.04	-

d) Categories of plan assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Particulars				
Corporate bonds	-	-	-	-
Equity shares	-	-	-	-
Government securities	-	-	-	-
Insurer managed funds	65.90	-	61.68	-
PSU bonds	-	-	-	-
Equity mutual funds	-	-	-	-
Bank balances	-	-	-	-
Cash	1.86	-	-	-
Equities	-	-	-	-
Special deposit scheme	-	-	-	-
Index linked gilt	-	-	-	-
Secured pensions	-	-	-	-
Others (please specify)	-	-	-	-
Total	67.77	-	61.68	-

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components.

i) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.67)	4.07	(3.18)	3.52
Future salary growth (1% movement)	3.98	(3.66)	3.44	(3.16)
Others (Withdrawal rate 5% movement)	(2.19)	3.24	(1.53)	2.29

j) Provision for leave encashment

	March 31, 2022		March 31, 2021	
	Non current	Current	Non current	Current
Liability for compensated absences	11.76	4.06	9.36	2.21

Experience adjustments	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
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Funded

2021-22	69.24	67.77	(1.47)	(1.77)	2.02
2020-21	58.64	61.68	3.04	1.14	2.15

Unfunded

2021-22	-	-	-	-	-
2020-21	-	-	-	-	-

Tata Securities Ltd

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

36.

Share based payment

The Company is required to present disclosures as required by Para 44, 45, 46, 47, 50, 51 and 52 of Ind AS 102. It is required to present scheme wise terms and conditions of the ESOP schemes, present for the employees of the Company.

A. Description of share based payments:

Particulars	ESOP 2018	ESOP 2019	ESOP 2020
i. Vesting requirements	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	20% at the end of each 12 and 20 months and 30% at the end of each 32 and 44 months from the date of grant
ii. Maximum term of option	7 years	7 years	7 years
iii. Method of settlement	Equity settled	Equity settled	Equity settled
iv. Modifications to share based payment plans	N.A.	N.A.	N.A.
iv. Any other details as disclosed in the audited Ind AS financial statements	N.A.	N.A.	N.A.

B. Summary of share based payments

March 31, 2022

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	Total
Outstanding balance at the beginning of the period	-	-	-	-
Options granted	-	-	-	-
Options forfeited	-	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	-	-
Options lapsed	-	-	-	-
Options outstanding at the end of the period	-	-	-	-
Options exercisable at the end of the period	-	-	-	-
For share options exercised:				
Weighted average exercise price at date of exercise	-	-	-	-
Money realized by exercise of options	-	-	-	-
For share options outstanding				
Range of exercise prices	50.60	51.00	40.30	-
Average remaining contractual life of options	-	-	-	-
Modification of plans	N.A.	N.A.	N.A.	-
Incremental fair value on modification	N.A.	N.A.	N.A.	-

March 31, 2021

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	Total
Outstanding balance at the beginning of the period	-	-	-	-
Options granted	-	-	-	-
Options forfeited	-	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	-	-
Options lapsed	-	-	-	-
Options outstanding at the end of the period	-	-	-	-
Options exercisable at the end of the period	-	-	-	-
For share options exercised:				
Weighted average exercise price at date of exercise	-	-	-	-
Money realized by exercise of options	-	-	-	-
For share options outstanding				
Range of exercise prices	50.60	51.00	40.30	-
Average remaining contractual life of options	-	-	-	-
Modification of plans	N.A.	N.A.	N.A.	-
Incremental fair value on modification	N.A.	N.A.	N.A.	-

C. Valuation of stock options

Particulars	ESOP 2018	ESOP 2019	ESOP 2020
Share price:	50.60	51.00	40.30
Exercise Price:	50.60	51.00	40.30
Fair value of option:	23.34	23.02	17.07
Valuation model used:	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation
Expected Volatility:	0.38	0.41	0.42
Basis of determination of expected volatility:	Average historical volatility over 4.85 years of comparable companies	Average historical volatility over 4.85 years of comparable companies	Historical volatility of equity shares of comparable companies over the period ended December 15, 2020 based on the life of options
Contractual Option Life (years):	7.00	7.00	7.00
Expected dividends:	0.00	0.00	0.00
Risk free interest rate:	8.04%	6.28%	5.22%
Vesting Dates	20% vesting on September 30, 2019 40% vesting on September 30, 2020 70% vesting on September 30, 2021 100% vesting on September 30, 2022	20% vesting on August 01, 2020 40% vesting on August 01, 2021 70% vesting on August 01, 2022 100% vesting on August 01, 2023	20% vesting on December 14, 2021 40% vesting on July 31, 2022 70% vesting on July 31, 2023 100% vesting on July 31, 2024
Valuation of incremental fair value on modification	N.A.	N.A.	N.A.

D) Options granted and inputs used for measurement of fair value of options, for the key managerial employees and other senior employees

As at March 31, 2022

Name of Scheme	Ms. Udaya Rao		Mr. Vivek D'souza	
	Granted	Exercised	Granted	Exercised
ESPS 2009	47,892	-	16,241	16,241
ESPS 2011	-	-	-	-
ESOP 2011	-	-	-	-
PS 2013	-	-	1,751	1,751
ESPS 2013	-	-	-	-
ESOP 2013	33,333	-	5,000	3,333
ESOP 2016	-	-	10,000	10,000
ESOP 2017	-	-	10,000	10,000
ESOP 2018	-	-	-	-
ESOP 2019	-	-	-	-
ESOP 2020	-	-	-	-
Total	81,225	-	42,991	41,325

As at March 31, 2021

Name of Scheme	Ms. Udaya Rao		Mr. Vivek D'souza	
	Granted	Exercised	Granted	Exercised
ESPS 2009	47,892	-	16,241	16,241
ESPS 2011	-	-	-	-
ESOP 2011	-	-	-	-
PS 2013	-	-	1,751	1,751
ESPS 2013	-	-	-	-
ESOP 2013	33,333	-	5,000	3,333
ESOP 2016	-	-	10,000	10,000
ESOP 2017	-	-	10,000	10,000
ESOP 2018	-	-	-	-
ESOP 2019	-	-	-	-
ESOP 2020	-	-	-	-
Total	81,225	-	42,991	41,325

Tata Securities Ltd

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

37. Ratios

Sr No	Ratios	Numerator	Denominator	Current Year	Previous Year	Variance
1	Current Ratio (in times)	Total current asset	Total current liabilities	3.3	13.1	Decrease because of withdrawal of Fixed Deposits for day to day operations.
2	Debt Equity Ratio (in times)	Total debt	Shareholder's equity	-	-	NA
3	Debt Service Coverage Ratio (in times)	Earning available for debt service	Debt services	-	-	NA
4	Return on Equity (in %)	Net profits after taxes – Preference dividend	Average shareholder's equity	-190%	-30%	Loss of Rs.1,172 lacs for FY'22 as compared with loss of Rs.196 lacs in FY'21.
5	Inventory Turnover Ratio (in times)	Cost of goods sold or sales	Average Inventory	-	-	NA
6	Trade receivables turnover ratio (in times)	Net credit sales	Average accounts receivable	5.3	11.2	Decrease in distribution income as compared to previous year.
7	Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	11.1	3.6	Increase in other operating expenses on account of Digital business expenses (Advertisement, Legal & Professional & Membership expenses).
8	Net capital turnover ratio (in times)	Net Sales	Working Capital	0.6	0.2	Decrease because of withdrawal of Fixed Deposits for day to day operations.
9	Net profit Ratio (in %)	Net profit	Net Sales	-355%	-42%	Loss of Rs.1,172 lacs for FY'22 as compared with loss of Rs.196 lacs in FY'21.
10	Return on Capital Employed (in %)	Earning before interest and taxes	Capital employed	-96%	-8%	Loss of Rs.1,172 lacs for FY'22 as compared with loss of Rs.196 lacs in FY'21.
11	Return on Investment (in %)	Income generated from invested funds	Average invested funds	3%	4%	Variance less than 25%.

38. Expenditure in foreign currency:

There were no expenditure incurred in foreign currency during the current year (FY 2020-21 Rs. NIL).

39. Earnings in foreign currency :

There were no earnings in foreign currency during the current year (FY 2020-21 Rs. NIL).

40. Capital commitments :

Capital Commitments as at March 31, 2022 of Rs.31 lacs (March 31, 2021 is Rs.141.25 lacs).

41. Managerial remuneration :

The Managerial remuneration paid by the Company during the current year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act vide special resolution passed at the annual general meeting held on 24 June 2021.

42. Capital Management :

The Company is a trading member of National Stock Exchange of India (NSE) and of Bombay Stock Exchange (BSE), Depository Participant of Central Depository Services (India) Limited (CDSL) and of National Securities Depository Limited (NSDL). The Company has to maintain the minimum Networth as prescribed by SEBI, Stock Exchanges and Depositories. The Networth is monitored by Company on half yearly basis. Minimum Networth to be maintained is Rs.5 crore.

Tata Securities Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

Rs in lakh

43. On cessation of equity broking activities in 2003 in Tata Securities Limited (Erstwhile known as Tata TD Waterhouse Securities Limited), the Company had reconciled the stocks held in its beneficiary account on behalf of clients. The stocks after reconciliation were transferred to DP opened in IL&FS Securities Limited (DP a/c no-10920737). In March 20, 2020 DP account was opened in Tata Securities Limited (DP a/c no-257091) and all the stocks from IL&FS Securities Limited (DP a/c no-10920737) DP accounts were transferred to Tata Securities DP accounts except stock of Cyberspace. The Cyberspace stock could not be transfer due to inactive ISIN, so the Cyberspace shares are still lying with IL&FS Securities Limited DP accounts.
There is no client outstanding as on March 31, 2022. The value of the stocks as on March 31, 2022 is Rs.11.95 lakhs.

44. The impact of COVID-19 on the company performance will depend on the ongoing as well as future developments, including, among other things, any new information concerning the COVID-19 pandemic and any measure to contain its spread or mitigate its impact, whether mandated by the Government or adopted by us.

45. The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

46. The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:

- The Company has not traded or invested in crypto currency or virtual currency during the financial year
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- The Company has not entered into any scheme of arrangement
- No satisfaction of charges are pending to be filed with ROC
- There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- The Company does not have any relationship with Struck off Companies.

47. 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 2021-22 is 0.32 lakh (Previous year Rs. 0.62 lakh) and the provision as at March 31, 2022 is Rs.2 lakh (Previous year Rs.2 lakh).

In terms of our report of even date

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

For and on behalf of the Board of Directors
Tata Securities Limited

Pranav Gune
Partner
Membership No : 121058

Rajiv Sabharwal
Chairman
DIN: 00057333

Avijit Bhattacharya
Director
DIN: 02330805

Abonty Banerjee
Director
DIN: 08822128

Place : Mumbai
April 21, 2022

Udaya Rao
Manager

Vivek D'Souza
Chief Financial Officer