TATA

TATA INTERNATIONAL

# ANNUAL REPORT
## 2019-20


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## BOARD'S REPORT

To the Members,

The Directors present the Annual Report of Tata International Limited ("the Company") along with the audited financial statements for the financial year ended March 31, 2020 ("financial year 2019-20 / FY 2019-20"). The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### FINANCIAL RESULTS

(Rs. In crores)

| | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Revenue | 4,533 | 4,824 | 16,247 | 18,083 |
| Other income | 147 | 192 | 120 | 184 |
| **Total income** | **4,680** | **5,016** | **16,367** | **18,267** |
| **Expenses** | | | | |
| Operating expenditure | 4,559 | 4,888 | 16,078 | 17,896 |
| Depreciation and amortization expenses | 20 | 24 | 63 | 48 |
| **Total Expenses** | **4,579** | **4,911** | **16,141** | **17,918** |
| Profit before finance cost and tax | 101 | 105 | 226 | 323 |
| Finance cost | 66 | 47 | 296 | 256 |
| Share of profit /(loss) of joint ventures and associates | - | - | - | 13 |
| **Profit/(loss) before exceptional item and tax from continuing operations** | **35** | **58** | **(70)** | **80** |
| Exceptional items | (89) | 8 | (340) | 12 |
| **Profit/(loss) before tax from continuing operations** | **(54)** | **66** | **(410)** | **92** |
| Tax expense | 35 | (10) | 89 | 21 |
| **Profit/(loss) for the year from continuing operations** | **(89)** | **76** | **(499)** | **71** |
| Profit/(loss) before tax from discontinued operations | 1 | 5 | (23) | (105) |
| Tax expense | 0 | 2 | - | 2 |
| **Profit/(loss) for the year from discontinued operations** | **1** | **3** | **(23)** | **(107)** |
| **Profit/(loss) for the year** | **(88)** | **80** | **(522)** | **(36)** |
| **Attributable to:** | | | | |
| Shareholders of the company | (88) | 80 | (522) | (52) |
| Non-Controlling Interest | - | - | 0 | 16 |
| **Opening Balance of retained earning** | **457** | **455** | **(212)** | **(63)** |
| IND AS transition adjustments | (3) | - | (10) | - |
| Profit for the Year | (88) | 80 | (522) | (52) |
| Other comprehensive income / (losses) | (2) | (2) | (2) | 1 |
| **Total comprehensive income** | **(90)** | **78** | **(524)** | **(51)** |
| Dividend (including tax on dividend) | (6) | (5) | (6) | (5) |
| Others | (7) | 2 | - | (3) |
| Distribution on unsecured perpetual securities (net off tax) | (112) | (73) | (130) | (90) |
| Closing balance of retained earnings | 239 | 457 | (882) | (212) |

### DIVIDEND

In the absence of profit during the financial year 2019-20, your director do not recommend any dividend.

### TRANSFER TO RESERVES

In view of absence of profit during the financial year 2019-20, your Directors are unable to transfer any amount to the General Reserve Account.

### SHARE CAPITAL

During the financial year 2019-20, there is no change in the share capital of the Company.

**COMPANY'S PERFORMANCE**

On a standalone basis, the revenue for FY 2019-20 was Rs. 4,533 crore, lower by 6% percent over the previous year's revenue of Rs. 4,824 crore in FY 2018-19. The loss after tax attributable to shareholders for FY 2019-20 was Rs. 88 crore compared to PAT of Rs. 80 crore for FY 2018-19.

On a consolidated basis, the revenue for FY 2019-20 was Rs. 16,247 crore, lower by 10% percent over the previous year's revenue of Rs. 18,083 crore in FY 2018-19. The Loss attributable to shareholders and non-controlling interests for FY 2019-20 and FY 2018-19 was Rs. 522 crore and Rs. 36 crore respectively. The loss attributable to shareholders for FY 2019-20 was Rs. 522 crore compared to loss of Rs. 52 crore for FY 2018-19.

**KEY BUSINESS HIGHLIGHTS – FY 20**

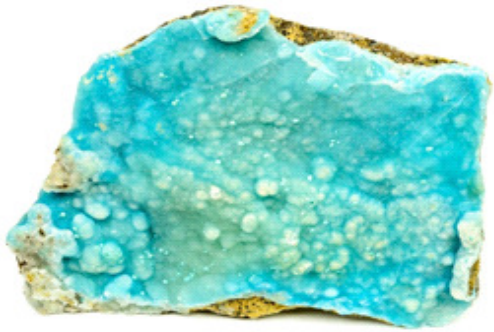
1. **Trading** – The Company operates in the commodities trading space through 3 different sub verticals. The financial year FY 20 saw significantly volatility in commodity prices, particularly in the second half of the year, resulting in adverse swings in volumes and margins in the trading businesses.

   a. **Metals** – The Metals vertical trades services to both upstream and downstream products of the Steel and Aluminium industries.

   In the upstream TIL has managed to expand and grow its presence in the higher value added products within the Aluminium sector with addition of capacity to develop copper insert bars and expansion into Calcined Petroleum Coke (CPC). In the downstream, TIL has managed to develop a trade flow in Iron Ore Fines and Pellets from India to Asia, which helped grow both the top line and bottom line in our Metallics and Rolls business.

   Unfortunately during the year under review, the Section 232 tariffs imposed by the US Government in 2018, on all steel and aluminium imports continued and was further acerbated by a trade war with China, which lead to further protectionism in the form of quotas, safeguards and other measures by various key markets around the world. This growing protectionism had an adverse effect on existing trade flows as well as creating far more volatility in prices, As a result of which, the Steel Trading business was not able to grow volumes or margins as planned. However, it was able to maintain and grow its presence in value added products, which did ensure the business still achieved a marginal profit.

   b. **Minerals** – The Minerals vertical operates primarily in the thermal coal segment, with a relatively smaller presence in the base metals and Ferro alloys segment. The primary target market comprises India, Vietnam and China, with sourcing from South Africa, Indonesia and other origins. Approximately 9 million tons of coal was traded in FY 20.



The India coal business, supported by a strong focus on corporate sales, delivered healthy return for the first three quarters of the financial year. Multiple cross-functional initiatives undertaken during the year helped to improve operating efficiencies. The Business successfully managed to get repeat orders for coal in Vietnam, though it had to deal with quality issues in some of the shipments resulting in pressure on margins. Continued thrust on working capital helped the business achieve record reductions in working capital freeing up the cash flows. The vertical strengthened its performance in the area of trade optimization and multi-origin sourcing, besides successfully piloting an entry into a new line of business (trade of coking coal) to strengthen its product portfolio.

Owing to an unprecedented drop in coal prices and steep depreciation in rupee against USD, in the last quarter of the financial year, the India business was very adversely affected and delivered significant losses.

c. **Agri Products Trading** - The Agri Products Trading vertical operates from various geographies like India, Myanmar, Canada and Africa and deals in products like pulses, sugar, raw cashew nuts, rice etc. Consequent to the induction of a new leadership team, management decided to restructure the Agri Trading business and to focus on India and Myanmar as its chosen geographies and pulses and sugar as its key products. The Company initiated the process to exit from other geographies and products thereafter. As on March 2020, the restructuring process is almost complete. Going forward business will have a lean structure and focus on reducing working capital with improved margins.

**2. Distribution business**

The Distribution vertical focuses on Commercial vehicles and Agricultural and Construction equipment. It represents several OEMs such as Tata Motors, John Deere, Daewoo and Jaguar Land Rover across 14 African countries.


The Vertical has adopted a differentiation strategy which enabled it to achieve higher profits and embark upon an improving trend over the last couple of years. This commercial strategy is based on:

a) Uptime: Focus on prompt after sale service and adequate supply of spare parts to ensure that the vehicles/ equipment continue to serve our clients for the entire useful life as designed. Greater predictability of products and services resulted in deepening of client relationships and cemented our longstanding track record of a trusted counterpart; which resonates well with the Tata brand globally.

b) Retail Finance: We increased our footprint to include Ghana, Nigeria, Senegal, Zambia, Kenya and South Africa. By doing so we increased our share of wallet with clients whilst generating improving margins.

c) Improved Product differentiation: Bringing in new OEMs to provide a holistic product mix more in line with market requirements.

Further, to improve the operational efficiency, the vertical has taken following steps:

(i) Consistent approach to credit intake, KYC, credit decisions and loan fulfilment. Today we engage not only with our own retail financing division, but also with external collection agents to focus on cash collections whilst continually engaging with client to reassess their financial commitments.

(ii) We engaged external consultants to redesign some of our cost levers with good results.

(iii) We are breaking new ground by engaging with Banks and Development Financial institutions to bring about working capital efficiency.

In the previous year, the management had identified certain products and businesses to be exited and had achieved a significant portion of it. During the year under review, the management completed the process and now focuses only on continued businesses / product lines.

**3. Manufacturing**

**Footwear and Leather Articles** – India is the one of the largest footwear markets globally with an annual production capacity of 2.5 billion pairs. The Company is one of the largest MTO footwear manufacturers in India and counts reputed brands like M&S, Clarks, Zara, Deichmann, H&M and Wolverine etc as key customers. During the year, the business added quite a few new customers. It also commenced strengthening of capabilities by recruiting additional workforce and invested in their training. Though it adversely affected the profitability in the short term, it will stand in good stead in coming years. Further, in order to optimize the costs further and seek economies of scale, in the current year, the Company would consolidate all its footwear manufacturing in / around Ranipet / Ambur area in Tamil Nadu and shift the current production facilities from Chennai to Ranipet / Ambur. This will not only help the business consolidate its footwear operations, but will also improve operational efficiency and reduce costs.



**4. Losses on account of exceptional items**

During this year, the company also recorded a net loss of Rs 340 crores on consolidated basis on account of exceptional items which resulted in a significant increase in overall losses for the year. These are exceptional in nature and hence do not reflect the true ability of the company to generate profits in future. The exceptional items recorded during the year include the following:

a. As a consequence of the COVID – 19 pandemic, coal prices recorded a sharp reduction towards the end of financial year 2020. As a result, the Company had to record a reduction in the value of its coal inventory by Rs. 89 crores to reflect the net realisable value as on March 31, 2020. The sharp reduction in these prices within such a short span of time is highly unusual and therefore disclosed as an exceptional item

b. During the year 2017-18, Company's erstwhile wholly owned subsidiary, TAHL (Mauritius) Mining Projects Limited & its underlying subsidiary Mpumalanga Mining Recourses SA, were disposed-off in favour of M/s consolidated minerals Pte Ltd ("CMPL"). The present value of consideration for such sale was USD 42 million which was to be received from CMPL, in instalments over four years from the date of sale. CMPL could however not make the payments on the due dates. Considering the fact that our efforts to secure recovery have not yielded results so far, the Company has recognised a provision of the entire receivable of Rs. 298 crores. This provision is shown as an exceptional item

c. During the year, COMETAL, S.A.R.L., a subsidiary of the Company in Mozambique was disposed-off. Company has recognised gain of Rs. 47 crores (net of foreign currency translation reserve on such subsidiary accumulated as an item of other comprehensive income) on such disposal as an exceptional item.

**COVID IMPACT ON TATA INTERNATIONAL LTD.**

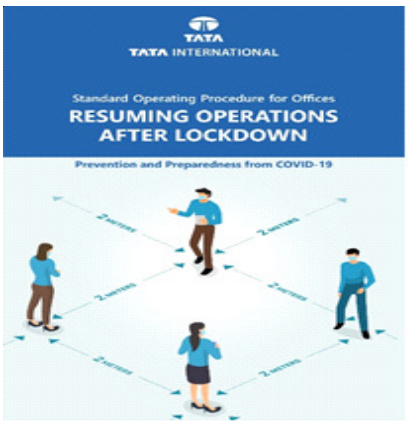
With the Covid-19 pandemic impacting people across the globe, socially and economically, our business prospects in FY'21 have also been adversely impacted. Closure of retail, order cancellation from institutional customers, lock down of logistics and scarcity of labour are causing stress on the system.

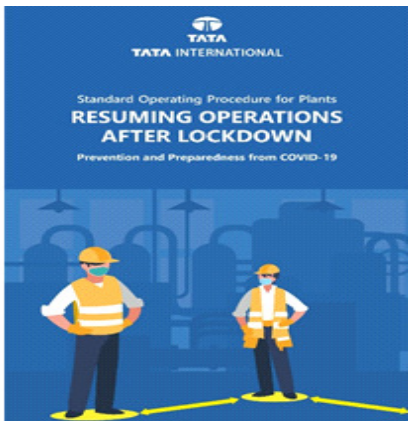
Tata International is a diversified company and is attempting to find a balance across the business verticals. Current forecasts point to a drop in top line and profitability across most businesses during Q1. While in some businesses, an adverse effect on Q2 is also emerging, others are showing early signs of recovery. However, this 'pause' is also creating an opportunity to strengthen the Company by focusing on the longer term. Rethinking structures, culling business digressions, getting ahead on IT implementation/enablement, right sizing, evaluating new business models, eliminating waste, making overheads functional and other such efforts will assist us in finding a new normal, which would elevate our performance and make us more sustainable going forward.

With most employees working out of home and factories opening partially in compliance with safety and legal guidelines, everybody has had to adjust to a new world. Your Company is determined to minimize the adverse impact on its people. By protecting earnings during this time, for all employees, setting up an emergency monitoring and response structure, enabling work from home and staying connected, Company is working towards long term sustainability of its people assets.

In times such as these, the first thing that gets impacted is the cash flow. And if things remain depressed for a longer period, then the sustainability of will become questionable. The most impactful support that the government and the financial community can provide, is to enable sustenance of industry till demand revives. This can be done, among other things, by waiving/ postponing taxes, loan repayments, and making available credit available at competitive rates.

It is important to keep in mind that this too shall pass. While Covid will leave a trail of devastation behind, it will also usher in a plethora of new opportunities. However, consumers and customers, suppliers and shareholders will all seek rapid fulfilment. The onus, therefore, is on us, to prepare for a vertical ramp up when the day comes. Laying the path to quick recall of people, reviewing all SOPs and processes ahead of time, making a checklist and allocating responsibility for safe equipment start up, and conserving cash, are all things that your Company is doing to stay ahead.




Action plan – The Company would focus on the below and continue to explore other initiatives:

- right sizing certain businesses,
- Postpone capital expenditure where possible
- Suspend dividends
- In source as much as possible to better utilize capacities and capabilities
- Institute immediate hiring freeze
- Separate poor performers and resolve disciplinary cases
- Negotiate payment holidays with major suppliers, landlords and financial institutions.
- Consider factoring all receivables without recourse.
- Restructure employee remunerations for one year – reduce remunerations in a graded manner.

**COST OPTIMISATION DRIVE**

Sensing what is in the offing, from the middle of March, the management started identifying cost optimisation avenues and zeroed in on initiatives which will prune costs across all the businesses by about Rs.156 crores (24% of the fixed cost base) compared to the budget for FY 20-21. The Management is confident of delivering this cost reduction initiative.

The Company is reasonably confident that though volumes and margins will be adversely affected in 1st half of the year, it will be significantly compensated by aggressive cost reduction measures.

**SUBSIDIARY COMPANIES**

The Company has 45 subsidiaries, 6 associates and 4 joint venture companies. *There has been no material change in the nature of the business of the subsidiaries.*

Euro Shoe Components Limited and Calsea Footwear Private Limited both are engaged in Leather Products business and are wholly owned subsidiaries of the Company. Euro Shoe Components Limited was merged into Calsea Footwear Private Limited effective from April 1, 2018 in order to derive the benefits of operational efficiencies, optimize the cost benefits and enhance the enterprises value.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (" Act"), a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company. **www.tatainternational.com**

**DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

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

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

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

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

## ISSUANCE OF SECURITIES

During the financial year 2019-20, Company has issued following securities:

**1. Non – Convertible Debentures**

Your Company successfully completed its issue of Unsecured Rated Senior listed perpetual hybrid securities in the nature of Non-Convertible Debenture of Rs. 800 Crore at a coupon rate of 9.85 % p.a. perpetual in nature through NSE Electronic Bidding Platform. These NCDs have been listed at stock exchange i.e., BSE Limited for secondary trade.

Salient features of Non-Convertible Debentures are given below:

| Particulars | Issue Size ( Rupees in Crore) | Face value per Debenture ( Rupees) | Tenure | Number of Securities | Allotment Date | Listing | Coupon |
|---|---|---|---|---|---|---|---|
| Unsecured Rated Senior listed perpetual hybrid securities in the nature of Non-Convertible Debenture | 800 | 10,00,000 | Perpetual | 8000 | January 15, 2020 | BSE Limited | 9.85% |

**2. Commercial Papers**

During the financial year the Company has issued 340 Crore of Commercial Paper (CP) with coupon ranging from 8.00% to 8.8%. The purpose of the issues were for funding the working capital fund base requirement. These issues were unsecured and backed by Care credit rating agencies.

| Sr. No | Amount (Rupees in Crore) | Issue Date | Redemption Date | Rate | ISIN |
|---|---|---|---|---|---|
| 1 | 85 | June 17,2019 | September 16,2019 | 8.8% | INE751F14210 |
| 2 | 85 | September 23,2019 | December 23, 2019 | 8.6% | INE751F14228 |
| 3. | 85 | December 23, 2019 | March 23, 2020 | 8.00% | INE751F14236 |
| 4 | 85 | March 23, 2020 | June 22, 2020 | 8.00% | INE751F14244 |

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Anand Sen was appointed as the Additional Director in the capacity of the Non- Executive Director with effect from October 10, 2019. Further with the recommendation of the Nomination & Remuneration Committee, the Board appointed him as a Whole-Time Director w.e.f. October 24, 2019 and Members approved his appointed as a Whole–Time Director of the Company at their Extra – Ordinary General Meeting held on December 27, 2019.

Mr. Ramakrishnan Mukundan retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

Mr. Gopal Krishna Pillai and Mr. Noel N. Tata were appointed as an independent director and as the Managing Director respectively at the 52nd Annual General Meeting ("AGM") held on September 25, 2015 for a period of five years Based on the recommendation of the Nomination and Remuneration Committee, their re-appointment is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are:

1. Mr. Noel Tata – Managing Director;
2. Mr. Anand Sen – Whole –Time Director;
3. Mr. Ajay Ponkshe – Chief Financial Officer & Company Secretary.

**NUMBER OF MEETINGS OF THE BOARD**

The Board met eight times in the financial year 2019-20 viz., on May 6, 2019, May 14, 2019, July 16, 2019, September 3 , 2019, October 24, 2019, December 20, 2019, January 17, 2020 & March 18, 2020. The maximum interval between any two meetings did not exceed 120 days.

| Name of the Director | Category | 06-May-19 | 14-May-19 | 16-July-19 | 03-Sep-19 | 24-Oct-19 | 20-Dec-19 | 17-Jan-20 | 18-Mar-20 | Total no of Meeting Attended |
|---|---|---|---|---|---|---|---|---|---|---|
| Mr. Gopal K. Pillai | Independent Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 8 |
| Mr. D. Premnarayen | Independent Director | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Mr. N N Tata | Managing Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 8 |
| Mr. R Mukundan | Non- Executive Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 8 |
| Ms. Sandhya Kudtarkar | Non- Executive Director | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | 7 |
| Mr. Anand Sen* | Whole-Time Director | N.A | N.A | N.A | N.A | ✓ | ✓ | ✓ | ✓ | 4 |

* *Mr. Anand Sen was appointed as the Additional Director in the capacity of the Non- Executive Director with effect from October 10, 2019. Further, the Board appointed him as a Whole -Time Director w.e.f. December 1, 2019.*

**BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and nonexecutive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

**NOMINATION AND REMUNERATION COMMITTEE**

In compliance with Section 178 of the Act the Board has, on the recommendation of the Nomination & Remuneration Committee framed a charter for laying down provisions relating to selection and appointment of Directors, Senior Management and their remuneration.

**Objectives & Scope of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (the “Committee”) of the Board of Directors (the “Board”) of Tata International Limited (the “Company”) shall discharge the Board’s responsibilities towards shareholders, the investment community, society and other stakeholders with respect to Appointment, Performance Evaluation, Remuneration and Removal of Board members, Key Management Personnel and members of the Executive team. The Committee shall also perform such other duties and responsibilities as may be consistent with the provisions of this charter.

- Recommend to the Board the setup and composition of the Board and its committees. This shall include “Formulation of the criteria for determining qualifications, positive attributes and independence of a director”. The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of directors.
- Devise a policy on Board diversity.

- Recommend to the Board appointment of Key Managerial Personnel and Executive team members of the Company.
- Support the Board and IDs in evaluation of the performance of the Board, its committees and individual directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board." Additionally, the committee may also oversee the performance review process of the KMP and the Executive team members of the Company.
- Recommend to the Board the remuneration policy for directors, KMP, Executive team members and for other employees of the Company.
- On an annual basis, recommend to the Board the remuneration payable to directors and KMP and Executive team members of the Company.
- Oversee familiarization programs for directors.
- Oversee the HR philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and Executive team).
- Provide guidelines for remuneration of directors on material subsidiaries.
- The Committee of a parent/ holding company shall recommend to its Board how the company will vote on resolutions for appointment and remuneration of directors on the Boards of its material subsidiary companies.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

The composition of the Nomination and Remuneration Committee as on March 31, 2020 and the details of Members' participation at the Meetings of the Committee are as under:

| | Name of the Member | Category | Attendance at the Nomination and Remuneration Committee Meetings held on | | Total |
|---|---|---|---|---|---|
| | | | 30-April-19 | 24-Oct-19 | |
| 1 | Mr. R. Mukundan (Chairman) | Non- Executive Director | ✓ | ✓ | 2 |
| 2 | Mr. G. K. Pillai (Member) | Independent Director | ✓ | ✓ | 2 |
| 3 | Mr. D. Premnarayen (Member) | Independent Director | ✓ | ✓ | 2 |

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal controls in the Company, its compliance with operating systems, accounting procedures and policies at all company locations and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**AUDIT COMMITTEE**

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. All recommendations of the Audit Committee were accepted by the Board of Directors.

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Non-Executive Directors with majority of them are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

The terms of reference of the Committee inter alia, include the following:

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.

- Examination of the financial statement and the auditors' report thereon.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors considering their independence and effectiveness and their replacement and removal.
- To recommend to the Board the remuneration of the Statutory Auditors.
- To discuss with the Statutory Auditors any significant difficulties encountered during the course of the Audit.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.

The current composition of the Audit Committee and details of the Members participation at the Meetings of the Committee are as under:

| Name of the Member | Category | Attendance at the Audit Committee Meetings held on | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | 19-April-19 | 06-May-19 | 14-May-19 | 17-July-19 | 23-Oct-19 | 16-Jan-20 | 18-Mar-20 | |
| Mr. Deepak Premnarayen, Chairman | Independent Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Mr. G. K. Pillai, Member | Independent Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Ms. Sandhya Kudtarkar, Member | Non- Executive Director | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | 6 |

**AUDITORS**

At the 55th AGM held on September 27, 2018, the Members approved appointment of M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No. 324982E/E-300003) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 59th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

**AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT**

**Qualifications in the Auditors Report**

There are no qualifications in the Auditors main Report. However, the Auditors have, in their opinion qualified the adequacy of operating effectiveness on internal financial controls in the Agricultural Trading Business. The Company has since made organizational changes in the business and has restructured the document handling and retrieval system, and strengthened internal controls. It has also revamped its Standard Operating Procedure after incorporating inputs from concerned stakeholders.

The company is confident that this qualification will not be repeated next year.

The secretarial audit report does not contain any qualifications, reservations, or adverse remarks or disclaimer. Secretarial audit report is attached to this report as **Annexure A**.

**RISK MANAGEMENT**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company and going forward Risk Management Committee shall deal with it.

Risk Management although not mandatory, your Company has constituted a Risk Management Committee as a measure of good governance. The Risk Management Committee is tasked with the responsibility to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Your Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act, to identify and evaluate business risks and opportunities for mitigation of the same on a continual basis. This framework seeks to create transparency, minimize adverse impact on business objective and enhance your Company's competitive advantage. The Risk Management framework defines the risk management approach across the enterprise at various levels including documentation and reporting. Your Company is faced with risks of different types, each of which need varying approaches for mitigation.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

No loans and investments as per Section 186 of the Act were made by the Company during the financial year 2019-20. The Company has provided following guarantees pursuant to Section 186 of the Act:

As on March 31, 2020

| Name of Subsidiary | Foreign Currency in Million | INR Lakh | Full Particulars | Purpose |
|---|---|---|---|---|
| Tata International Singapore Pte Ltd. | EUR 30 | 24,830.98 | Corporate Guarantee given to EXIM bank for EUR 30 mn on behalf of TISPL | Refinance long term debt/ General corporate purpose |
| The Indian Hotels Co. Limited | INR 1340 | 13,400.00 | Corporate guarantee given to Indian hotels as Indian hotels has issued a guarantee in favour of a bank for having extended a term loan to our joint venture company. Post balance sheet date this guarantee is already cancelled | Counter guarantee for our share of loan. |
| John Deere Asia (Singapore) Private Limited | USD 2.20 | 1,664.63 | Corporate Guarantee given to John Deere for USD 2.20 mn on behalf of TISPL | Corporate Guarantee issued on behalf of TISPL to get additional credit for Tata Ghana imports from John Deere |
| John Deere Asia (Singapore) Private Limited | USD 5 | 3,783.25 | Corporate Guarantee given to John Deere for USD 5 on behalf of TISPL | CG issued on behalf of TISL to get additional credit for Tata Nigeria imports from John Deere |
| John Deere Construction & Forestry company | USD 8.8 | 6,658.52 | Corporate Guarantee given to John Deere for USD 8.8 on behalf of TISPL | CG issued on behalf of TISPL to get additional credit for Tata Nigeria imports from John Deere |
| Orange Charanka Solar Energy Private Limited | USD 9.15 | 6,923.34 | Warranty for 4 years for the project executed for orange. | Securing for honouring purchase orders from orange |
| **Total** | | **57,260.72** | | |

**RELATED PARTY TRANSACTIONS**

In line with the requirements of the Act, your Company has formulated a policy on dealing with Related Party Transactions ("RPTs"). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

Prior omnibus approval is obtained for RPTs which are of a repetitive nature and entered in the Ordinary Course of Business and are at Arm's Length. A statement on RPTs specifying the details of the transactions, pursuant to each omnibus approval granted, has been placed on a quarterly basis for review by the Audit Committee. All RPTs that were entered into during the financial year were in the Ordinary Course of Business and at Arm's Length. No Material RPTs, i.e. transactions exceeding the prescribed limits under Section 188 of the Act were entered into during the year by your Company. Accordingly, the disclosure of RPTs in Form AOC-2 is not applicable.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act in Form AOC -2, prescribed in Rule 8(2) of the Companies (Accounts) Rules, 2014 is appended as **Annexure B**.

**CORPORATE SOCIAL RESPONSIBILITY**

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure C** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, the CSR policy is available on **https://tatainternational.com/about-us/governance/)**

**EXTRACT OF ANNUAL RETURN**

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2019-20 is given in **Annexure D** in the prescribed Form No. MGT-9, which is a part of this report. The same is available on **https://tatainternational.com/about-us/governance/**

**PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

| Name | Ratio to median remuneration | % increase in remuneration in the financial year |
|---|---|---|
| **Non-Executive Directors** | | |
| (A) Mr. Gopal Krishna Pillai (Independent Director) | 2.4 | ^^ |
| (B) Mr. Deepak Premnarayen (Independent Director) | 2.3 | ^^ |
| (c) Mr. Ramakrishnan Mukundan (Non-Executive Director) | 1.1 | ^^ |
| (D) Ms. Sandhya Kudtarkar (Non-Executive Director) | 1.8 | ^^ |
| | | **Executive Directors** |
| (A) Mr. Noel N Tata (Managing Director) | 102:1 | 9% |
| (B) Mr. Anand Sen (Whole-Time Director) ** | 61:1 | ^ |
| | | **Chief Financial Officer & Company Secretary** |
| (A) Mr. Ajay Ponkshe | 34:1 | 9% |

^^ In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata company and hence not stated.

** Appointment as Whole – Time Director w.e.f. December 1, 2019.

^ Since the remuneration is only for part of the year, the ratio of their remuneration to median remuneration and percentage increase in remuneration is not comparable and hence, not stated.

b. The percentage increase in the median remuneration of employees in the financial year: 13 percent.

c. The number of permanent employees on the rolls of Company: 1845 global staff and 1103 Indian staff.

d. The average annual increase in salaries of employees was 5.48% in India. However, during the course of the year, the total increase is approximately 6.3% percent, after accounting for promotions and other event-based compensation revisions. Employees outside India received a average wage increase 3.63%. The increase in remuneration is in line with the market trends in the respective countries. Increase in the managerial remuneration for Mr Noel N Tata and Mr Ajay Ponkshe the year was 9%. During the year, there has been no exceptional increase in remuneration to the KMPs.

e. Affirmation that the remuneration is as per the remuneration policy of the Company:

   The Company affirms that the remuneration is as per the remuneration policy of the company.

f. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

**DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [PURSUANT TO COMPANIES (ACCOUNTS) RULES, 2014]**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure E**.

**COST AUDITORS**

Your Board has appointed M/s. Sohan Lal Jalan & Associates, Cost and Management Accountants, (Membership No. 7442 and Firm Registration No. 000521) as Cost Auditors of the Company for conducting cost audit for the FY 2019-2020. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2019-2020 is provided in the Notice to the ensuing Annual General Meeting.

**CORPORATE GOVERNANCE**

The policies and guidelines of Corporate Governance have been implemented in all facets of your Company's operations to build up an environment of trust and confidence amongst the stakeholders of the Company. Company believes in professional management of its business which ensures that decision making powers vested in executive management are used to meet stakeholders' aspiration and social expectations. It also ensures total transparency and complete accountability. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director to align with changing cultural and regulatory norms across the multiple jurisdictions in which the Company conducts its business. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Act. These codes are available on the Company's website at **https://tatainternational.com/about-us/governance/** .

**TATA CODE OF CONDUCT ("TCOC")**

The Company being a signatory to the Brand Equity Business Promotion (BEBP) agreement with Tata Sons Limited abides by the TCOC. The TCOC has been shared with the employees. TCOC awareness is also a part of the induction process for all employees. Translations of the TCOC in local languages are also circulated to employees in Dewas, Chennai and in Hong Kong / China regions. TCOC awareness sessions are also conducted for the benefit of employees of associate companies.

Company also has "Anti Bribery and Anti-Corruption" policy. Ethics Counsellors of the Company have been adequately sensitized with regard to the policy and its objectives.

**SA 8000: 2008 CERTIFICATION**

The Company follows globally accepted SA 8000 : 2008 (the revised standards) and have obtained accreditation from renowned certified assessor - TUV Nord for its Leather Garments and Footwear operations in Dewas and Chennai.

**VIGIL MECHANISM**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies, we are committed to maintaining the high standards of Corporate Governance and Stakeholder responsibility.

The Company has adopted a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Whistle Blower Policy is approved by the Board and placed on the Website of the Company. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. A copy of the policy is available on our website **www.tatainternational.com**.

The Company has also revised its Standard Operating Procedures for its various operations and has taken steps to further strengthen its Risk Management process, in keeping with the ever changing external environment and business needs.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. An Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the period under review, the following is a summary of sexual harassment complaints received and disposed of:

- No. of complaints received: 4
- No. of complaints disposed of: 3

Pursuant to listing of Debentures of the Company on Wholesale Debt Market (WDM) segment of the BSE Limited ("BSE") as on February 3, 2020, the Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices and additionally formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") as set out in Schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulation 2015. Also, pursuant to regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company also adopted the policy for preservation of documents.

**ACKNOWLEDGEMENT**

The Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them.

The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

**On behalf of the Board of Directors**

**Gopal Krishna Pillai**
Chairman
DIN: 02340756

Address: D 241,2nd Floor,
Sarvodaya Enclave,
New Delhi – 110017

## ANNEXURE A

## FORM NO. MR-3

## Secretarial Audit Report

**For the Financial year ended March 31st, 2020**

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

**To,**
**The Members,**
**Tata International Limited**
**Lodha Excelus, 24th Floor,**
**New Cuffe Parade,**
**Off Eastern Freeway,**
**Sewri-Chembur Road,**
**Wadala, Mumbai – 400 037**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata International Limited CIN - U51900MH1962PLC012528** (hereinafter called the **'Company'**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

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

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

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the financial year under review);**

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

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation 1993 regarding the Act and dealing with client

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the financial year under review);**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the financial year under review);** and

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. The management has identified the compliances of the following laws as specifically applicable to the Company:

a. Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards;

b. Contract Labour (Regulation and Abolition) Act, 1970;

c. Employees Provident Fund and Miscellaneous Provisions Act, 1952;

d. Employee's State Insurance Act, 1948;

e. Environment Protection Act, 1986;

f. Equal Remuneration Act, 1976;

g. Factories Act, 1948;

h. Industrial Dispute Act, 1947;

i. Maternity Benefits Act, 1961;

j. Minimum Wages Act, 1948;

k. Payment of Bonus Act, 1965;

l. Payment of Gratuity Act, 1972;

m. Payment of Wages Act, 1936;

n. Water (Prevention and Control of Pollution) Act, 1974 and rules issued by the State Pollution Control Boards.

Having regard to the compliance system prevailing in the Company, we further report that on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the same.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

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

**We further report that**

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

Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

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

We further report that during the audit period the Company has passed special resolution for the following business purpose(s):

a. To increase the borrowing limits u/s 180 of the Companies Act, 2013 from 2000 crs to 2800 crs.

b. Issue of Non-Convertible Debentures (NCD) on a private placement basis of Rs. 800 crores, the Company has allotted 8,000 NCD of face value of Rs. 10,00,000 each aggregating to 800 crores on January 15, 2020 and the NCD were listed on the Wholesale Debt Market (WDSM) of BSE Limited on February 03, 2020.

**For Gupta Baul & Associates**
**Company Secretaries**

**Place: Mumbai**
**Date: June 23, 2020**

**Hitesh J. Gupta**
**ACS No. 33684**
**CP No. 12722**
**UDIN: A033684B000370174**

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

## ANNEXURE B

## FORM AOC-2

Form for disclosure of particulars of contract/arrangements entered into by the company with related parties referred to in sub-sec (1) of sec 188 of Companies Act, 2013 including certain arms length transactions under third proviso thereto

**Details of contract entered into with related parties during FY 2019-20**

(a) In the ordinary course of business but difficult to prove Arm's Length

| Name(s) of the related party | Nature of Relationship | Type of contracts/ arrangements/ transactions | Total Value of all the Contracts in the Fin Year | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions, if any | Justification for entering into contracts | Date(s) of approval by the Board | Amount paid as advances, if any |
|---|---|---|---|---|---|---|---|---|
| **Not Applicable** | | | | | | | | |
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| | | | | | | | | |

**Details of contract entered into with related parties during FY 2019-20**

(b) Not in ordinary course of business

| NA |
|---|

**G. K. PILLAI**
**CHAIRMAN**

**N. N. TATA**
**MANAGING DIRECTOR**

**AJAY M PONKSHE**
**CHIEF FINANCIAL OFFICER & COMPANY SECRETARY**

## ANNEXURE C

1. Tata International is aligned to the Tata Group's core purpose of improving the quality of life of the communities we serve through long term stakeholder value creation. Enlarging the scope of Affirmative Action which gained positive momentum since 2009, through its CSR strategy, the company will continue to make need based, focused and exhaustive interventions in identified issues for the economically and socially disadvantaged sections of the society.

   Tata International will focus its CSR initiatives in localities surrounding its business operations especially in Dewas & Chennai, taking concrete steps in areas of:

   1. Education
   2. Skill Development & Employability
   3. Local level initiatives over and above the ones mentioned above to continue

2. The CSR Committee of the Board will govern and review the CSR initiatives of the company from time to time. The CSR Committee will recommend the Annual Business Plan for CSR to the Board for its approval. The plan will include resource requirements and allocation across interventions and locations. The composition of the CSR committee of the board is as hereunder:

   Mr. Deepak Premnarayen, Independent Director

   Mr. R Mukundan- Non-Executive Director

   Mr. N N Tata- Managing Director

   Mr. Manish Kumar, Head – Human Resources, also the CSR Co-coordinator for the company will provide required direction to the implementation team. The CSR Implementation committees will review and report activities, outcomes and impact of the initiatives on a periodic basis to the Board. This CSR policy document will be reviewed from time to time and any changes, if necessary, will be approved by the CSR Committee of the Board.

3. The average net profits of the company for the last three financial years- Rs. 34.35Crore

4. Prescribed CSR expenditure - As per Section 135 of Companies Act, 2013, the Company is required to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy i.e.,Rs. 68.7 Lakhs . However as a responsible corporate citizen the Company had spend 78.9 Lakhs for the F.Y. 2019-20

5. Details of CSR spent during the financial year

   a. Total amount to be spent for the financial year- 78.9 Lakhs

   b. Amount unspent, if any- Not applicable (see point 4)

c. Manner in which the amount spent during the financial year is detailed below:

**TIL - CSR Initiatives 2019 - 2020**

| Serial No | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken | Amount outlay (budget) project or program wise | Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects 2) Overheads | Cumulative expenditure up-to the reporting period | Amount spent: Direct or through implementing agency |
|---|---|---|---|---|---|---|---|
| 1 | Full shoe donation | Disadvantaged/ special children | Uttar Pradesh | | 76,00,000 | 76,00,000 | Direct |
| 2 | Others –<br>- Education material to schools<br>- Training<br>- Various | Education, Environment | Dewas, Chennai, Mumbai, Ludhiana | | 290,262 | 78,90,262 | Direct |
| | **Total** | | | | **78,90,262** | **78,90,262** | |

6. We, Deepak Premnarayen, Ramakrishnan Mukundan and Noel Tata, the Members of the CSR Committee of Tata International Limited confirm that the implementation and monitoring of the CSR policy, is in compliance with the CSR objectives and policy of Tata International Limited.

**For & on behalf of the Corporate Social Responsibility Committee**

**Deepak Premnarayen**

**R. Mukundan**

**N. N. Tata**

Mumbai
June 23, 2020

## ANNEXURE D

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

**As on the financial year ended on 31st March, 2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION DETAILS OF COMPANY–

| | | |
|---|---|---|
| 1. | CIN | U51900MH1962PLC012528 |
| 2. | Registration Date | 30/11/1962 |
| 3. | Name of the Company | TATA INTERNATIONAL LIMITED |
| 4. | Category/Sub-Category of the Company | Company Limited by Shares/ Indian Non-Government Company |
| 5. | Address of the Registered office and contact details | Lodha Excelus,24th Floor,<br>New Cuffe Parade,<br>Off Eastern Freeway, Sewri-Chembur Road,<br>Wadala Mumbai-400037, Maharashtra<br>Email ID: ajay.ponkshe@tatainternational.com<br>Contact No : 022 6665 2200 |
| 6. | Whether listed Company (Yes/No) | Yes<br>(The Debt securities of the Company are listed on Wholesale Debt Market (WDM) segment on the BSE Ltd.) |
| 7. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Bigshares services Pvt. Ltd.<br>1st floor, Bharat Tin Works Building, Makwana Road, Marol, Andheri West, Mumbai 400059 |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:-

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

| Sr. No | Name and Description of main products / services | NIC Code of the Product/Service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Minerals | 4661 | 32.7% |
| 2 | Agri | 4620 | 28.1% |
| 3 | Footwear | 6403 | 11.5% |
| 4 | Metals & Rolls | 4662 | 10.6% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES–

| Sr. No | Name & Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Tata Sons Limited, Bombay House 24 Homi Mody Street, Mumbai – 400001 | U99999MH1917PLC000478 | Holding | 41.75% | 2(46) |
| 2 | Tata Africa Holdings (SA) (Proprietary) Limited, 39 Ferguson Road, c/o Ferguson and Rivonia Roads, Illovo, Johannesburg, 2196, South Africa | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 3 | Tata South-East Asia Limited, 25F, Square Enterprises Ii, Room No.2506-2508, 3 Sheung Yuet Road, Kowloon Bay, Kowloon, Hongkong | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 4 | Tata West Asia FZE, P.O. Box 16980, ZB07, R/A 08, Blue Shed Area, Jebel Ali Free Zone, Dubai, United Arab Emirates | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 5 | Tata Africa Holdings (Ghana) Limited, No.13, Samora Machel Road, Asylum Down, P.O Box Gp 242, Accra Ghana | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 6 | Tata Africa Holdings (Kenya) Limited, LR No 209/10881/2 Off Mombasa Road Industrial Area, Nairobi | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 7 | Tata Africa Holdings (Tanzania), Limited Plot No - 1&2 Vingunguti Nyerere Road Po - 40207, Dar-Es-Salaam | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 8 | Tata Africa Services (Nigeria) Limited, Plot C89, Amuwo Odofin Industrial Layout, Apapa-Oshodi Expressway, Lagos, Nigeria | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 9 | Tata Africa Steel Processors (Proprietary) Limited, 39 Ferguson Road, Cnr Ferguson and Rivonia Road, Illovo, 2196, Johannesburg, South Africa | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 10 | Tata Automobile Corporation (SA) (Proprietary) Limited, 17 North Reef Road, Activia Park Germiston, Johannesburg, South Africa | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 11 | Tata Holdings Mocambique Limitada Av de Mozambique, No 2358, Caixa Postal 758, Maputo, Mozambique | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 12 | Tata De Mocambique Limitada, Av de Mozambique, No 2358, Caixa Postal 758, Maputo, Mozambique [Merged w.e.f. 14.11.2019] | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 13 | Tata Uganda Limited, Plot 47, Jinja Road P.O Box 7153 Kampala Uganda | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 14 | Tata Zambia Limited 9219, Ben Bella Road, Lusaka | Foreign Company | Subsidiary | 100.00% | 2(87) |

| Sr. No | Name & Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % Of Shares Held | Applicable Section |
|---|---|---|---|---|---|
| 15. | Tata Zimbabwe (Private) Limited 94, Simon Mazorodze Road, Corner Beatrice and Hobbs Road, Southerton, HARARE, Zimbabwe | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 16 | Blackwood Hodge Zimbabwe (Private) Limited Stand 4917, Simon Mazorodze Road, P O Box 1978, Harare, Zimbabwe | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 17 | Cometal, S.A.R.L. AV. Milagre Mabote No 9, Caixa, Postal 758 Maputo, Mozambique | Foreign Company | Subsidiary | 71.00% | 2(87) |
| 18 | Pamodzi Hotels Plc Church Road, Lusaka, Zambia | Foreign Company | Subsidiary | 90.00% | 2(87) |
| 19 | Tata Africa (Senegal) S.A.R.L. Sacre Couer 3, Villa no 9434,Bis VDN, BP-16612,Dakar Senegal | Foreign Company | Subsidiary | 70.00% | 2(87) |
| 20 | TIL Leather Mauritius Limited 10th Floor, Raffles Tower, 19, Cybercity, Ebene, Mauritius | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 21 | Euro shoe components Limited NO 60, BHEL ROAD, MUKUNDARAYAPURAM SIPCOT RANIPET Vellore TN 632405 IN | U19116TN2005PLC056665 | Subsidiary | 100.00% | 2(87) |
| 22 | Move On Componentes e Calcado, S.A. Rua do Alto da Torre, 100, 3885-436, Esmoriz, Portugal | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 23 | Calsea Footwear Private Limited No. B/1, Ground Floor, Yamuna Flats, 16th Street, Nanganallur, Chennai – 600061, Tamil Nadu | U19201TN2005PTC057816 | Subsidiary | 100.00% | 2(87) |
| 24 | Motor Hub East Africa Limited PLOT NO - 1&2 VINGUNGUTI NYERERE ROAD PO - 40207,DAR-ES-SALAAM | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 25 | Tata International Singapore Pte Limited 11, Keppel Road, 10-03 ABI Plaza Singapore, 089057 | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 26 | Monroa Portugal, Comércio E Serviços, Unipessoal Lda Rua do Alto da Torre, 100, 3885-436 Esmoriz – Portugal | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 27 | Move On Retail Spain, S.L. Calle Juan de la Cierva, 31, 2º B, Elche Parque Empresarial, 03203 Elche Alicante Spain | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 28 | Tata Africa Cote D'ivoire SARL Immeuble "Grand Siècle", 2ème étage, Route du Lycée Technique, CocodyDanga, Abidjan, Côte d'Ivoire. | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 29 | Tata International Metals (Americas) Ltd. 160 Greentree DR Ste 101 Dover De 19904, United States of America | Foreign Company | Subsidiary | 100.00% | 2(87) |

| Sr. No | Name & Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % Of Shares Held | Applicable Section |
|---|---|---|---|---|---|
| 30 | Tata International Metals (Asia) Limited Unit 6-8, 25th Floor, Enterprise Square Two, 3 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 31 | Tata International Metals (UK) Limited 30 Millbank, London SW1P 4WY UK | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 32 | Tata South East Asia (Cambodia) Limited 278H National Road, #6A, Kein Klang Village, Sangkat Prek Leap, Khan Russey Keo, Phnom Penh, Kingdom of Cambodia | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 33 | Alliance Motors Ghana Limited C/O Accra Nominees Limited, No 13 Samora Machel road Asylum down, Po box gp242, Accra, Ghana | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 34 | Tata International West Asia DMCC Office no 2001 to 2005, 20th Floor, Jumeirah Bay X-3 Tower, Cluster X, Jumeirah Lake Tower, P.O. 120933, Dubai UAE | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 35 | Tata International Vietnam Company Limited No. 21, Nguyen Trung Ngan Street, Ban Nghe Ward, District 1, Ho Chi Minh City, Vietnam | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 36 | Tata International Canada Limited 10 Carlson Court Suite 700, Etobicoke, Ontario, M9wW 6l2, Canada | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 37 | Newshelf 1369 Pty Ltd 17 North Reef Road, Activia Park Germiston, Johannesburg, South Africa | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 38 | Alliance Finance Corporation Limited Plot 1 & 2,Vingunguti Industrial Area, Nyerere Road, P.O.Box 40780, Dar es Salaam, Tanzania | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 39 | Tata International Metals (Guangzhou) Limited, #2, Room 2213, No. 12, Jin Gang Da Dao Road, Nan Sha, Guangzhou | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 40 | AFCL Ghana Limited, Plot No 22B, Off George W Bush Highway, Accra, Ghana | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 41 | AFCL Zambia Limited, Plot No 9219, Ben Bella Road, Light Industrial Area, Lusaka, Zambia | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 42 | Alliance Leasing Limited, Tata Africa House, ICD Road off Mombasa Road, Nairobi, Kenya | Foreign Company | Subsidiary | 100.00% | 2(87) |

| Sr. No | Name & Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % Of Shares Held | Applicable Section |
|---|---|---|---|---|---|
| 43 | AFCL Premium Services Ltd., Plot C89, Amuwo Odofin Industrial Layout, Apapa-Oshodi Expressway, Lagos, Nigeria | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 44 | Stryder Cycle Private Limited, 302/K-1, Village-Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana, Punjab, 141123 | U74999PB2019PTC049351 | Subsidiary | 100.00% | 2(87) |
| 45 | AFCL RSA (Pty) Limited, 39 Ferguson Road, Illovo, Johannesburg, South Africa, 2196 | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 46 | TISPL Trading Company Limited, Unit (6),Level(6), Tower(1) Myanmar Centre Tower, No.192, Kaba Aye Pagoda Road , Bahan Township , Yangon ,Myanmar | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 47 | Société Financière Décentralisé Alliance Finance Corporation Senegal, Km 9, Route de Rufisque, Face Hôtel de Ville de Pikine, Dakar, Senegal | Foreign Company | Subsidiary | 100.00% | 2(87) |
| 48 | Tata International DLT Private Limited, Gat No. 281 & 284, Santosh Nagar (Waki), TalukaKhed, Off Pune Nasik Road, Pune 410501 | U34200PN2005PTC152193 | Joint Venture | 50.00% | 2(6) |
| 49 | Tata Precision Industries (India) Limited, Industrial Area No.2, , Dewas, Madhya Pradesh – 455001 | U29120MP1995PLC009773 | Joint Venture | 50.00% | 2(6) |
| 50 | Tata International GST AutoLeather Limited, Lodha Excelus, 24th Floor, New Cuffe Parade Off Eastern Freeway, Sewri-Chembur Road, Wadala, Mumbai 400037 IN | U19115MH2014PLC254276 | Joint Venture | 50% | 2(6) |
| 51 | T/A Tata International Cape Town, 3 Mobile Road, Airport Industria 2, Cape Town, 7490 | Foreign Company | Joint Venture | 50% | 2(6) |
| 52 | Tata Ceramics Limited, 26 Cochin Special Economic Zone, Kakkanaad, Ernakulam, Kerala – 682037 [Sold w.e.f.04.01.2020] | U26933KL1991PLC006018 | Associate | 40.54% | 2(6) |
| 53 | Accordian Investments (Propreitary) Limited, 7 Corobrik Road Meadowdale, Germiston 1614 [Sold w.e.f. 18.07.2019] | Foreign Company | Associate | 40% | 2(6) |
| 54 | Consillience Technologies (Proprietary) Limited, South Wing The Place, No. 1 Sandton Drive Sandton, Johannesburg, 2196 | Foreign Company | Associate | 50% | 2(6) |

| Sr. No | Name & Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % Of Shares Held | Applicable Section |
|---|---|---|---|---|---|
| 55 | IHMS Hotels (South Africa) (Proprietary) Limited, 39 Ferguson Road, Cnr Ferguson and Rivonia Road, Illovo Johannesburg South Africa | Foreign Company | Associate | 50% | 2(6) |
| 56 | Newshelf 919 (Proprietary) Limited 39 Ferguson Road, Cnr Ferguson and Rivonia Road, Illovo Johannesburg South Africa | Foreign Company | Associate | 50% | 2(6) |
| 57 | Tata Motors (SA) (Proprietary) Limited, 39 Ferguson Road, Cnr Ferguson and Rivonia Road, Illovo Johannesburg South Africa | Foreign Company | Associate | 40% | 2(6) |
| 58 | Women in Transport, 17 North Reef Road, Activia Park Germiston, 1429, Johannesburg, South Africa | Foreign Company | Associate | 50% | 2(6) |
| 59 | Imbanita Consulting And Engineering Services (Pty) Ltd, 39 Ferguson Road, Illvo Gauteng, 2196 | Foreign Company | Associate | 50% | 2(6) |

## IV. Shareholding pattern of the Company :

**SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

| Category of Shareholders | | No. of shares held at the beginning of the year | | | No. of shares held at the end of the year | | | % Change During the Year |
|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | % of Total Shares | Demat | Physical | % of Total Shares | |
| **A.** | **Promoters** | | | | | | | |
| (1) | Indian | | | | | | | |
| a) | Individual/HUF | - | - | - | - | - | - | - |
| b) | Central Govt | - | - | - | - | - | - | - |
| c) | State Govt(s) | - | - | - | - | - | - | - |
| d) | Bodies Corp. | 221536 | 178952 | 99.87 | 300036 | 100452 | 99.87 | - |
| e) | Banks / FI | - | - | - | - | - | - | - |
| f) | Any Other…. | - | - | - | - | - | - | - |
| | **Sub-total (A) (1):-** | **221536** | **178952** | **99.87** | **300036** | **100452** | **99.87** | **-** |
| (2) | Foreign | | | | | | | |
| a) | NRIs - | - | - | - | - | - | - | - |
| | Individuals | | | | | | | |
| b) | Other – | - | - | - | - | - | - | - |
| | Individuals | | | | | | | |
| c) | Bodies Corp. | - | - | - | - | - | - | - |
| d) | Banks / FI | - | - | - | - | - | - | - |
| e) | Any Other…. | - | - | - | - | - | - | - |
| | **Sub-total (A) (2):-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | **Total shareholding of Promoter (A) =(A)(1)+(A)(2)** | **221536** | **178952** | **99.87** | **300036** | **100452** | **99.87** | **-** |
| **B.** | **Public Shareholding** | | | | | | | |
| 1. | Institutions | | | | | | | |
| a) | Mutual Funds / UTI | - | - | - | - | - | - | - |
| b) | Banks / FI | - | - | - | - | - | - | - |
| c) | Central Govt | - | - | - | - | - | - | - |
| d) | State Govt(s) | - | - | - | - | - | - | - |
| e) | Venture Capital Funds | - | - | - | - | - | - | - |
| f) | Insurance Companies | - | - | - | - | - | - | - |
| g) | FIIs | - | - | - | - | - | - | - |
| h) | Foreign Venture Capital Funds | - | - | - | - | - | - | - |
| i) | Others (specify) | - | - | - | - | - | - | - |
| | Sub-total (B)(1):- | - | - | - | - | - | - | - |
| 2. | Non-Institutions | | | | | | | |
| a) | Bodies Corp. | - | - | - | - | - | - | - |
| i) | Indian | | - | - | - | - | - | - |
| ii) | Overseas | | - | - | - | - | - | - |
| b) | Individuals | - | - | - | - | - | - | - |
| i) | Individual shareholders holding nominal share capital upto Rs. 1 lakh | - | 512 | 0.13 | - | 512 | 0.13 | |
| ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | - | - | - | - | - | - | - |
| c) | Others (specify) | | | | | | | |
| | **Sub-total (B)(2):-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | **Total Public Shareholding (B)=(B)(1)+(B)(2)** | **-** | **512** | **0.13** | **-** | **512** | **0.13** | **-** |
| **C.** | **Shares held by Custodian for GDRs & ADRs** | - | - | - | - | - | - | - |

**ii) Shareholding of Promoters**

| Sr. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | %of total shares of the Company | %of Shares Pledged / encumbered to total shares | No. of shares | %of total shares of the Company | %of Shares Pledged / encumbered to total shares | |
| 1. | Tata Sons LTD | 167,400 | 41.75 | - | 167,400 | 41.75 | - | - |
| 2. | Tata Motors Limited | 50,000 | 12.47 | - | 50,000 | 12.47 | - | - |
| 3. | Tata Chemicals Limited | 48,000 | 11.97 | - | 48,000 | 11.97 | - | - |
| 4. | Ewart Investments Limited | 25,000 | 6.23 | - | 25,000 | 6.23 | - | - |
| 5. | Af-taab Investment Company Limited | 20,500 | 5.11 | - | 20,500 | 5.11 | - | - |
| 6. | Tata Motors Finance Limited | 19,350 | 4.83 | - | 19,350 | 4.83 | - | - |
| 7. | Tata Industries Limited | 17,122 | 4.27 | - | 17,122 | 4.27 | - | - |
| 8. | Voltas Limited | 10,000 | 2.49 | - | 10,000 | 2.49 | - | - |
| 9. | Indian Hotels Company Limited | 8,000 | 2.00 | - | 8,000 | 2.00 | - | - |
| 10. | Tata Steel limited | 28,616 | 7.14 | - | 28,616 | 7.14 | - | - |
| 11. | Fiora Services Limited | 3,000 | 0.75 | - | 3,000 | 0.75 | - | - |
| 12. | The Tata Power Limited | 3,500 | 0.87 | - | 3,500 | 0.87 | - | - |

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

| Sr. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | At the Beginning of the Year | | | | |
| 1. | Tata Sons Limited | 167,400 | 41.75 | 167,400 | 41.75 |
| 2. | Tata Motors Limited | 50,000 | 12.47 | 50,000 | 12.47 |
| 3. | Tata Chemicals Limited | 48,000 | 11.97 | 48,000 | 11.97 |
| 4. | Ewart Investments Limited | 25,000 | 6.23 | 25,000 | 6.23 |
| 5. | Af-taab Investment Company Limited | 20,500 | 5.11 | 20,500 | 5.11 |
| 6. | Tata Motors Finance Limited | 19,350 | 4.83 | 19,350 | 4.83 |
| 7. | Tata Industries Limited | 17,122 | 4.27 | 17,122 | 4.27 |
| 8. | Voltas Limited | 10,000 | 2.49 | 10,000 | 2.49 |
| 9. | Indian Hotels Company Limited | 8,000 | 2.00 | 8,000 | 2.00 |
| 10. | Tata Steel limited | 28,616 | 7.14 | 28,616 | 7.14 |
| 11. | Fiora Services Limited | 3,000 | 0.75 | 3,000 | 0.75 |
| 12. | The Tata Power Limited | 3,500 | 0.87 | 3,500 | 0.87 |
| | **Date Wise Increase/Decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)** | **There was no change in the Promoter Shareholding during the year** | | | |

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

| Sr. No. | For Each of top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. Shares | % of total shares of the Company | No. Shares | % of total shares of the Company |
| | **At the Beginning of the Year** | | | | |
| 1 | Tata Motors Limited | 50,000 | 12.47 | 50,000 | 12.47 |
| 2 | Tata Chemicals Ltd. | 48,000 | 11.97 | 48,000 | 11.97 |
| 3 | Tata Steel Ltd. | 28,616 | 7.14 | 28,616 | 7.14 |
| 4 | Ewart Investments Ltd. | 25,000 | 6.23 | 25,000 | 6.23 |
| 5 | Af-Taab Investment Co. Ltd. | 20,500 | 5.11 | 20,500 | 5.11 |
| 6 | Tata Motors Finance Limited( Formerly Known as Sheba Properties Ltd.) | 19,350 | 4.83 | 19,350 | 4.83 |
| 7 | Tata Industries Ltd. | 17,122 | 4.27 | 17,122 | 4.27 |
| 8 | Voltas Ltd. | 10,000 | 2.49 | 10,000 | 2.49 |
| 9 | The Indian Hotels Company Limited | 8,000 | 2.00 | 8,000 | 2.00 |
| 10 | Tata Power Limited | 3,500 | 0.87 | 3,500 | 0.87 |
| | **Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)** | **There was no change in the shareholding of top ten shareholders during the year** | | | |
| | **At the End of the Year (or on the date of separation, if separated during the year)** | | | | |
| 1 | Tata Motors Limited | 50,000 | 12.47 | 50,000 | 12.47 |
| 2 | Tata Chemicals Ltd. | 48,000 | 11.97 | 48,000 | 11.97 |
| 3 | Tata Steel Ltd. | 28,616 | 7.14 | 28,616 | 7.14 |
| 4 | Ewart Investments Ltd. | 25,000 | 6.23 | 25,000 | 6.23 |
| 5 | Af-Taab Investment Co. Ltd. | 20,500 | 5.11 | 20,500 | 5.11 |
| 6 | Tata Motors Finance Limited( Formerly Known as Sheba Properties Ltd.) | 19,350 | 4.83 | 19,350 | 4.83 |
| 7 | Tata Industries Ltd. | 17,122 | 4.27 | 17,122 | 4.27 |
| 8 | Voltas Ltd. | 10,000 | 2.49 | 10,000 | 2.49 |
| 9 | The Indian Hotels Company Limited | 8,000 | 2.00 | 8,000 | 2.00 |
| 10 | Tata Power Limited | 3,500 | 0.87 | 3,500 | 0.87 |

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

| For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| **At the Beginning of the Year** | None of the Directors/KMP hold shares in the Company | | | |
| **Date Wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)** | None of the Directors/KMP hold shares in the Company | | | |
| **At the End of the Year** | None of the Directors/KMP hold shares in the Company | | | |

V. **INDEBTEDNESS –**

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

**(Rs in Lakhs)**

| Particulars | Secured loan excluding deposits | Unsecured loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| Principal Amount | 25824.4 | 34,610.65. | - | 60435.05 |
| Interest due but not paid | - | - | - | - |
| Interest accrued but not due | - | 105.81 | - | 105.81 |
| **Total (1+2+3)** | **25,824.4** | **34,716.46** | **-** | **60,540.86** |
| **Changes in Indebtedness during the financial year (net)** | | | | |
| + Addition | 17,396.57 | 985.65 | | 18,382.22 |
| - Reduction | - | | | - |
| **Net Change** | **17,396.57** | **985.65** | | **18,382.22** |
| **Indebtedness at the end of the financial year** | | | | |
| Principal Amount | 43,220.97 | 35,528.60 | | 78,749.58 |
| Interest due but not paid | - | 173.50 | - | 173.50 |
| Interest accrued but not due | - | | - | |
| **Total (1+2+3)** | **43,220.97** | **35,702.11** | **-** | **78,923.08** |

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

| | Particulars of remuneration | Mr. Noel N Tata, Managing Director | Mr. Anand Sen | Total amount (Rs) |
|---|---|---|---|---|
| 1. | Gross Salary | | | |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 6,74,28,004 | 80,22,410 | 7,54,50,414 |
| | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 39,600 | 9,900 | 49,500 |
| | c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2. | Stock option | - | - | - |
| 3. | Sweat equity | - | - | - |
| 4. | Commission | - | - | - |
| | - As a % of profits | - | - | - |
| | - Others (specify) | - | - | - |
| 5. | Others (please specify) | - | - | - |
| | **TOTAL** | **67,467,604** | **80,32,310** | **7,54,99,914** |

**Remuneration to other directors**

**1. Independent Directors** ( in Rupees)

| Particulars of Remuneration | Mr. Gopal Krishna Pillai | Mr. Deepak PremNarayen | Total Amount |
|---|---|---|---|
| Fee for attending Board / committee meetings | 9,90,000 | 9,40,000 | 19,30,000 |
| Commission | NIL | NIL | |
| Others, please specify | NIL | NIL | |
| **Total (B)(1)** | **9,90,000** | **9,40,000** | **19,30,000** |

**2. Other Non-Executive Directors**

| Particulars of Remuneration | Name of Directors | | | Total Amount |
|---|---|---|---|---|
| | Mr. Ramakrishnan Mukundan | Ms. Sandhya Kudtarkar | Mr. Anand Sen* | |
| Fee for attending Board / committee meetings | 4,60,000 | 7,50,000 | 50,000 | 12,60,000 |
| Commission | NIL | NIL | NIL | NIL |
| Others, please specify | NIL | NIL | NIL | NIL |
| **Total (B)(2)** | **4,60,000** | **7,50,000** | **50,000** | **12,60,000** |

**B. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD**

| Sr. No | Particulars of remuneration | Name of the Key Managerial Personnel | Total Amount (Rs) |
|---|---|---|---|
| | | Mr. Ajay Murlidhar Ponkshe (Company Secretary & CFO) | |
| 1. | Gross Salary | | |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 1,34,41,521 | 1,34,41,521 |
| | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - |
| | c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961 | - | - |
| 2. | Stock option | - | - |
| 3. | Sweat equity | - | - |
| 4. | Commission | - | - |
| | - As a % of profits | - | - |
| | - Others (specify) | - | - |
| 5. | Others (please specify) Consultancy Fee | 11,40,000 | 11,40,000 |
| | **TOTAL** | **1,45,81,521** | **1,45,81,521** |

**VI. Penalty or punishment imposed on the Company, its Directors or Officers and details of compounding of offences and appeals made against such penalty or punishment;**

| Type | Section of the Companies Act 2013 | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **Company** | | | NONE | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **Directors** | | | NONE | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **Other Officers In Default** | | | NONE | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**Gopal Krishna Pillai**
**Chairman**
**DIN: 02340756**

Mumbai

# ANNEXURE E

## A. CONSERVATION OF ENERGY

**I. The steps taken for impact on conservation of energy (total savings of ~378 units/day)**

a. Speed reduction in 2 nos wooden drums in LFU by fixing big sprocket ( 40 units/day saving)

b. Stop idle running of machines by installing timers (43 units/day saving)

c. Replacing 20 nos.of conventional HPSV street lights of 250 W to 75 W LED lights ( 35 units/day saving)

d. Requirement based operation of compressor and putting small compressors at various remote locations ( 200 units / day)

e. Reduction of speed of surface aerator blowers ( 60 units / day)

**II. The steps taken to reduce coal consumption (total reduction in coal consumption ~3.5 tons/day)**

a. Change of old rusted condensate recovery line from LFU to Hot water tank for steam operated machines resulting in temperature rise of condensate from 70 degree centigrade to 90 degree centigrade.

b. Use of steam traps of latest technology at all steam consuming machines to maximize condensate recovery.

c. Insulation of steam lines almost all bare steam lines.

d. Regular maintenance of steam traps.

e. Timely repair and maintenance of hot water solar system.

## B. TECHNOLOGY ABSORPTION

**i. The efforts made towards technology absorption-**

(a) Steps initiated for the Usage of ZDHC-MRSL compliant chemicals in production process to ensure chemically safe products & Waste water.

(b) Steps initiated for Carbon Foot Print calculation and reduction of GHG emission due to Production process.

(c) Physical Testing facility created for Automotive Leather for Major OEM's like Suzuki, FCA , Honda aligned to the GST Livonia Excellence Centre by acquisition of machine ,method and data correlation.

(d) Retanning agent developed from Solid waste of chrome free leather to protect environment

(e) Process developed for comprehensive solution for tea waste recycling i.e. tanning agent, activated carbon and gainful utilization of energy.

(f) Multiple Effect Evaporator and ATFD installed at ETP thereby ZLD facility installed at Effluent Treatment Plant.

**Chemicals:**

a. Sales of value added products from waste like Bio 40, Protein filler have created revenue of Rs. 0.8 crore in FY-20 with better margins than previous year by working on production cost reduction for this nearly 456 M tons of solid waste utilized for making value added products.

b. R&D developed sustainable processes implemented in bulk for saving of chemicals, time and energy also substitution of R&D chemical saved INR 2.24 Crore in FY 20.

c. Chemical Auxiliary Production Unit (CAPU) manufactured nearly 165 tons of chemicals in FY-17 thereby saved Rs. 1.12 crores against substitution of commercial chemicals in leather production.

d. Developed tanning agent from Chrome free solid waste of leather industry.

e. Developed compact binder for in-house consumption.

f. Recovery of usable water improved by controlled bio-digestion, RO operation followed by installation of MEE and ATFD of waste water treatment of tannery effluent.

**III. Benefits derived like product improvement, cost reduction, product development or import substitution :**

(a) R&D activities generated altogether savings of INR 5.18 Cr in FY 20 by implementation of R&D processes, sale of waste recycled chemicals, Re-cycling of water through ZLD process and substitution of R&D chemicals in FY20.

(b) Sustainable environment efforts made by R&D are well accepted in global leather industry thereby creating benchmark across the industry

(c) Leather solid waste generated in production process has been efficiently recycled into saleable products. This has provided an indirect saving on disposal of solid waste as well.

(d) Environmental clearance obtained for 5 Years from pollution control board through our sustainable efforts on liquid and solid waste management.

(e) Participating and presented in Educational institutes, Tata Innoverse and Tata Innovista.

(f) Introduced new leather chemicals in production to cut cost & safe product production.

(g) Certification like QMS, EMS and LWG gold rating.

**Gopal Krishna Pillai**
Chairman
DIN: 02340756

Mumbai
June 23, 2020

# ANNEXURE F

## Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1

Statement containing salient features of the financial statement of Subsidiaries / Associate companies / Joint Ventures

### Part A: Subsidiaries

( crores)

| Sr. No. | Name of the subsidiary | The date sincewhen subsidiary was acquired | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Reporting currency | Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed dividend | % of shareholding * | PL rate |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Tata International Limited | 1/Sep/2010 | Apr-Mar | INR | 1.00 | 40.10 | 1,329.93 | 3,686.85 | 2,316.83 | 467.45 | 4,533.37 | -53.86 | -34.93 | -88.79 | - | | 1 |
| 2 | Euro Shoe components Limited | 26/Dec/2010 | Apr-Mar | Merged | - | - | - | - | - | - | - | - | - | - | - | | NA |
| 3 | Calsea Footwear Private Limited | 9/May/2011 | Apr-Mar | INR | 1.00 | 18.50 | 2.44 | 99.47 | 78.53 | 0.65 | 129.22 | -1.78 | -2.95 | -4.73 | - | 100.00% | 1 |
| 4 | Tata West Asia FZE | 1/Sep/2010 | Apr-Mar | AED | 19.29 | 15.24 | -4.89 | 10.46 | 0.10 | - | - | -0.13 | - | -0.13 | - | 100.00% | 19.2929 |
| 5 | Tata Africa Holdings (SA) (Proprietary) Limited | 1/Sep/2010 | Apr-Mar | ZAR | 4.23 | 77.39 | -22.95 | 477.44 | 422.99 | 101.76 | 14.59 | -22.24 | -0.21 | -22.45 | - | 100.00% | 4.7976 |
| 6 | Pamodzi Hotels Plc | 1/Sep/2010 | Apr-Mar | ZMW | 4.16 | 0.56 | 11.52 | 27.78 | 15.69 | - | 41.73 | -1.55 | -0.74 | -2.29 | - | 90.00% | 5.1830 |
| 7 | Tata Zambia Limited | 1/Sep/2010 | Apr-Mar | ZMW | 4.16 | 0.72 | 40.73 | 166.10 | 124.65 | 0.00 | 150.78 | -9.35 | -1.12 | -10.47 | - | 100.00% | 5.1830 |
| 8 | Tata Africa Holdings (Ghana) Limited | 1/Sep/2010 | Apr-Mar | USD | 75.67 | 46.36 | -31.09 | 183.97 | 168.70 | - | 99.27 | -1.98 | -0.53 | -2.51 | - | 100.00% | 70.8436 |
| 9 | Alliance Motors Ghana Limited | 13/Nov/2012 | Apr-Mar | USD | 75.67 | 46.88 | -31.03 | 73.13 | 57.28 | - | 52.43 | -2.75 | 1.76 | -0.99 | - | 100.00% | 70.8436 |
| 10 | Tata Automobile Corporation (SA) (Proprietary) Limited | 1/Sep/2010 | Apr-Mar | ZAR | 4.23 | 0.00 | 76.78 | 231.90 | 155.12 | 3.62 | 327.16 | 8.40 | -4.11 | 4.29 | - | 100.00% | 4.7976 |
| 11 | Tata Holdings Mocambique Limitada | 1/Sep/2010 | Apr-Mar | MZN | 1.13 | 7.41 | 7.87 | 74.42 | 59.13 | 14.45 | 31.13 | 29.48 | -12.17 | 17.31 | - | 100.00% | 1.1340 |
| 12 | Tata De Mocambique, Limitada | 1/Sep/2010 | Apr-Mar | MZN | 1.13 | 0.06 | 50.76 | 125.26 | 74.45 | - | 238.11 | 22.21 | -9.93 | 12.28 | - | 65.00% | 1.1340 |
| 13 | Cometal, S.A.R.L. | 1/Sep/2010 | Apr-Mar | MZN | 1.13 | 4.46 | -3.50 | 1.11 | 0.15 | - | 0.02 | 4.41 | - | 4.41 | - | 71.00% | 1.1340 |
| 14 | Tata Uganda Limited | 1/Sep/2010 | Apr-Mar | UGX | 0.02 | 3.57 | 74.35 | 155.92 | 78.00 | - | 240.82 | 19.06 | -5.59 | 13.47 | - | 100.00% | 0.0191 |
| 15 | Tata Africa Holdings (Tanzania) Limited | 1/Sep/2010 | Apr-Mar | TZS | 0.03 | 3.43 | 44.46 | 282.26 | 234.38 | - | 345.43 | 7.96 | -1.76 | 6.20 | - | 100.00% | 0.0308 |
| 16 | Tata Africa Services (Nigeria) Limited | 1/Sep/2010 | Apr-Mar | NGN | 0.21 | 146.02 | -36.45 | 496.81 | 387.24 | - | 407.01 | 25.52 | 1.69 | 27.21 | - | 100.00% | 0.1958 |
| 17 | TATA Africa Holdings (Kenya) Limited | 1/Sep/2010 | Apr-Mar | KES | 0.72 | 39.58 | -8.34 | 236.98 | 205.73 | - | 210.89 | -4.32 | -11.79 | -16.11 | - | 100.00% | 0.6930 |
| 18 | Blackwood Hodge Zimbabwe (Private) Limited | 1/Sep/2010 | Apr-Mar | USD | 75.67 | 4.71 | -2.85 | 61.12 | 59.25 | - | 13.30 | -0.21 | -0.67 | -0.88 | - | 100.00% | 70.8436 |
| 19 | Tata Africa Steel Processors (Proprietary) Limited | 1/Sep/2010 | Apr-Mar | ZAR | 4.23 | 11.53 | -11.73 | 0.18 | 0.38 | - | 5.34 | -0.21 | -0.67 | -0.88 | - | 100.00% | 4.7976 |
| 20 | Tata International Unitech (Senegal) SARL | 1/Sep/2010 | Apr-Mar | XOF | 0.13 | 16.23 | 13.58 | 193.22 | 163.41 | - | 128.83 | 0.30 | -2.26 | -1.96 | - | 70.00% | 0.1210 |
| 21 | Newshelf 1369 Pty Ltd | 1/Oct/2016 | Apr-Mar | ZAR | 4.23 | 3.62 | 1.85 | 84.31 | 78.83 | - | 55.59 | 0.52 | -0.77 | -0.25 | - | 100.00% | 4.7976 |
| 22 | Tata Africa (Cote D'Ivorie) SARL | 19/Mar/2012 | Apr-Mar | XOF | 0.13 | 35.81 | -10.09 | 55.40 | 29.68 | - | 59.47 | -2.72 | -0.34 | -3.06 | - | 100.00% | 0.1210 |

( crores)

| Sr. No. | Name of the subsidiary | The date sincewhen subsidiary was acquired | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Reporting currency | Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed dividend | % of shareholding * | PL rate |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 23 | Tata International Singapore Pte Ltd | 1/Nov/2011 | Apr-Mar | USD | 75.67 | 106.69 | -651.05 | 3,526.30 | 4,070.66 | 1,910.04 | 5,221.01 | -645.50 | -1.15 | -646.65 | - | 100.00% | 70.8436 |
| 24 | Tata International Metals (Americas) Limited | 19/Nov/2012 | Apr-Mar | USD | 75.67 | 124.47 | 0.00 | 556.25 | 431.78 | - | 1,566.56 | -6.66 | 0.00 | -6.66 | - | 100.00% | 70.8436 |
| 25 | Tata International Metals (UK) Limited | 19/Nov/2012 | Apr-Mar | USD | 75.67 | 82.46 | 13.46 | 130.88 | 34.96 | - | 344.22 | 2.60 | -0.53 | 2.07 | - | 100.00% | 70.8436 |
| 26 | Tata International Vietnam Company Limited | 9/Jun/2016 | Apr-Mar | VND | 0.00 | 1.13 | -9.24 | 26.74 | 34.84 | - | 21.08 | -2.52 | - | -2.52 | - | 100.00% | 0.0030 |
| 27 | Tata International Metals (Asia) Limited | 19/Nov/2012 | Apr-Mar | HKD | 9.08 | 90.26 | 16.98 | 342.84 | 235.60 | 46.87 | 2,185.04 | -4.97 | -0.02 | -5.00 | - | 100.00% | 9.0825 |
| 28 | Tata International West Asia DMCC | 6/Nov/2014 | Apr-Mar | USD | 75.67 | 18.89 | 24.54 | 867.05 | 823.62 | - | 2,777.86 | 17.36 | - | 17.36 | - | 100.00% | 70.8436 |
| 29 | Motor-Hub East Africa Limited | 29/May/2015 | Apr-Mar | USD | 75.67 | 25.73 | -1.15 | 164.53 | 139.96 | - | 209.97 | 2.47 | -4.31 | -1.84 | - | 100.00% | 70.8436 |
| 30 | Alliance Finance Corporation Limited | 18/Apr/2017 | Apr-Mar | USD | 75.67 | 29.43 | 11.20 | 83.58 | 42.95 | - | 18.83 | 8.57 | -2.72 | 5.85 | - | 100.00% | 70.8436 |
| 31 | Tata South East Asia (Cambodia ) Limited | 19/Mar/2013 | Apr-Mar | HKD | 9.08 | 0.01 | -6.42 | 1.98 | 8.39 | - | - | -0.02 | - | -0.02 | - | 100.00% | 9.0825 |
| 32 | Tata South-East Asia Limited | 1/Sep/2010 | Apr-Mar | HKD | 9.08 | 62.41 | -54.48 | 16.31 | 8.38 | 0.03 | 97.89 | -0.13 | -0.80 | -0.94 | 0 | 100.00% | 9.0825 |
| 33 | TIL Leather Mauritius Limited | 10/Nov/2010 | Apr-Mar | EUR | 82.77 | 311.66 | -323.30 | 0.95 | 12.59 | - | - | -208.28 | - | -208.28 | - | 100.00% | 78.6718 |
| 34 | Move On Componentes E Calcado S A | 9/May/2011 | Apr-Mar | EUR | 82.77 | 8.28 | 0.18 | 34.71 | 26.25 | - | 25.69 | -9.99 | -0.08 | -10.07 | - | 100.00% | 78.6718 |
| 35 | Move On Retail Spain S L | 3/Jan/2012 | Apr-Mar | EUR | 82.77 | 27.96 | -27.91 | 0.11 | 0.06 | - | - | -0.07 | - | -0.07 | - | 100.00% | 78.6718 |
| 36 | Monroa Portugal, Comercio E Servicos, Unipessoal LDA | 31/Dec/2011 | Apr-Mar | EUR | 82.77 | 0.04 | 28.40 | 28.48 | 0.04 | 27.96 | - | -0.07 | -0.02 | -0.09 | - | 100.00% | 78.6718 |
| 37 | Tata International Canada Ltd | 17/Nov/2016 | Apr-Mar | USD | 75.67 | - | -0.03 | 0.60 | 0.63 | - | 0.69 | -0.04 | - | -0.04 | - | 100.00% | 70.8436 |
| 38 | Tata Zimbabwe (Private) Limited | 1/Sep/2010 | Dormant | NA | - | - | - | - | - | - | - | - | - | - | 100.00% | NA | |
| 39 | Tata International Metal SA Pty. Ltd. | 13/Jul/2017 | Apr-Mar | ZAR | 4.23 | 6.35 | -6.14 | 0.56 | 0.35 | - | 0.65 | 4.97 | - | 4.97 | - | 100.00% | 4.7976 |
| 40 | Tata International Metals (Guangzhou) Limited | 17/May/2019 | Apr-Mar | NA | - | - | - | - | - | - | - | - | - | - | - | 100.00% | NA |
| 41 | AFCL Ghana Limited | 12/Mar/2019 | Apr-Mar | GHC | 13.06 | 15.13 | 13.80 | 56.78 | 27.85 | - | 55.21 | 0.40 | (0.12) | 0.28 | - | 100.00% | 13.06 |
| 42 | AFCL Zambia Limited | 26/Apr/2019 | Apr-Mar | ZMW | 4.16 | 1.32 | 22.00 | 32.07 | 8.74 | - | 16.30 | 5.28 | (1.74) | 3.54 | - | 100.00% | 5.1830 |
| 43 | Alliance Leasing Limited | 17/Apr/2019 | Apr-Mar | KES | 0.72 | 15.13 | -0.47 | 15.35 | 0.69 | - | 0.18 | -0.10 | 0.03 | -0.07 | - | 100.00% | 0.6930 |
| 44 | AFCL Premium Services Limited | 27/May/2019 | Apr-Mar | NGN | 0.21 | 1.41 | 13.41 | 14.91 | 0.09 | - | 2.02 | -0.13 | 0.03 | -0.10 | - | 100.00% | 0.1958 |
| 45 | Stryder Cycle Private Limited | 24/Apr/2019 | Apr-Mar | INR | 1.00 | 0.01 | 5.73 | 29.19 | 23.45 | 3.02 | 45.44 | 0.53 | 0.52 | 1.05 | - | 100.00% | 1.0000 |
| 46 | AFCL RSA (Pty) Limited | 14/Oct/2019 | Apr-Mar | NA | - | - | - | - | - | - | - | - | - | - | - | 100.00% | NA |
| 47 | TISPL Trading Company Limited | 17/Nov/2019 | Apr-Mar | NA | - | - | - | - | - | - | - | - | - | - | - | 100.00% | NA |
| 48 | Société Financière Décentralisé Alliance Finance Corporation Senegal | 17/Mar/2020 | Apr-Mar | XOF | 0.13 | 2.10 | 0.01 | 2.11 | - | - | - | - | - | - | - | 100.00% | 0.1210 |

* % of share holding of the Company and its subsidiaries

**Additional details:**

**I Name of subsidiaries which are yet to commence operation**

**AFCL RSA (Pty) Limited (100% TISPL w.e.f 14 Oct 2019)**

1 Tata International Metals (Guangzhou) Limited (100% TIMAL w.e.f 17 May 2019)

2 TISPL Trading Company Limited (100% TISPL w.e.f 17 Nov 2019)

**II Name of subsidiaries which have been liquidated or sold during the year**

1 Euro Shoe components Limited Mergedmerged with Calsea footwear

2 Cometal, S.A.R.L. Sold

# Part B : Associations and Joint Ventures

## Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies nad Joint Ventures

### Joint Ventures

(Rs. in lakh)

| | Name of the entity | Latest audited balance sheet date | Date on which the Associate or Joint Venture was associated or acquired | Reporting currency | Shares of the Associate / Joint Ventures held by the Company as on March 31, 2020 | | | Description of how there is significant influence | Reason why the Associate / Joint Venture is not consolidated | Networth attributable to shareholding as per latest balance sheet ( crores) | Share of Profit / Loss for the year | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | No of shares held by the company in associate / joint venture * | Amount of investment in associate / joint venture* ( crores) | Extent of holding (in percentage)* | | | | Considered in Consolidation ( crores) | Not Considered in Consolidation ( crores) |
| **A.** | **Associates** | | | | | | | | | | | |
| 1 | Tata Ceramics Limited | Sold | 12th Sep 2011 | INR | Sold | - | 40.54% | | Sold | - | - | |
| 2 | Accordian Investments (Propreitary) Limited | Sold | 19th May 2004 | ZAR | Sold | - | 40.00% | | Sold | - | - | |
| 3 | Tata Motors (SA) (Pty) Limited | 31-Mar-20 | 5th Dec 2007 | ZAR | 7,934,800 | 3.36 | 40.00% | Representation on the board and active participation in meetings and deliberation | | 6.88 | 0.81 | |
| 4 | Imbanita Consulting And Engineering Services (Pty) Ltd | 31/12/2019 | 30th Nov 2018 | ZAR | 490 | 0.00 | 49.00% | Representation on the board and active participation in meetings and deliberation | | 0.00 | - | |
| **B.** | **Joint Ventures** | | | | | | | | | | | |
| 1 | Consilience Technologies (Pty) Limited | 31-Mar-20 | 12th Dec 2006 | ZAR | 2,500,000 | 1.06 | 50.00% | Representation on the board and active participation in meetings and deliberation | | - | - | |
| 2 | IHMS Hotels (SA) (Pty) Limited | 31-Mar-20 | 7th Jun 2006 | ZAR | 500 | 36.72 | 50.00% | Representation on the board and active participation in meetings and deliberation | | - | -3.21 | |
| 3 | Ferguson Place (Pty) Limited | 31-Mar-20 | 18th Sep 2007 | ZAR | 200 | 15.24 | 50.00% | Representation on the board and active participation in meetings and deliberation | | 19.83 | 2.19 | |
| 4 | Women in Transport | 31/12/2019 | 1st Apr 2018 | ZAR | partnership firm | 0.36 | 50.00% | Representation on the board and active participation in meetings and deliberation | | 0.55 | 0.26 | |
| 5 | Tata International DLT Private Limited | 31-Mar-20 | 29th June 2005 | INR | 85,400 | 8.54 | 50.00% | Representation on the board and active participation in meetings and deliberation | | 27.13 | 0.24 | |
| 6 | Tata Precision Industries (India) Limited | 31-Mar-20 | 28th July 1995 | INR | 200,000 | - | 50.00% | Representation on the board and active participation in meetings and deliberation | | 2.20 | 0.11 | |
| 7 | Tata International GST AutoLeather Limited | 31-Mar-20 | 13th March 2014 | INR | 2,150,000 | 2.15 | 50.00% | Representation on the board and active participation in meetings and deliberation | | 1.00 | -0.02 | |
| 8 | T/A Tata International Cape Town | 31-Mar-20 | 01-Feb-20 | ZAR | partnership firm | 0.37 | 50.00% | Representation on the board and active participation in meetings and deliberation | | - | -0.07 | |
| 9 | AO Avron | Dormant | | ZAR | Dormant | | 32.00% | | Dormant | | | |
| 10 | Tata International Wolverine Brands Limited | Non operative | | ZAR | Non operative | - | | | Non operative | - | | |

* Number of shares, amount of investment and extent of holding by the Company and its subsidiaries

**Note :**

**I Name of associates or joint ventures which are yet to commence operation -Nil**

**II Name of associates or joint ventures which have been liquidated or sold during the year**

1 Tata Ceramics Limited

2 Accordian Investments (Propreitary) Limited

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Tata International Limited**

**Report on the Audit of the Standalone Ind AS Financial Statements Opinion**

We have audited the accompanying standalone Ind AS financial statements of **Tata International Limited** (" the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of 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 standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended (" the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act . Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Emphasis of Matter**

We draw attention to note 45 to the Standalone Ind AS Financial Statements, which describes Management's assessment of the impact of Covid 2019 pandemic on the business operations of the Company, its cash flows and the recoverable amounts of its assets. Our opinion is not modified in this respect.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Significant judgments related to testing for impairment, the carrying amount of goodwill, investment in subsidiaries and loan to subsidiaries** (*as described in Note 03 (d), Note 04(a), Note 05 (a) and 05(b) and note 6 of the standalone Ind AS financial statements*) | |
| The Company has goodwill of Rs. 16,873.60 lakhs, investment in subsidiaries of Rs. 13,743.55 lakhs and loan given to subsidiaries (including interest thereon) of Rs. 87,767.66 lakhs as at the balance sheet date.<br><br>Goodwill is tested for impairment annually. Management assesses, at least annually, whether there exist impairment indicators in respect of its investment in subsidiaries and also loans thereto. | As part of our audit procedures, we :<br>• Understood the Company's processes to assess impairment, including the design and implementation of related controls. We tested the operating effectiveness of such controls.<br>• Assessed methodology used by Management to estimate recoverable amount, for compliance with applicable Accounting Standards. |

| | |
|---|---|
| Management's process for assessing and determining recoverable amount is based on multiple judgments and assumptions relating to identification of impairment indicators, forecasts of future cashflows, long-term growth rates and discount rates applied to such cash flows.<br><br>Considering the complexity associated with use of assumptions and judgments inherent to the forecasting of cash flows, we regard this as a key audit matter. | • Where impairment indicators were identified by Management, obtained and read cash flow forecasts, and evaluated the key assumptions and estimates used in preparing those.<br><br>• Involved our valuation experts as necessary, and where the Company used the work of an external specialist, assessed objectivity and independence of such specialists.<br><br>• Tested arithmetical accuracy of the calculations and assessed the accounting treatment applied, and disclosures made in standalone Ind AS financial statements, for compliance with Accounting Standards. |

| **Key audit matters** | **How our audit addressed the key audit matter** |
|---|---|
| Recoverability of carrying amount of deferred tax asset s *(as described in Note 34 of the standalone Ind AS financial statements)* | |
| As at March 31, 2020, the carrying amount of deferred tax assets is Rs. 4,495.78 lakhs.<br><br>The recoverability of these assets is dependent on its realisability within the allowed time frame, estimates of availability of sufficient taxable income in the future and judgements in the interpretation of tax regulations and positions adopted by the Company.<br><br>Considering the complexity associated with use of assumptions and judgments inherent to the forecasting availability of sufficient taxable income in future, we regard this as a key audit matter. | As part of our audit procedures, we:<br><br>• obtained an understanding of the process adopted by the Management in making estimates of future incomes and expenses and the consequential taxable incomes. We tested the operating effectiveness of such controls.<br><br>• evaluated Management's methodology, assumptions and estimates used in preparation of projections of future taxable income, taking into account an interpretation of taxation laws and the positions adopted by the Company in that regard.<br><br>• involved our tax specialists to evaluate the tax positions adopted by the Company.<br><br>• tested the arithmetical accuracy of the calculations relating to deferred tax amounts and balances.<br><br>• assessed the disclosures relating to deferred taxes in the standalone Ind AS financial statements for compliance with accounting standards. |
| Determination of the Net Realisable Value (NRV) on coal inventories held as stock-in-trade *(as described in Note 8 of the standalone Ind AS financial statements)* | |
| As at March 31, 2020, the Company carries an inventory of Coal aggregating Rs. 57,688.74 lakhs, held as stock-in-trade. The Company has recognized an adjustment of Rs 8,890.78 lakhs as a reduction in cost to reflect the net realizable value of such inventory.<br><br>Determination of net realizable value of inventories involves making an estimate of the amount that inventories are expected to realize in future, taking into account the most reliable evidence available at the time of making such estimates. These estimates take into consideration fluctuations of price directly relating to events occurring after the balance sheet date, to the extent that such events confirm conditions existing at the time of making such estimates. | As part of our audit, we:<br><br>• Read the Company's accounting policy to assess compliance with the relevant requirements of Accounting Standard Ind AS 2 – Inventories<br><br>• Understood the Company's process and internal controls over measurement of cost of inventories and for estimating net realizable value. We tested the operating effectiveness of such controls.<br><br>• Obtained a listing prepared by Management, comparing cost of inventories as at March 31, 2020, with the net realizable value and tested whether inventory is valued in accordance with the accounting policy in this regard. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| The determination of net realizable value requires consideration of internal and external information and involves making significant judgments. Considering these factors and the materiality of the amounts involved, we consider this to be a key audit matter. | • Obtained from Management, details relating to sales by the Company completed after the balance sheet date, to establish the realizable values. We also obtained from Management, the internal and external data relating to selling prices, storage costs / other costs to complete, and other relevant factors including the period over which the inventories are expected to be sold after the balance sheet date, that it considered in determining net realizable value of inventory, and which respect to which we performed our testing on a sample basis, including tests of arithmetical accuracy.<br>• Read the standalone Ind AS financial statements to assess accounting treatment and disclosures in this regard. |

**Other Information**

The Company's Board of Directors is responsible for the Other Information. Other Information comprises the information included in the annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the Other Information and in doing so, consider whether such Other Information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The annual report was not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

**Responsibilities of Management for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is 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 management 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 Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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.
- 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 system 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (" the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the " Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the

Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in " Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in note 27(a) and 28(a) to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer note 16(b) and note 40 to the standalone Ind AS financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership Number: 101143 UDIN: 20101143AAAABJ6182

Place of Signature: Mumbai
Date: 24 June 2020

**Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

Re: Tata International Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) Certain fixed assets were physically verified during the year by the Management, in accordance with a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company except the following:

| Property | Carrying value as at March 31, 2020 | Remarks |
|---|---|---|
| Land and building located at 148,149,160,161,46B, 46A & 46C Sipcot Indl Complex, land at 46, 48/B and land at Pinchi village, Ranipet.<br>Land and building located at 162, factory building located at Ambur. | Rs. 673 lakhs | Title deeds are in the name of Bachi Shoes India Private Limited, the erstwhile company that merged with the Company effective April 1, 2015. |

(ii) Inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Substantial portion of inventories lying with third parties have been confirmed by them as at March 31, 2020 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment / receipts are regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security in respect of any party covered under the section 185 of the Act. In respect of loans / advances given, investments made and, guarantees and securities given, the provisions of section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the processing of steel and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service-tax, duty of customs, Goods and Services Tax, duty of excise, value added tax, income tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, service-tax, Goods and Services tax, sales-tax, duty of customs, value added tax, income tax, cess and other material statutory dues were outstanding, at the year-end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding as of the balance sheet date, of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount Involved (Rupees lakhs) | Year to which it relates | Forum where dispute is pending |
|---|---|---|---|---|
| The Central Excise Act, 1944 | Excise duty | 326.53 | FY 2014-15 | Custom, Excise & Service Tax Appellate Tribunal |
| The Customs Act, 1962 | DEPB / Drawback claim | 3,205.11 | FY 2003-04 to FY 2010-11 | Madhya Pradesh High Court |
| Finance Act, 1994 | Service Tax | 19.32 | FY 2004-05 to 2008-09 | Custom, Excise & Service Tax Appellate Tribunal |
| The Central Sales Tax Act, 1956 | Sales Tax | 356.76 | FY 2005-06 to FY2012-13 | Bihar High Court |
| The Central Sales Tax Act, 1956 | Sales Tax | 15.16 | FY 2003-04 | Sales Tax Appellate Tribunal |
| The Central Sales Tax Act, 1956 | Sales Tax | 9.87 | FY 2005-06 & FY 2007-08 | Assistant Commissioner |
| The Central Sales Tax Act, 1956 | Sales Tax | 387.41 | FY 2014-15 | Joint Commissioner |
| West Bengal Value Added Tax Act, 2003 | VAT | 326.07 | FY 2014-15 | Joint Commissioner |

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders. The Company did not have any outstanding loans or borrowing from government during the year.

(ix) According to information and explanations given by Management, the Company has not raised any money way of initial public offer / further public offer and term loans. Monies raised by way of debt securities were utilized for the purposes for which they were raised.

(x) Based upon audit procedures performed for the purpose of reporting the true and fair view of financial statements and according to the information and explanations given by Management, we report that no fraud by the Company or instances of fraud on the Company by its officers and employees , has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to Standalone Ind AS Financial Statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected thereto as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership Number: 101143 UDIN: 20101143AAAABJ6182

Place of Signature: Mumbai
Date: 24 June 2020

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TATA INTERNATIONAL LIMTED

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

We have audited the internal financial controls over financial reporting of Tata International Limited (" the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

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

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements as at March 31, 2020:

a. In the Agricultural trading division of the Company, documentation for timely approval of certain transactions of purchases and sales of traded goods, and for delivery of goods, was not available. This could potentially result in material misstatement in accounts balances of the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as of March 31, 2020.

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of Tata International Limited, which comprise the Balance Sheet as at March 31, 2020, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone Ind AS financial statements of Tata International Limited and this report does not affect our report dated 24 June 2020, which expressed an unqualified opinion on those standalone Ind AS financial statements.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership Number: 101143 UDIN: 20101143AAAABJ6182

Place of Signature: Mumbai
Date: 24 June 2020

## Standalone Balance Sheet as at 31st March, 2020

| Particulars | Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | Rs. in lakhs | Rs. in lakhs |
| **(I) ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, plant and equipment | 03 (a) | 8,247.58 | 8,507.05 |
| (b) Right of use asset | 03 (b) | 7,133.94 | - |
| (c) Capital work-in-progress | 03 (c) | 45.67 | 214.96 |
| (d) Goodwill | 03 (d) | 16,873.60 | 16,873.60 |
| (e) Other intangible assets | 03 (e) | 157.58 | 211.10 |
| (f) Intangible assets under development | 03 (f) | 214.72 | 107.11 |
| (g) Investments in subsidiaries, associates and joint ventures | 04 (a) | 14,962.55 | 13,639.36 |
| (h) Financial assets | | | |
| (i) Investments | 04 (b) | 27,281.41 | 27,274.56 |
| (ii) Loans | 05 (a) | 85,971.96 | 416.28 |
| (i) Non-current tax asset (net) | | 8,121.69 | 3,073.27 |
| (j) Deferred tax assets (net) | 34 | 4,495.78 | 10,431.80 |
| (k) Other non-current assets | 07 (a) | 773.85 | 1,124.80 |
| **Total non-current assets** | | **174,280.33** | **81,873.89** |
| **(2) Current assets** | | | |
| (a) Inventories | 8 | 93,015.47 | 83,458.73 |
| (b) Financial assets | | | |
| (i) Investments | 04 (c) | 4,501.32 | - |
| (ii) Trade receivables | 9 | 34,271.37 | 43,225.16 |
| (iii) Cash and cash equivalents | 10 | 19,157.46 | 3,706.33 |
| (iv) Bank balances other than (iii) above | 10 | 396.99 | 32.49 |
| (v) Loans | 05 (b) | 2,092.89 | 126,365.14 |
| (vi) Derivative assets | 40 | - | 639.79 |
| (vii) Other financial assets | 06 | 3,655.61 | 2,174.14 |
| (c) Other current assets | 07 (b) | 37,313.79 | 20,591.59 |
| (d) Assets classified as held for sale / disposal groups | 39 | - | 7,849.16 |
| **Total current assets** | | **194,404.90** | **288,042.53** |
| **TOTAL ASSETS** | | **368,685.23** | **369,916.42** |
| **(II) EQUITY AND LIABILITIES** | | | |
| **(1) Equity** | | | |
| (a) Equity share capital | 11 | 4,010.00 | 4,010.00 |
| (b) Unsecured perpetual securities | 12 | 80,000.00 | 120,000.00 |
| (c) Other equity | 13 | 52,992.71 | 74,810.61 |
| **Total equity** | | **137,002.71** | **198,820.61** |
| **(2) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Derivative liabilities | 40 | 6,898.09 | - |
| (ii) Lease liabilities | 33 | 872.75 | - |
| (iii) Other financial liabilities | 15 (a) | 130.11 | 119.57 |
| (b) Provisions | 16 (a) | 703.85 | 695.65 |
| **Total non-current liabilities** | | **8,604.80** | **815.22** |
| **(3) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14 | 78,749.58 | 60,435.05 |
| (ii) Trade payables | 17 | | |
| (i) total outstanding dues of micro enterprises and smallenterprises | | 778.98 | 358.91 |
| (ii) total outstanding dues of creditors other than microenterprises and small enterprises | | 110,371.07 | 92,745.70 |
| (iii) Derivative liabilities | 40 | 1,477.62 | 2,295.64 |
| (iv) Lease liabilities | 33 | 6,410.18 | - |
| (v) Other financial liabilities | 15 (b) | 471.37 | 307.93 |
| (b) Provisions | 16 (b) | 1,191.35 | 512.41 |
| (c) Other current liabilities | 18 | 23,627.57 | 7,395.46 |
| (d) Current tax liabilities (net) | | - | 39.27 |
| (e) Liabilities directly associated with assets classified as held for sale / disposal group | 39 | - | 6,190.22 |
| **Total current liabilities** | | **223,077.72** | **170,280.59** |
| **Total liabilities** | | **231,682.52** | **171,095.81** |
| **TOTAL EQUITY AND LIABILITIES** | | **368,685.23** | **369,916.42** |
| The accompanying notes form an integral part of the standalone financial statements | | | |

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership No: 101143

Place : Mumbai
Date : 24th June, 2020

**For and on behalf of the Board of Directors**

**G. K. Pillai**
Chairman
DIN : 02340756

**N N Tata**
Managing Director
DIN : 00024713

**A M Ponkshe**
Chief Financial Officer & Company Secretary

Place : Mumbai
Date :24th June, 2020

## Standalone Statement of Profit & Loss for the year ended 31st March, 2020

| Particulars | Note No. | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|---|
| | | Rs. in lakhs | Rs. in lakhs |
| **Continuing operations** | | | |
| **I** Revenue from operations | 19 | 453,336.54 | 482,431.02 |
| **II** Other income | 20 | 14,631.84 | 19,201.12 |
| **III Total income (I + II)** | | **467,968.38** | **501,632.14** |
| **IV Expenses** | | | |
| (a) Cost of materials consumed | | 64,260.50 | 66,474.86 |
| (b) Purchase of stock-in-trade | | 337,998.43 | 352,973.84 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 21 | (13,232.55) | (1,270.18) |
| (d) Employee benefits expense | 22 | 19,072.97 | 16,966.97 |
| (e) Finance costs | 23 | 6,613.25 | 4,746.67 |
| (f) Depreciation and amortisation expense | 24 | 2,009.39 | 2,373.70 |
| (g) Other expenses | 25 | 47,741.79 | 53,589.86 |
| **Total expenses (IV)** | | **464,463.78** | **495,855.72** |
| **V Profit before exceptional items and tax from continuing operations (III - IV)** | | 3,504.60 | 5,776.42 |
| **VI** Exceptional items | 26 | (8,890.78) | 793.68 |
| **VII Profit/(loss) before tax from continuing operations (V + VI)** | | (5,386.18) | 6,570.10 |
| **VIII Tax expense** | | | |
| (1) Current tax | 34 | | |
| (i) Current tax relating to current year | | 654.55 | 5,210.45 |
| (ii) Current tax relating to previous year | | (3,097.23) | - |
| (2) Deferred tax | 34 | 5,936.01 | (6,268.79) |
| **Total tax expense** | | **3,493.33** | **(1,058.34)** |
| **IX Profit/(loss) from continuing operations (VII - VIII)** | | **(8,879.51)** | **7,628.44** |
| **Discontinued operations** | 39 | | |
| Profit before from discontinued operations | | 129.77 | 521.62 |
| Tax expense of discontinued operations | | (45.35) | (182.27) |
| **Profit from discontinued operations** | | **84.42** | **339.35** |
| **Profit/(loss) for the year** | | **(8,795.09)** | **7,967.79** |
| **Other comprehensive income** | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| (a) Remeasurements of the defined benefit plans | | (187.40) | 3.46 |
| (b) Fair value of investments through other comprehensive income | | 36.49 | (275.14) |
| | | **(150.91)** | **(271.68)** |
| (ii) Income tax effect | | - | (94.94) |
| (iii) Deferred tax effect | | - | (34.85) |
| **X Other comprehensive income net of tax** | | (150.91) | (141.89) |
| **XI Total comprehensive income/(loss) for the year (IX + X)** | | **(8,946.00)** | **7,825.90** |
| **XII Earnings per share from continuing operations** | 41 | | |
| (1) Basic (in Rs.) | | (5,206.85) | 91.82 |
| (2) Diluted (in Rs.) | | (5,206.85) | 91.82 |
| **Earnings per share from discontinued operations** | 41 | | |
| (1) Basic (in Rs.) | | 21.05 | 84.63 |
| (2) Diluted (in Rs.) | | 21.05 | 84.63 |
| **Earnings per share from continuing and discontinued operations** | 41 | | |
| (1) Basic (in Rs.) | | (5,185.80) | 176.45 |
| (2) Diluted (in Rs.) | | (5,185.80) | 176.45 |

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership No: 101143

Place : Mumbai
Date : 24th June, 2020

**For and on behalf of the Board of Directors**

**G. K. Pillai**
Chairman
DIN : 02340756

**N N Tata**
Managing Director
DIN : 00024713

**A M Ponkshe**
Chief Financial Officer & Company Secretary

Place : Mumbai
Date :24th June, 2020

## Standalone Statement of Changes in Equity for the year ended 31st March, 2020

### A. Equity share capital

| Particulars | No. of Shares | Rs. in lakhs |
|---|---|---|
| **Balance as at 1st April, 2018 (Face value of Rs.1,000 each)** | 401,000 | 4,010.00 |
| Add : Issued during the year | - | - |
| Balance as at 31st March, 2019 (Face value of Rs.1,000 each) | 401,000 | 4,010.00 |
| **Balance as at 1st April, 2019 (Face value of Rs.1,000 each)** | 401,000 | 4,010.00 |
| Add : Issued during the year | - | - |
| Balance as at 31st March, 2020 (Face value of Rs.1,000 each) | 401,000 | 4,010.00 |

### B. Unsecured perpetual securities

| Particulars | No. of Securities | Rs. in lakhs |
|---|---|---|
| **Balance as at 1st April, 2018 (Face value of Rs.10 Lakhs each)** | 12,000 | 120,000.00 |
| Add : Issued during the year | - | - |
| Balance as at 31st March, 2019 (Face value of Rs.10 Lakhs each) | 12,000 | 120,000.00 |
| **Balance as at 1st April, 2019 (Face value of Rs.10 Lakhs each)** | 12,000 | 120,000.00 |
| Less: Repaid during the year | (12,000) | (120,000.00) |
| Add : Issued during the year | 8,000 | 80,000.00 |
| **Balance as at 31st March, 2020 (Face value of Rs.10 Lakhs each)** | **8,000** | **80,000.00** |

### C. Other Equity

Rs. in lakhs

| Particulars | Reserves & Surplus | | | | | Item of OCI | Total |
|---|---|---|---|---|---|---|---|
| | General Reserve | Security Premium | Contingency Reserve | Foreign Projects Reserve | Retained earnings | Other Reserves | |
| **Balance as at 1st April, 2018** | **10,872.01** | **18,090.00** | **50.00** | **35.00** | **45,538.11** | **203.51** | **74,788.63** |
| Profit for the year | - | - | - | - | 7,967.79 | - | 7,967.79 |
| Other comprehensive (loss) for the year | - | - | - | - | 38.31 | (180.20) | (141.89) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **8,006.10** | **(180.20)** | **7,825.90** |
| Dividend paid (including dividend tax thereon) | - | - | - | - | (543.67) | - | (543.67) |
| Distribution on unsecured perpetual securities (net of tax) | - | - | - | - | (7,260.25) | - | (7,260.25) |
| **Balance as at 31st March, 2019** | **10,872.01** | **18,090.00** | **50.00** | **35.00** | **45,740.29** | **23.31** | **74,810.61** |
| | | | | | | | |
| **Balance as at 1st April, 2019** | **10,872.01** | **18,090.00** | **50.00** | **35.00** | **45,740.29** | **23.31** | **74,810.61** |
| Impact of Adoption Ind AS 116 (refer note 33) | - | - | - | - | (267.66) | - | (267.66) |
| **Restated balance as at 1st April, 2019** | **10,872.01** | **18,090.00** | **50.00** | **35.00** | **45,472.63** | **23.31** | **74,542.95** |
| Profit for the year | - | - | - | - | (8,795.09) | - | (8,795.09) |
| Other comprehensive (loss) for the year | - | - | - | - | (187.40) | 36.49 | (150.91) |
| **Total comprehensive (loss) for the year** | **-** | **-** | **-** | **-** | **(8,982.49)** | **36.49** | **(8,946.00)** |
| Dividend paid (including dividend tax thereon) | - | - | - | - | (604.28) | - | (604.28) |
| Distribution on unsecured perpetual securities | - | - | - | - | (11,160.00) | - | (11,160.00) |
| Expense on issue of unsecured perpetual securities | - | - | - | - | (839.96) | - | (839.96) |
| **Balance as at 31st March, 2020 (Face value of Rs.10 Lakhs each)** | **10,872.01** | **18,090.00** | **50.00** | **35.00** | **23,885.90** | **59.80** | **52,992.71** |

**General reserve :** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

## Standalone Statement of Changes in Equity for the year ended 31st March, 2020

**Securities Premium :** Securities Premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of Companies Act, 2013.

**Contingency Reserve :** Surplus arising out of transfer of assets and liabilities net of costs of the Company's investment in its former subsidiary, are presented as a 'Contingency Reserve' which reserve as approved by the shareholders at an Extraordinary General Meeting and also as sanctioned by Order of the hon'ble High Court of judicature at Bombay, vide its order dated 11th February, 2005 may be utilised to the extent considered necessary by the Board of Directors of the Company from time to time for providing for any contingent liability (including but not limited to tax liabilities), diminution in value of and / or loss on sale of investments and other assets of the Company. If part or whole of the Contingency Reserve is no longer required for these purposes, the same can be transferred to General Reserve and shall be deemed to be the General Reserve for all purposes under the provisions of the Companies Act, 1956 as per the said Order.

**Reserve for equity instrument through other comprehensive income (OCI) :** This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the retained earnings when those assets have been disposed off.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership No: 101143

Place : Mumbai
Date :24th June, 2020

**For and on behalf of the Board of Directors**

**G. K. Pillai**
Chairman
DIN : 02340756

**N N Tata**
Managing Director
DIN : 00024713

**A M Ponkshe**
Chief Financial Officer & Company Secretary

Place :Mumbai
Date :24th June, 2020

## Standalone Cash Flow Statement for the year ended 31 March, 2020

| Particulars | For the year ended 31st March, 2020 | | For the year ended 31st March, 2019 | |
|---|---|---|---|---|
| | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs |
| **A. Cash flow from operating activities** | | | | |
| (Loss)/ Profit for the year | | (8,795.09) | | 7,967.79 |
| Adjustments for: | | | | |
| Exceptional Item | 8,890.78 | | (876.07) | |
| Income tax expense recognised in statement of profit and loss | 3,493.33 | | (1,014.70) | |
| Unrealised exchange loss | 1,359.58 | | 148.74 | |
| Allownace for doubtful debts | 270.06 | | 117.38 | |
| Trade, other receivables and advances written off | 119.10 | | (1,334.02) | |
| Liabilities / provisions no longer required written back | (284.92) | | 2,430.81 | |
| Depreciation and amortisation expense | 2,009.39 | | (793.68) | |
| Fair value (gain) / loss on commodity derivative | - | | 697.10 | |
| Fair value change on derivative | 3,260.33 | | - | |
| Profit on sale of units of mutual funds | (402.27) | | (156.07) | |
| (Profit)/ loss on Property, Plant and equipment sold / scrapped / written off (net) | (56.17) | | 18.14 | |
| Finance costs | 6,613.25 | | 4,994.60 | |
| Realised/ unrealised gain on swap contract | (1,254.17) | | (4,784.57) | |
| Commission on guarantee to subsidiary | (707.34) | | (954.16) | |
| Interest income | (8,181.25) | | (9,115.67) | |
| Dividend income | (147.91) | | (567.62) | |
| | | 14,981.79 | | (11,189.79) |
| **Operating profit/(Loss) before working capital changes** | | **6,186.70** | | **(3,222.00)** |
| Changes in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| Inventories | (18,447.52) | | (5,984.91) | |
| Trade receivables | 12,663.05 | | (17,053.87) | |
| Other financial assets - current | (814.03) | | (461.73) | |
| Other current assets | (16,722.20) | | (588.94) | |
| Other financial assets - non current | - | | 512.93 | |
| Other non - current assets | 344.04 | | 396.75 | |
| | | (22,976.66) | | (23,179.77) |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Trade payables | 12,902.00 | | 19,722.82 | |
| Non current Liabilities - Financial Others | 10.54 | | (47.35) | |
| Current Liabilities - Financial Others | 96.08 | | 132.82 | |
| Current Liabilities - non financial Others | - | | 39.01 | |
| Other current liabilities | 15,276.53 | | 434.70 | |
| Current provisions | 678.94 | | (31.90) | |
| Non current provisions | (179.20) | 28,784.89 | (124.92) | 20,125.18 |
| Cash generated from operations | | 11,994.93 | | (6,276.59) |
| Net income tax (paid) (net) | | (2,645.01) | | (4,928.74) |
| **Net cash flow from / (used in) operating activities (A)** | | **9,349.92** | | **(11,205.33)** |

## Standalone Cash Flow Statement for the year ended 31 March, 2020

| Particulars | For the year ended 31st March, 2020 | | For the year ended 31st March, 2019 | |
|---|---|---|---|---|
| | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs |
| **B. Cash flow from investing activities** | | | | |
| Purchase of Property, Plant and Equipment | (1,376.05) | | (801.10) | |
| Proceeds from sale of Property, Plant and Equipment | 325.58 | | 2,875.87 | |
| Repayment of loan from subsidiary | 125,740.47 | | - | |
| Loans given to subsidiaries | (87,181.39) | | (1,600.00) | |
| Commission income from Subsidiaries | 707.34 | | 954.16 | |
| Current investments | | | | |
| - Purchase of Mutual Funds | (152,437.84) | | | |
| - Proceeds from sale of Mutual Funds | 148,340.12 | | 826.74 | |
| Purchase of non current investments | - | | (2,240.00) | |
| Proceeds from sale of division/ subsidiaries | 405.88 | | - | |
| Interest received | 8,355.90 | | 9,070.54 | |
| Dividend received | 147.91 | | 567.62 | |
| Bank Balances not considered as cash and cash equivalents (net) | (364.50) | | (23.91) | |
| **Net cash flow from / (used in) investing activities (B)** | | **42,663.42** | | **9,629.92** |
| **C. Cash flow from financing activities** | | | | |
| Redemption of perpetual securities | (120,000.00) | | - | |
| Proceeds from issue of unsecured perpetual securities | 80,000.00 | | - | |
| Repayment of long-term borrowings | - | | (900.54) | |
| Proceeds from short-term borrowings (net) | 18,314.53 | | 13,607.91 | |
| Interest paid | (5,929.77) | | (4,918.95) | |
| Distribution on unsecured perpetual securities | (11,160.00) | | (11,160.00) | |
| Expense on issue of unsecured perpetual securities | (839.96) | | - | |
| Payment towards lease liabilities | | | | |
| - towards principal and initial registration cost | (439.60) | | - | |
| - towards interest | (616.13) | | - | |
| Dividends paid | (604.28) | | (540.21) | |
| Realised gain on derivative assets | 4,713.00 | | 4,784.57 | |
| **Net cash flow from / (used in) financing activities (C)** | | **(36,562.21)** | | **872.78** |
| **Net increase / (decrease) in Cash and cash equivalents (A+B+C)** | | **15,451.13** | | **(702.63)** |
| Cash and cash equivalents at the beginning of the year | | 3,706.33 | | 4,431.92 |
| **Cash and cash equivalents at the end of the year** | | **19,157.46** | | **3,729.29** |

| | | | | |
|---|---|---|---|---|
| Cash and cash equivalents as per Balance Sheet (Refer Note 10) | | 19,157.46 | | 3,706.33 |
| Add: Cash and Cash equivalent of discontinuing operations | | - | | 22.96 |
| **Total Cash and cash equivalents** | | **19,157.46** | | **3,729.29** |

The accompanying notes form an integral part of the standalone financial statementsIndirect method is used to prepare cash flow statementRefer note Note 14. Changes in liabilities arising from financing activities

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership No: 101143

Place : Mumbai
Date :24th June, 2020

**For and on behalf of the Board of Directors**

**G. K. Pillai**
Chairman
DIN : 02340756

**N N Tata**
Managing Director
DIN : 00024713

**A M Ponkshe**
Chief Financial Officer & Company Secretary

Place : Mumbai
Date : 24th June, 2020

## Notes forming part of the standalone financial statements

**1 (a). General information**

Tata International Limited was incorporated on 30th November 1962 as the international business gateway of the Tata Group of Companies. It has since evolved into an international entity with a global reach. Its main lines of businesses are manufacture and sale of leather and leather products, trading in metals, minerals and other commodities.

The Company's unsecured perpetual securities are listed on Bombay Stock Exchange.

**1 (b). Statement of compliance**

These Standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (Converged with International Financial Reporting Standards) notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements for the year ended 31st March 2020 were approved by the Board of Directors and authorised for issue on June 23, 2020.

**2. Significant Accounting Policies**

**(a) Basis of preparation**

The standalone 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. 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.

These financial statements have been prepared on accrual and going concern basis.

**(b) Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

**(c) Basis of measurement**

The standalone financial statements have been prepared on the historical cost basis except for the following items:

| Items | Measurement basis |
|---|---|
| Certain financial assets and liabilities (including derivatives instruments) | Fair value |
| Net defined benefit (asset)/ liability | Fair value of plan assets less present value of defined benefit obligations |

**(d) Use of estimates and judgments**

In preparing these standalone financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Following area where management has used the significant estimates judgments, estimates and assumptions

- **Impairment Assessment of Goodwill / Investments / Property, Plant & Equipment**

  The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Where there are indicators that assets may be impaired, the Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations

## Notes forming part of the standalone financial statements

generally cover a period of three to five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

- **Impairment Assessment of Goodwill**

  The Company estimates the value-in-use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on the historical market returns of comparable companies.

- **Impairment Assessment of Investments**

  The Company reviews it carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than it carrying amount, the impairment loss is accounted for.

- **Useful lives of Property, plant and equipment and Intangible**

  Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. The lives are dependent upon an assessment of both the technical lives of the assets and their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

- **Valuation and measurement of income taxes and deferred taxes**

  Provision of current and deferred tax liabilities is dependent on Management estimate of the allowability or otherwise of expenses incurred and other debits to profit or loss. Deferred tax assets (including Minimum alternate tax recoverable) are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- **Provisions and Contingencies**

  A provision (including provision for claims) is recognised when the Company has a present obligation because of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A tax provision is recognised when the Company has a present obligation as a result of past events, and it is probable that the Company will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements. When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific applicable law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decision.

- **Provision for employee benefit expenses**

  The present value of defined benefit obligations is determined on an actuarial basis using a number of underlying assumptions, including the discount rate and expected increase in salary costs. Any changes in these assumptions will impact the carrying amount of obligations.

- **Valuation of Inventory**

  The Company values its inventory based on the various methods prescribed by the standard i.e. specific identification method; FIFO (first-in, first-out) and weighted average cost formula. The methods require use of

## Notes forming part of the standalone financial statements

judgement and estimate in terms of the costs to be included in the valuation of inventory. Any changes in these assumptions will impact the carrying amount of the inventory.

- **For Measurement of Right to use and lease liability**

  The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Revenue Recognition**

  The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation based on the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- **Fair value Measurement**

  When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Impairment Assessment of Financial Assets**

  The impairment provision for financial assets (other than trade receivables) are based on assumptions of risk of default and expected loss rates. The Company makes judgements about these assumptions for selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Trade receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts which are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

## Notes forming part of the standalone financial statements

- **Impairment Assessment of Non-financial Assets**

  Determining whether non – financial assets are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a discounted cash flow model over the estimated useful life of the assets. Further, the cash flow projections are based on estimates and assumptions relating to the growth of the business, operational performance, market prices of raw materials, exchange variations, inflation, terminal value etc. which are considered reasonable by the Management.

**(e) Measurement of fair values**

The Company measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**(f) Foreign currency**

The Company's standalone financial statements are presented in INR, which is also the company's functional currency. In preparing the separate financial statements transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

**(g) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## Notes forming part of the standalone financial statements

**i) Financial Asset**

**i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under standard on Revenue from contracts with customers. Refer to the accounting policies for Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**ii. Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

**Financial assets at amortised cost (debt instruments)**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. the Company's financial assets at amortised cost includes

## Notes forming part of the standalone financial statements

trade receivables, and loan to an group companies and other loan to a director included under other non-current / current financial assets.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Standard on Financial Instruments (Presentation) and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Standard Business Combination on applies are classified as at FVTPL.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**iii. Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets

## Notes forming part of the standalone financial statements

are not derecognised.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**ii) Financial liabilities and Equity Instruments**

Financial Liability and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance the definitions of a financial liability and an equity instrument.

An instrument is an equity instrument only if both the following conditions are met:

- the equity instrument includes no contractual obligation either:
- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.
- If the instrument will, or may, be settled in the issuer's own equity instruments, it is either:
- a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
- a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose the issuer's own equity instruments do not include instruments that have all the features and meet the conditions described in paragraphs 16A and 16B or paragraphs 16C and 16D of instruments that are contracts for the future receipt or delivery of the issuer's own equity instruments.

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

**Financial liabilities**

**i. Initial recognition and measurement**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments etc.

**ii. Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit or loss.

## Notes forming part of the standalone financial statements

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Standard on Financial Instruments. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Standard on Financial Instruments are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. the Company has not designated any financial liability as at fair value through statement of profit or loss.

**Financial liabilities at amortised cost (Loans and borrowings)**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Standard on Financial Instruments and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 115 Revenue from Contracts with Customers.

**iii. Derecognition**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

**iii) Reclassification of financial assets / financial liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. the Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. the Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## Notes forming part of the standalone financial statements

**iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**v) Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

**(h) Property, plant and equipment and intangible assets**

**i) Recognition and measurement**

Items of property, plant and equipment and intangible assets are measured at cost, less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment and intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use including eligible borrowing costs and estimated costs of dismantling and removing the item and restoring the site on which it is located. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

**ii) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iii) Depreciation and amortisation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method / Written down value and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate on prospective basis.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate on prospective basis.

## Notes forming part of the standalone financial statements

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

| Assets | Written down value (Useful life) |
|---|---|
| **Tangible assets :** | |
| Building | 10 to 60 years |
| Leasehold Improvements | 3 to 30 years |
| Plant and machinery | 3 to 25 years |
| Furniture and fixtures | 3 to 10 years |
| Vehicles | 2 to 10 years |
| Office equipments | 2 to 5 years |
| Computer | 2 to 5 years |
| Electric installation | 10 years |
| Others / mould & lasts | 3 to 10 years |
| **Intangible assets :** | |
| Computer software | 6 years |

**iv) Derecognition**

An item of property, plant and equipment 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 property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

**(i) Non-current assets or disposal group held for sale**

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, if any, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in statement of profit or loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. the Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),

## Notes forming part of the standalone financial statements

- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

**(j) Discontinued operations**

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Company and which represents a separate major line of business or geographical area of operations and

- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

**(k) Revenue Recognition**

**i) Sale of goods and rendering of services**

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers on behalf of the government.

When the company enters into purchase and sale transaction involving no price risk, inventory risk or similar risk other than credit risk, the transaction are not shown as purchase and sale instead net income arising on such transactions have been included in "other operating income".

In accordance with Standard on Provisions, Contingent Liabilities and Contingent Assets, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. the Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The Company disaggregates revenue from contracts with customers by industry verticals.

**ii) Dividend income, interest income and interest expense**

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

## Notes forming part of the standalone financial statements

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**iii) Commission**

When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission / income earned by the Company.

**iv) Rental income**

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leasing is also recognised in a similar manner and included under other income.

**v) Contract balances**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

**(l) Expenditure**

All expenses are recognised on an accrual basis.

**(m) Employee benefits**

**i) Short - term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

## Notes forming part of the standalone financial statements

**ii) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company makes monthly contributions to Provident Fund managed by Tata International Limited Provident Fund Trust for qualifying employees. the Company meets the shortfall, if any, with respect to the interest rate guaranteed for exempt provident funds.

**iii) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. the Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements 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 in Other Comprehensive Income (OCI) is reflected immediately in retained earnings and is not reclassified to profit or loss. the Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense. Past service cost and other expenses related to defined benefit plans are recognised in the statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement profit or loss. the Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**iv) Other long – term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method.

Remeasurement gains or losses are recognised in the statement of profit or loss in the period in which they arise.

**v) Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

## Notes forming part of the standalone financial statements

### (n) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

**Warranties**

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

**Restructuring provisions**

Restructuring provisions are recognised only when the Company has a constructive obligation, which is when: (i) a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

**Onerous contracts**

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the standalone financial statements when an inflow of economic benefit is probable. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

### (o) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

**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 laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax 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.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Notes forming part of the standalone financial statements

**Minimum Alternate Tax (MAT)**

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

**Deferred tax is not recognised for:**

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, 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 is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**(p) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

## Notes forming part of the standalone financial statements

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

**(q) Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**(r) Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company. Such income or expense is classified as an exceptional item and accordingly, are disclosed in the standalone financial statements.

**(s) Segment Reporting**

The Company has not presented standalone segment information as permitted by Ind AS 108 – Operating Segments, as segment information of the group is included in consolidated financial statements.

**(t) Earnings per share (EPS)**

Basic EPS is computed by dividing the net profit or loss attributable to equity holder of the Company (after deducting preference dividends and accruals on perpetual security and attributable taxes) by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

**(u) Dividend**

Final dividend on shares are recorded as a liability, on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**(v) Current versus non-current classification**

The Company present's assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading

- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

## Notes forming part of the standalone financial statements

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. the Company has identified twelve months as its operating cycle.

**(w) Impairment**

**i) Impairment of financial instruments**

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost (Trade Receivables, Lease Receivables. Other assets having Other contractual rights to receive cash and other financial asset); and
- financial assets measured at FVOCI- debt investments.

  At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired.

  The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Standard on Revenue from Contracts with Customers are always measured at an amount equal to lifetime expected credit losses unless there is significant financing component.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

**Measurement of expected credit losses**

Expected credit losses are a probabilityweighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted standard on Financial Instrument. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due, unless other period is appropriate.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

## Notes forming part of the standalone financial statements

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the writeoff. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**ii) Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

Where there are indicators that assets may be impaired, the Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(x) Borrowing cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred. The capitalisation of borrowing cost is suspended when the activities necessary to prepare the qualifying asset are deferred / interrupted for significant period of time. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## Notes forming part of the standalone financial statements

**(y) Accounting for Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income / other income.

Government grants relating to the purchase of property, plant and equipment are adjusted with cost of such the property, plant and equipment.

**(z) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

· Building 1.2 to 15 years

· Others 4 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

ii) **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase

## Notes forming part of the standalone financial statements

option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**(aa) Changes in accounting policies and disclosures**

**i) New and amended standards**

The Company applied Standard on Lease for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2020, but do not have an impact on the standalone financial statements of the Company. the Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

**a. Standard on Leases**

The Company has adopted new lease standard which supersedes old standard on Leases including its appendices (Appendix C - Determining whether an Arrangement contains a Lease, Appendix A - Operating Leases-Incentives and Appendix B - Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting is substantially unchanged and therefore, new standard does not have an impact for leases where the Company is the lessor.

The Company adopted New Lease Standard using the modified retrospective method of adoption, with the date of initial application on 1 April 2019.

- Right of use asset (ROU) would be measured as if standard had always been applied but using incremental borrowing date on 1 April 2019
- Lease liability would be measured on 1 April 2019 as the present value of the remaining lease payments and using incremental borrowing rate on 1 April 2019
- Standard would be applied on 1 April 2019 and equity adjustment (difference between the ROU asset and lease liability computed above) would be recognised on 1 April 2019
- Comparative period would not be restated
- Disclosures to be made as applicable

The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases at the date of initial application. the Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). the Company has also elected to use hindsight in estimating lease term if the contract contains options to extend or terminate the lease. Group has also elected to exclude initial direct costs from measurement of right of use asset on date of initial application. Group has elected to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

**b. Appendix C to Standard on Income Taxes - Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Standard on Income Taxes. It does not apply to taxes or levies outside the scope of Standard on Income Taxes, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

## Notes forming part of the standalone financial statements

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its standalone financial statements.

Upon adoption, the Company considered whether it has any uncertain tax positions.

**c. Amendments to Standard on Financial Instruments: Prepayment Features with Negative Compensation**

Under Standard on Financial Instruments, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to this standard clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the standalone financial statements of the Company.

**d. Amendments to Standard on Employee Benefits: Plan Amendment, Curtailment or Settlement**

The amendments to Standard on Employee Benefits address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no major impact on the standalone financial statements of the Company as it did not have any major plan amendments, curtailments, or settlements during the period.

**ii) Annual Improvements to Standards**

**a. Standard on Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

**b. Standard on Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

## Notes forming part of the standalone financial statements

### 03 (a). Property, plant and equipment

Rs. in lakhs

| Particulars | Freehold Land | Building | Road | Leasehold Improvement | Plant and Machinery | Furniture and fixtures | Vehicles | Office Equipments | Computer | Electric Installation | Air Conditioner and Refrigerators | Hydraulic works, pipelines & Sluices | Lab Equipments | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | | | | | |
| Balance as at 1st April, 2018 | 1,301.34 | 5,952.99 | 1.09 | 119.22 | 10,003.65 | 523.90 | 259.02 | 224.97 | 493.43 | 560.13 | 60.01 | 6.25 | 12.50 | 19,518.50 |
| Additions | 346.43 | 192.64 | - | - | 683.13 | 13.24 | 0.64 | 10.68 | 60.59 | 16.75 | 1.75 | 1.59 | - | 1,327.44 |
| Disposals | - | (18.22) | - | - | (273.74) | (2.20) | (3.60) | (12.18) | (0.95) | (10.58) | (0.77) | - | - | (322.24) |
| Forming part of Disposal Group | - | - | - | - | (126.79) | (23.65) | - | (44.00) | (30.23) | - | (3.86) | - | - | (228.53) |
| **Balance at 31st March, 2019** | **1,647.77** | **6,127.41** | **1.09** | **119.22** | **10,286.25** | **511.29** | **256.06** | **179.47** | **522.84** | **566.30** | **57.13** | **7.84** | **12.50** | **20,295.17** |
| Additions | - | 391.43 | - | - | 892.44 | 65.76 | 1.40 | 82.03 | 56.70 | 111.55 | 24.50 | - | - | 1,625.81 |
| Disposals | - | (89.68) | - | (97.36) | (613.37) | (201.98) | (3.20) | (48.92) | (17.25) | (25.40) | (50.09) | - | - | (1,147.25) |
| **Balance at 31st March, 2020** | **1,647.77** | **6,429.16** | **1.09** | **21.86** | **10,565.32** | **375.07** | **254.26** | **212.58** | **562.29** | **652.45** | **31.54** | **7.84** | **12.50** | **20,773.73** |
| **Accumulated depreciation** | | | | | | | | | | | | | | |
| Balance as at April 1, 2018 | - | 2,079.76 | 1.04 | 41.73 | 6,266.56 | 336.78 | 120.87 | 188.79 | 399.13 | 413.40 | 43.53 | 3.91 | 9.66 | 9,905.16 |
| Depreciation expense | - | 555.61 | - | 23.84 | 1,395.79 | 71.07 | 53.52 | 24.51 | 87.57 | 60.01 | 8.70 | 1.07 | 1.11 | 2,282.80 |
| Disposals | - | (6.39) | - | - | (201.16) | (1.99) | (18.82) | (11.04) | (0.84) | (12.15) | (0.76) | - | - | (253.15) |
| Forming part of Disposal Group | - | - | - | - | (70.35) | (14.45) | - | (36.72) | (22.28) | - | (2.89) | - | - | (146.69) |
| **Balance at 31st March, 2019** | **-** | **2,628.98** | **1.04** | **65.57** | **7,390.84** | **391.41** | **155.57** | **165.54** | **463.58** | **461.26** | **48.58** | **4.98** | **10.77** | **11,788.12** |
| Depreciation expense | - | 481.04 | - | 22.22 | 884.66 | 46.40 | 45.19 | 20.57 | 54.23 | 52.62 | 7.47 | 0.78 | 0.69 | 1,615.87 |
| Disposals | - | (40.85) | - | (71.40) | (439.61) | (188.73) | (2.61) | (47.70) | (17.14) | (22.20) | (47.60) | - | - | (877.84) |
| **Balance at 31st March, 2020** | **-** | **3,069.17** | **1.04** | **16.39** | **7,835.89** | **249.08** | **198.15** | **138.41** | **500.67** | **491.68** | **8.45** | **5.76** | **11.46** | **12,526.15** |
| **Carrying amount** | | | | | | | | | | | | | | |
| **Balance at 1st April, 2018** | **1,301.34** | **3,873.23** | **0.05** | **77.49** | **3,737.09** | **187.12** | **138.15** | **36.18** | **94.30** | **146.73** | **16.48** | **2.34** | **2.84** | **9,613.34** |
| **Balance at 31st March, 2019** | **1,647.77** | **3,498.43** | **0.05** | **53.65** | **2,895.41** | **119.88** | **100.49** | **13.93** | **59.26** | **105.04** | **8.55** | **2.86** | **1.73** | **8,507.05** |
| **Balance at 31st March, 2020** | **1,647.77** | **3,359.99** | **0.05** | **5.47** | **2,729.43** | **125.99** | **56.11** | **74.17** | **61.62** | **160.77** | **23.09** | **2.08** | **1.04** | **8,247.58** |

Note 1: Refer note 29 for disclosure of contractual commitment for acquition of property, plant and equipment.

**Notes forming part of the standalone financial statements**

**Note 03 (b). Right of use asset**

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| **Balance as at beginning of year (on Adoption of IND AS 116 - refer note 33)** | 948.98 | - |
| Addition during the year | 6,505.85 | - |
| Less: Depreciation expense for the year | (320.89) | - |
| **Carrying amount at end of year** | **7,133.94** | **-** |

**Note 03 (c). Capital work-in-progress**

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| **Carrying amount at beginning of year** | 214.96 | 814.69 |
| Additions | 404.38 | 436.36 |
| Transferred to property, plant and equipment | (573.67) | (1,036.09) |
| **Carrying amount at end of year** | **45.67** | **214.96** |

**Note 03 (d). Goodwill**

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Goodwill on acquisition | 16,873.60 | 16,873.60 |
| **Total** | **16,873.60** | **16,873.60** |

The carrying value of the Goodwill relates to Goodwill that arose on the acquisition of Bachi Shoes Limited (forming part of its leather business segment).

Goodwill is tested annually for impairment, and if there are any indications that it may be impaired,then more frequently. The recoverable amount has been determined based on value in use calculations which uses cash flow projections covering a period of five years. Value in use has been determined based on future cashflows after considering current economic conditions and trends, including but not limited to the impact of COVID-19 pandemic, estimated future operating results, growth rates and anticipated future economic conditions.

The Board of Directors of the Company approves financial budgets for the subsequent financial year which is considered by management in estimating cash flow projections for the future.

Key assumptions and description of management's approach to determining the values assigned to each key assumption for the value in use calculations are as follows:

**Notes forming part of the standalone financial statements**

| | |
|---|---|
| Specify whether recoverable amount based on fair value less costs or sell or value in use | Value in use |
| If recoverable amount is Value in Use: | |
| a) Key assumptions of cash flow projections | Revenue Growth, Margin, Terminal growth rate |
| b) Description of whether the above key assumptions reflect past experience, or are consistent with external sources of information. If not, how and why there is a difference. | Revenue Growth and Margin - Based on past performance and management's expectation for the future.Terminal Growth rate - Based on the expected industry growth rate. This growth rate does not exceed the long-term average growth rate for this industry in India. |
| i. Period over which management has projected cash flows | 5 years |
| ii. Growth rate used to extrapolate cash flow projections. | 5% for justification Ref point "b" above |
| iii. Discount rate(s) applied to the cash flow projections. | 12.50% |

**03 (e). Other intangible assets**

Rs. in lakhs

| Particulars | Computer Software | Other Intangibles | Total |
|---|---|---|---|
| **Cost** | | | |
| Balance at 1st April, 2018 | 548.38 | 582.62 | 1,131.00 |
| Additions | 171.39 | - | 171.39 |
| Disposals | (53.76) | - | (53.76) |
| Forming part of Disposal Group | (80.03) | - | (80.03) |
| **Balance at 31st March, 2019** | **585.98** | **582.62** | **1,168.60** |
| Additions | 19.17 | - | 19.17 |
| Disposals | (55.02) | - | (55.02) |
| **Balance at 31st March, 2020** | **550.13** | **582.62** | **1,132.75** |
| **Accumulated depreciation** | | | |
| Balance at April 1, 2018 | 340.71 | 582.62 | 923.33 |
| Amortisation expense | 148.05 | - | 148.05 |
| Disposals | (55.82) | - | (55.82) |
| Forming part of Disposal Group | (58.06) | - | (58.06) |
| **Balance at 31st March, 2019** | **374.88** | **582.62** | **957.50** |
| Amortisation expense | 72.63 | - | 72.63 |
| Disposals | (54.96) | - | (54.96) |
| **Balance at 31st March, 2020** | **392.55** | **582.62** | **975.17** |
| **Carrying amount** | | | |
| **Balance at 1st April, 2018** | **207.67** | **-** | **207.67** |
| **Balance at 31st Mar, 2019** | **211.10** | **-** | **211.10** |
| **Balance at 31st Mar, 2020** | **157.58** | **-** | **157.58** |

**Note 03 (f). Intangible assets under development**

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| **Carrying amount at beginning of year** | 107.11 | 107.11 |
| Additions | 107.61 | - |
| **Carrying amount at end of year** | **214.72** | **107.11** |

## Notes forming part of the standalone financial statements

**Note 04 (a). Investments in subsidiaries, associates and joint ventures**

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | No. of shares | Rs. in lakhs | No. of shares | Rs. in lakhs |
| **Investment carried at cost (Unquoted)** | | | | |
| **(a) Investments in subsidiaries (fully paid up equity shares)** | | | | |
| TIL Leather (Mauritius) Ltd | 1,000 | 0.44 | 1,000 | 0.44 |
| Calsea Footwear Private limited | 18,495,087 | 5,547.36 | 18,435,087 | 2,240.00 |
| Euro Shoes Components Private Limited (Refer note 1 below) | - | - | 60,000 | 3,307.36 |
| Stryder Cycle Private Limited (Refer note 27 d) | 10,000 | 469.19 | - | - |
| Tata International Singapore Pte Limited | 14,100,000 | 7,726.56 | 14,100,000 | 7,726.56 |
| | | **13,743.55** | | **13,274.36** |
| **(b) Investments in associates (fully paid up equity shares)** | | | | |
| Tata Ceramics Limited (Refer note 2 below) (31 March 2019 - net of provision for diminution Rs. 811.14 Lakhs) | - | - | 39,564,952 | - |
| **(c) Investments in joint ventures (fully paid up equity shares)** | | | | |
| Tata International DLT Private Limited (Refer note 27 e) | 85,400 | 854.00 | - | - |
| Tata International GST AutoLeather Limited | 2,150,000 | 215.00 | 2,150,000 | 215.00 |
| Tata Precision Industries (India) Limited ** | 200,000 | - | 200,000 | - |
| **(d) Investments in joint ventures (preference shares)** | | | | |
| Tata Precision Industries (India) Limited (6% Non Cumulative Redeemable Preference Shares) | 150,000 | 150.00 | 150,000 | 150.00 |
| Tata Precision Industries (India) Limited **(8.5% Non Cumulative Redeemable Preference Shares) | 150,000 | - | 150,000 | - |
| | | **1,219.00** | | **365.00** |
| **Total** | | **14,962.55** | | **13,639.36** |

**Notes:**

1. Euro Shoe Components Ltd (ESCL), a wholly owned subsidiary, is merged with Calsea Footwear Private Limited (CFPL), another wholly owned subsidiary pursuant to scheme of merger and NCLT order dated 15th October, 2019. As per the scheme, the share exchange ratio is 1:1. Thus 60,000 equity shares have been issued to the Company by CFPL. Since the mergers is between entities under common control, investment value of ESCL is now considered as a part of investment value of CFPL.

2. During the year the Company has sold its stake in Tata Ceramics Ltd

   ** Investment Value less than Rs.500

## Notes forming part of the standalone financial statements

**Note 04 (b). Non current other investments**

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | No. of shares | Rs. in lakhs | No. of shares | Rs. in lakhs |
| **Investment carried at fair value through other comprehensive income (OCI)** | | | | |
| **Quoted :** | | | | |
| **(a) Investments in equity instruments(fully paid up equity shares)** | | | | |
| Indian Overseas Bank | 15,600 | 1.66 | 15,600 | 2.78 |
| **(b) Investments in debentures or bonds** | | | | |
| The Tata Power Company Limited (11.40% Perpetual Bond) | 150 | 1,545.71 | 150 | 1,560.90 |
| Tata Steel Limited (11.80% Perpetual Bond) | 500 | 5,254.87 | 500 | 5,222.16 |
| Tata Steel Limited (11.50% Perpetual Bond) | 250 | 2,615.08 | 250 | 2,595.00 |
| | | **9,417.32** | | **9,380.84** |
| **Unquoted :** | | | | |
| **(c) Investments in equity instruments (fully paid up equity shares)** | | | | |
| Tata Sons Private Limited * | 1,477 | 11,901.69 | 1,477 | 11,901.69 |
| Tata Industries Limited * | 3,384,486 | 5,812.99 | 3,384,486 | 5,812.99 |
| Tata Capital Limited * | 790,592 | 134.81 | 790,592 | 134.81 |
| Tata Services Limited * | 198 | 1.98 | 198 | 1.98 |
| Tata Employees Consumers Co-operative Society Limited * | 50 | 0.05 | 50 | 0.05 |
| Dewas Tanneries Private Limited** (net of provision for diminution Rs. 0.80 Lakhs) | 804 | - | 804 | - |
| Surat Diamond Industries Limited** (net of provision for diminution of Rs. 1.00 Lakh) | 1,000 | - | 1,000 | - |
| Ambur Effluent Treatment Co-operative Society Limited | 11,120 | 10.12 | 11,120 | 10.12 |
| Lotus Clean Power Venture Private Limited | 100 | 0.01 | 141,500 | 14.15 |
| Olive Ecopower Private Limited | - | - | 154,850 | 15.49 |
| **(d) Investments in preference shares** | | | | |
| Drive India Enterprise Solutions Limited (0.001% Cumulative Redeemable Preference Shares) (refer note 27 a) | 117,328 | 1.17 | 117,328 | 1.17 |
| TVS Logistics Services Limited(0.001% Cumulative Redeemable Non-convertible Participating Preference Shares) (refer note 27 (a)) | 7,677 | 0.77 | 7,677 | 0.77 |
| Pran Agro Services Limited(5% Non Cumulative Redeemable Preference Shares) | 500 | 0.50 | 500 | 0.50 |
| | | **17,864.09** | | **17,893.72** |
| **Total** | | **27,281.41** | | **27,274.56** |
| **Total [4(a)+4(b)]** | | **42,243.96** | | **40,913.92** |
| **Note : Details of quoted / unquoted investments** | | | | |
| Aggregate book value of quoted investments | | 9,417.32 | | 9,380.84 |
| Aggregate market value of quoted investments | | 9,417.32 | | 9,380.84 |
| Aggregate value of unquoted investments | | 32,826.64 | | 31,533.08 |
| Aggregate amount of Impairment in value of investments | | 1.80 | | 868.94 |

Note: During the year, the Company has written off its investment in Oriental Floratech India Limited against provision of diminution in value of created in earlier years - Rs.56 Lakhs.

* The cost of these investments approximate their fair value because there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within that range.

** Investment Value less than Rs.500

## Notes forming part of the standalone financial statements

### Note 04 (c). Current investments

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Investment carried at fair value through profit and loss** | | |
| **Mutual Funds (Quoted)** | | |
| Tata Liquid Fund Direct Plan - Growth -111792.5 units (31st March, 2019 - Nil ) | 4,501.32 | - |
| **Total** | **4,501.32** | **-** |
| **Note :** | | |
| Aggregate book value of quoted investments | - | - |
| Aggregate market value of quoted investments | - | - |
| Aggregate value of unquoted investments | 4,501.32 | - |
| Aggregate amount of impairment in value of investments | - | - |

### Note 05 (a). Non current loans

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Unsecured, considered good** | | |
| Loans to subsidiaries | 85,491.39 | - |
| Security deposits | 480.57 | 416.28 |
| **Total** | **85,971.96** | **416.28** |

### Note 05 (b). Current loans

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Unsecured, considered good** | | |
| Loans to subsidiaries | 1,690.00 | 125,619.36 |
| Loans to others | - | 121.11 |
| Security Deposits | 402.89 | 624.67 |
| **Total** | **2,092.89** | **126,365.14** |

**Note:**

In the earlier year, the Company has given unsecured shareholder's loan of US$ 1792.18 lakhs at an interest rate of 5.5% p.a. (payable semi annually) to Tata International Singapore Pte Limited, its wholly owned subsidiary for a period of three years. During the year this loan was repaid.Further during the current year, the Company has given unsecured shareholder's loan of US$ 1129.94 lakhs at an interest rate of 5.25% p.a. (payable semi annually) to Tata International Singapore Pte Limited, its wholly owned subsidiary for a period of three years maturing on 10 January, 2023.

During the previous year, the Company has given unsecured shareholder's loan of Rs. 1,690 lakhs at an interest rate of 9% p.a. (payable semi annually) to Calsea Footwear Private Limited, its wholly owned subsidiary maturing in next 12 months.

## Notes forming part of the standalone financial statements

### Note 06 - Other financial assets - current

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Unsecured, considered good (unless otherwise stated)** | | |
| Export incentive receivable | 1,102.41 | 980.20 |
| **Interest accrued on:** | | |
| Deposits, loans and advances | 3.11 | 12.97 |
| Non current Investments | 205.55 | 205.50 |
| Loans to subsidiaries | 586.27 | 751.11 |
| Receivables from group companies | 918.97 | - |
| Receivable on sale of division (Refer note 27 c) | 684.60 | - |
| Advances to employees | 154.70 | 224.36 |
| **Total** | **3,655.61** | **2,174.14** |

### Note 07 (a). Other non current assets

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Unsecured, considered good (unless otherwise stated)** | | |
| Capital advances | 6.18 | 5.27 |
| VAT credit receivable | 190.48 | 231.58 |
| Excise Duty Receivable | 112.45 | - |
| Prepaid expenses | 13.78 | 30.43 |
| **Advances to Suppliers** | | |
| Unsecured, considered good | 353.60 | 443.61 |
| Unsecured, considered doubtful | 280.11 | 231.59 |
| | **633.71** | **675.20** |
| Less: Allowances for doubtful debts | 280.11 | 231.59 |
| | **353.60** | **443.61** |
| **Other advances** | | |
| Unsecured, considered good | 97.36 | 413.91 |
| Unsecured, considered doubtful | 135.28 | 204.17 |
| | **232.64** | **618.08** |
| Less: Allowances for doubtful debts | 135.28 | 204.17 |
| | **97.36** | **413.91** |
| **Total** | **773.85** | **1,124.80** |

### Note 07 (b). Other current assets

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Unsecured, considered good (unless otherwise stated)** | | |
| Balances with government authorities | | |
| Export incentive receivable | 2,127.12 | 3,377.94 |
| GST receivable & compensation cess | 17,501.11 | 12,741.52 |
| Prepaid expenses | 625.23 | 436.15 |
| Advances to suppliers | 16,897.54 | 2,800.95 |
| Deposits with port trust, customs etc. | 79.05 | 131.20 |
| Other advances | 83.75 | 1,103.83 |
| **Total** | **37,313.80** | **20,591.59** |

## Notes forming part of the standalone financial statements

### Note 8. Inventories

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Valued at lower of cost or net realisable value** | | |
| Raw materials | 18,084.26 | 20,955.26 |
| Work-in-progress | 4,026.51 | 3,790.45 |
| Finished goods | 6,173.91 | 9,607.95 |
| Stock-in-trade*: | | |
| On hand | 55,075.36 | 46,339.19 |
| Goods-in-transit | 7,705.78 | 11.42 |
| | **62,781.14** | **46,350.61** |
| Consumables | 107.97 | 158.46 |
| Stores and spares | 1,770.16 | 2,549.48 |
| Goods-in-transit (stores and spares) | 71.52 | 46.52 |
| | **1,949.65** | **2,754.46** |
| **Total** | **93,015.47** | **83,458.73** |

Note : Write down of inventory to net realisable value amounted to Rs.9,222.22 lakhs (Rs. 659.43 lakhs).These were recognised as expense during the year. (Further, refer note 26)

*Stock-in-trade includes goods held by the Company on account of agency contracts amounting to Rs. 12,239.35 lakhs (Rs. 17,172.10 lakhs).

### Note 09. Current trade receivables

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Trade Receivables | 28,054.02 | 40,950.75 |
| Receivables from related parties (refer note 38) | 6,962.41 | 2,999.78 |
| | **35,016.43** | **43,950.53** |
| Less: Allowance for significant increase in credit risk | 745.06 | 725.37 |
| **Total** | **34,271.37** | **43,225.16** |
| **Breakup for security details:** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 34,271.37 | 43,225.16 |
| Trade Receivable which has significant increase in credit risk | 745.06 | 725.37 |
| | **35,016.43** | **43,950.53** |
| Less: Allowance for significant increase in credit risk | 745.06 | 725.37 |
| **Total** | **34,271.37** | **43,225.16** |

i) The credit period given to customers generally ranges from 0 to 60 days. Interest is generally not charged on overdue amounts. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

ii) The carrying amounts of the trade receivables include receivables which are subject to factoring arrangements. Under this arrangement, the company has transferred the relevant receivables to the factor in exchange for cash. However, the company has retained credit risk. The company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount of trade receivables subject to factoring agreement is presented as borrowing.

**The relevant carrying amounts are as follows:**

| Particulars | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Total transferred trade receivables | 2,972.14 | 4,690.54 |
| Associated borrowings (refer note 14) | 2,972.14 | 4,690.54 |

iii) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

## Notes forming part of the standalone financial statements

### Note 10. Cash and bank balances

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash on hand | 14.79 | 11.18 |
| **Balances with banks:** | | |
| In current account | 4,740.11 | 3,347.50 |
| In EEFC account | 0.04 | 2.45 |
| In deposit account - original maturity of 3 months or less | 14,400.00 | 0.88 |
| Remittance in transit | 2.52 | 344.32 |
| | **19,157.46** | **3,706.33** |
| **Other Bank Balances** | | |
| Margin money | 382.10 | - |
| Other Deposits | 14.89 | 32.49 |
| | **396.99** | **32.49** |
| **Total** | **19,554.45** | **3,738.82** |
| **For the purpose of statement of cash flow, cash and cash equivalent comprises of following:** | | |
| **Cash and cash equivalents** | | |
| Cash on hand | 14.79 | 11.65 |
| **Balances with banks:** | | |
| In current account | 4,740.11 | 3,369.99 |
| In EEFC account | 0.04 | 2.45 |
| In deposit account - original maturity of 3 months or less | 14,400.00 | 0.88 |
| Remittance in transit | 2.52 | 344.32 |
| **Total** | **19,157.46** | **3,729.29** |

### Note 11. Equity share capital

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Number of shares | Rs. in lakhs | Number of shares | Rs. in lakhs |
| **Authorised** | | | | |
| Equity shares of Rs. 1,000 each with voting rights | 501,000 | 5,010.00 | 501,000 | 5,010.00 |
| Preference Shares of Rs. 1000 each | 200,000 | 2,000.00 | 200,000 | 2,000.00 |
| | | **7,010.00** | | **7,010.00** |
| **Issued, subscribed and fully paid up** | | | | |
| Equity shares of Rs. 1,000 each with voting rights | 401,000 | 4,010.00 | 401,000 | 4,010.00 |
| **Total** | **401,000** | **4,010.00** | **401,000** | **4,010.00** |

## Notes forming part of the standalone financial statements

**Notes:**

**(i) Reconciliation of the number of shares:**

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Number of shares | Rs. in lakhs | Number of shares | Rs. in lakhs |
| **Authorised** | | | | |
| Equity shares of Rs. 1,000 each with voting rights<br>Opening balance and closing balance | 501,000 | 5,010.00 | 501,000 | 5,010.00 |
| Preference Shares of Rs. 1000 each<br>Opening balance and closing balance | 200,000 | 2,000.00 | 200,000 | 2,000.00 |
| **Issued, subscribed and fully paid up** | | | | |
| Equity shares of Rs. 1000 each with voting rights<br>Opening balance and closing balance | 401,000 | 4,010.00 | 401,000 | 4,010.00 |

**(ii) Details of shares held by the holding company, their subsidiaries and associates:**

| Particulars | As at 31 March, 2020 | As at 31 March, 2019 |
|---|---|---|
| | Number of shares | Number of shares |
| **Equity shares with voting rights** | | |
| Tata Sons Private Limited (TSPL), the Holding company | 167,400 | 167,400 |
| Tata Motors Limited (associate of TSPL) | 50,000 | 50,000 |
| Tata Chemicals Limited (associate of TSPL) | 48,000 | 48,000 |
| Tata Steel Limited (associate of TSPL) | 28,616 | 28,616 |
| Ewart Investments Limited (subsidiary of TSPL) | 25,000 | 25,000 |
| Af-Taab Investment Company Limited (subsidiary of associate of TSPL) | 20,500 | 20,500 |
| Tata Motors Finance Limited (subsidiary of associate of TSPL) | 19,350 | 19,350 |
| Tata Industries Limited (subsidiary of TSPL) | 17,122 | 17,122 |
| Voltas Limited (associate of TSPL) | 10,000 | 10,000 |
| The Indian Hotels Company Limited (associate of TSPL) | 8,000 | 8,000 |
| Tata Power Limited(associate of TSPL) | 3,500 | 3,500 |
| Fiora Services Limited (subsidiary of associate of TSPL) | 3,000 | 3,000 |

(iii) The company has issued only one class of equity shares having a par value of Rupees 1,000 /- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

**(iv) Details of shares held by each shareholder holding more than 5%**

| Name of shareholder | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Number of shares held | % holding | Number of shares held | % holding |
| **Equity shares with voting rights** | | | | |
| Tata Sons Private Limited | 167,400 | 41.75% | 167,400 | 41.75% |
| Tata Motors Limited | 50,000 | 12.47% | 50,000 | 12.47% |
| Tata Chemicals Limited | 48,000 | 11.97% | 48,000 | 11.97% |
| Tata Steel Limited | 28,616 | 7.14% | 28,616 | 7.14% |
| Ewart Investments Limited | 25,000 | 6.23% | 25,000 | 6.23% |
| AF-TAAB Investment Company Limited | 20,500 | 5.11% | 20,500 | 5.11% |

## Notes forming part of the standalone financial statements

### Note 12. Unsecured perpetual securities

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| 9.30% Unsecured Non-convertible perpetual securities (refer note below) | - | 120,000.00 |
| 9.85% Unsecured Non-convertible perpetual securities (refer note below) | 80,000.00 | - |
| **Total** | **80,000.00** | **120,000.00** |

**Note - Details of bondholders of Unsecured perpetual securities:**

| Particulars | As at 31 March, 2020 | | As at 31 March, 2019 | |
|---|---|---|---|---|
| | Number of debentures | % holding | Number of debentures | % holding |
| **Unsecured perpetual securities issued by Tata International Limited** | | | | |
| HDFC Trustee Company Ltd. A/C HDFC Multi-Asset Fund | 50 | 0.63% | - | - |
| HDFC Trustee Company Limited A/C HDFC Medium Term Debt Fund | 250 | 3.13% | - | - |
| SBI Equity Hybrid Fund | 2,350 | 29.38% | - | - |
| SBI Magnum Medium Duration Fund | 500 | 6.25% | - | - |
| SBI Credit Risk Fund | 1,500 | 18.75% | - | - |
| ICICI Prudential Credit Risk Fund | 3,350 | 41.88% | - | - |
| ICICI Prudential Balanced Advantage Fund | - | - | 1,500 | 12.50% |
| HDFC Trustee Company Ltd A/C Hdfc Banking And PSU Debt Fund | - | - | 1,250 | 10.42% |
| Trent Limited | - | - | 500 | 4.17% |
| Voltas Limited | - | - | 1,000 | 8.33% |
| Tata Investment Corporation Limited | - | - | 200 | 1.67% |
| HDFC Trustee Company Ltd. A/C HDFC Hybrid Debt Fund | - | - | 600 | 5.00% |
| HDFC Trustee Company Ltd A/C HDFC Credit Risk Debt Fund | - | - | 6,950 | 57.92% |
| | **8,000** | **100.00%** | **12,000** | **100.00%** |

During the year 2019-20, the Company retired Rs.120,000 lakh perpetual Non-convertible debentures and raised fresh issuance of Rs. 80,000 lakh Senior Perpetual Hybrid Securities in the form of Non-convertible debentures ("the Securities"). The fresh Securities are listed on BSE Limited and are perpetual in nature issued at a coupon rate of 9.85 % p.a with a call option at the end of 3 years only at the sole discretion of the Company failing which a one-time interest stepup event of 3 percent will be applicable for the life of the debentures. The company, in its sole and absolute discretion, on any day which is not less than 15 (Fifteen) Business Days prior to any Coupon Payment Date, by notice in writing issued to the Trustee elect to defer payment of all or some of the Coupon which would otherwise be payable on that Coupon Payment Date if, during the 12 (Twelve) months period ending on the day before that scheduled Coupon Payment Notice:

(i) no dividend or interest has been declared in respect of the Issuer's ordinary shares nor any junior securities of the Issuer; or

(ii) none of the Issuer's ordinary shares nor any Parity Securities (except in relation to the parity securities of the Issuer which had been redeemed, purchased, cancelled, bought-back or otherwise acquired for any consideration by the Issuer or any Subsidiary on a pro rata basis) nor any Junior Securities of the Issuer were redeemed, purchased, cancelled, bought-back or otherwise acquired for any consideration by the Issuer or any subsidiary of the Issuer.

These securities are considered to be in the nature of equity instruments and are not classified as "Debt" and the distribution on such securities is not considered under "Interest".

## Notes forming part of the standalone financial statements

### Note 13. Other equity

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| General reserve | 10,872.01 | 10,872.01 |
| Securities premium | 18,090.00 | 18,090.00 |
| Contingency reserve | 50.00 | 50.00 |
| Foreign projects reserve | 35.00 | 35.00 |
| Retained earnings | 23,885.90 | 45,740.29 |
| Reserve for equity instrument through other comprehensive income | 59.80 | 58.16 |
| **Total** | **52,992.71** | **74,845.46** |

(i) **General Reserve :** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(ii) **Securities Premium :** Securities Premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provision of Companies Act, 2013.

(iii) **Contingency Reserve :** Surplus arising out of transfer of assets and liabilities net of cost of the Company's investment in its former subsidiary, are presented as a 'Contingency Reserve' which reserve as approved by the shareholders at an EGM and also as sanctioned by Order of the hon'ble High Court of judicature at Bombay, vide its order dated 11th February, 2005 may be utilised to the extent considered necessary by the Board of Directors of the Company from time to time for providing for any contingent liability (including but not limited to tax liabilities), diminution in value of and / or loss on sale of investments and other assets of the Company. If part or whole of the Contingency Reserve is no longer required for these purposes, the same can be transferred to General Reserve and shall be deemed to be the General Reserve for all purposes under the provisions of the Companies Act, 1956 as per the said Order.

(iv) **Reserve for equity instrument through other comprehensive income (OCI) :** This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the retained earnings when those assets have been disposed of.

## Notes forming part of the standalone financial statements

### Note 14 Current borrowings

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Secured** | | |
| **Loans from banks** | | |
| Export packing credit | 22,179.37 | 16,376.99 |
| Debtors bill discounted | 2,972.14 | 4,002.18 |
| Working capital demand loan | 17,870.06 | 5,400.00 |
| Cash credit accounts | - | 45.23 |
| | **43,021.57** | **25,824.40** |
| **Unsecured** | | |
| **Loans from banks** | | |
| Export packing credit | 1,005.26 | 13,061.01 |
| Buyers credit | 4,843.19 | - |
| Debtors bill discounted | - | 688.36 |
| Working capital demand loan | 21,329.94 | 13,009.87 |
| Cash credit accounts | 199.40 | - |
| **Commercial paper** | 8,350.22 | 7,851.41 |
| | **35,728.01** | **34,610.65** |
| **Total** | **78,749.58** | **60,435.05** |

**Note:**

**Details of security in respect of secured borrowings :-**

They are secured by way of first pari passu charge on the company's current assets, namely stock of Raw Materials, Semi Finished and Finished Goods, Stores and Spares not relating to Plant and Machinery (Consumables stores and spares), Bills receivables and Book Debts including the proceeds thereof on realization and all other movables, both present and future.

**Details of unutilised sanctioned borrowing limits**

| Particulars | Amount of borrowing sanctioned from the bank Rs. in lakhs | Utilisation Rs. in lakhs | Amount of borrowing undrawn Rs. in lakhs |
|---|---|---|---|
| Working Capital - Fund based | 1,18,333 | 70,399 | 47,935 |
| Working Capital - Non Fund based | 30,500 | 20,393 | 10,107 |

## Notes forming part of the standalone financial statements

### Note 14. Current borrowings

**Changes in liabilities arising from financing activities**

| Particulars | As at 1st April, 2019 | Cash flows | Accrual | As at 31st March, 2020 |
|---|---|---|---|---|
| | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs |
| Current borrowings | 60,435.05 | 18,314.53 | - | 78,749.58 |
| Interest on borrowings | 106.13 | (5,929.77) | 5,997.14 | 173.50 |
| Lease liabilities (refer note 33) | 1,216.64 | (1,055.73) | 7,122.02 | 7,282.93 |
| Unsecured perpetual securities | 120,000.00 | (40,000.00) | - | 80,000.00 |
| Distribution on unsecured perpetual securities | - | (11,999.96) | 11,999.96 | - |
| Dividend including tax thereon | - | (604.28) | 604.28 | - |
| **Total liabilities from financing activities** | **181,757.82** | **(41,275.21)** | **25,723.40** | **166,206.01** |

| Particulars | As at 1st April, 2018 | Cash flows | Accrual | As at 31st March, 2019 |
|---|---|---|---|---|
| | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs |
| Current borrowings | 46,827.14 | 13,607.91 | - | 60,435.05 |
| Current maturity of long term debts | 900.52 | (900.52) | - | - |
| Interest on borrowings | 30.16 | (3,923.39) | 3,999.37 | 106.14 |
| Unsecured perpetual securities | 120,000.00 | - | - | 120,000.00 |
| Distribution on unsecured perpetual securities | - | (11,160.00) | 11,160.00 | - |
| Dividend including tax thereon | - | (543.67) | 543.67 | - |
| **Total liabilities from financing activities** | **167,757.82** | **(2,919.67)** | **15,703.04** | **180,541.19** |

## Notes forming part of the standalone financial statements

### Note 15 (a). Other financial liabilities - non current

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Security deposits | 130.11 | 119.57 |
| **Total** | **130.11** | **119.57** |

### Note 15 (b). Other financial liabilities - current

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Interest accrued but not due on borrowings | 173.50 | 105.81 |
| Interest accrued and due on borrowings | - | 0.33 |
| Book overdraft | 31.62 | 187.76 |
| Payables on purchase of property, plant and equipment | 266.25 | 14.03 |
| **Total** | **471.37** | **307.93** |

### Note 16(a). Non current provisions

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Provision for employee benefits:** | | |
| Provision for compensated absences | 293.74 | 216.05 |
| Provision for gratuity | 9.11 | 95.52 |
| Provision for pension | 401.00 | 384.08 |
| **Total** | **703.85** | **695.65** |

### Note 16(b). Current provisions

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Provision for employee benefits:** | | |
| Provision for compensated absences | 324.01 | 385.40 |
| Provision for gratuity | 402.12 | 50.65 |
| Provision for pension | 77.80 | 75.22 |
| | **803.93** | **511.27** |
| **Provision - others:** | | |
| Provision for disputed tax liabilities | 1.14 | 1.14 |
| Provision for onerous contract | 386.28 | - |
| | **387.42** | **1.14** |
| **Total** | **1,191.35** | **512.41** |

## Notes forming part of the standalone financial statements

### Movement of other provisions

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Provision at the beginning of the year** | **1.14** | **7.20** |
| Add: Additional provision made during the year | 386.28 | - |
| Less: Amount used during the year | - | 6.06 |
| **Provision at the end of the year** | 387.42 | 1.14 |

### Note 17. Trade payables

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| - Micro and small enterprises (refer note 32) | 778.98 | 358.91 |
| - Others | | |
| - Related party (refer note 38) | 72,573.40 | 55,633.08 |
| - Other than related party | 35,440.90 | 25,378.99 |
| - Acceptances* | 2,356.77 | 11,733.63 |
| **Total** | **111,150.05** | **93,104.61** |

* includes credit availed by the company from banks for payment to suppliers for goods purchased by the company. The arrangements are interest bearing and are payable within one year.

### Note 18. Other non-financial liabilities - current

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Advances received from customers | 22,456.20 | 7,134.88 |
| Statutory dues (GST, TDS and other statutory dues etc.) | 1,171.37 | 194.61 |
| Others | - | 65.97 |
| **Total** | **23,627.57** | **7,395.46** |

## Notes forming part of the standalone financial statements

### Note 19. Revenue from operations

| Particualrs | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| **Sale of products** | | |
| Leather and leather products | 85,082.54 | 96,958.73 |
| Minerals | 146,421.40 | 233,797.28 |
| Metals | 90,123.94 | 75,910.39 |
| Agriculture commodities and products | 119,960.05 | 60,195.07 |
| **Sale of services** | | |
| Leather | 140.70 | 116.63 |
| **Other operating revenue** | | |
| Sale of scrap | 292.58 | 318.16 |
| Duty drawback and other export incentives | 6,119.89 | 6,531.96 |
| Cargo handling and storage charges | 2,554.00 | 2,300.13 |
| Commission from Agency Contracts | 805.95 | 2,123.55 |
| Plot rent | 400.65 | 428.30 |
| Others | 1,434.84 | 3,750.82 |
| **Total** | **453,336.54** | **482,431.02** |

### Note 1: Breakup of Contract assets and Contract liabilities

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Trade receivables | 34,271.37 | 43,225.16 |
| Contract assets | - | - |
| Contract liabilities | 22,456.20 | 7,134.88 |

Trade receivables has decreased in line with decrease in sales during the year. For terms of trade receivables refer note 9.

Contract liabilities include advance received from customers. Increase in outstanding balance is attributable to advance received from one of the customer for one time order.

There is no significant difference between contract price and revenue recognised

## Notes forming part of the standalone financial statements

### Note 20. Other Income

| Particualrs | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| **Interest income from** | | |
| Bank deposit | 4.49 | 301.05 |
| Non current investments | 1,047.08 | 1,030.93 |
| Loan to subsidiaries | 7,063.16 | 7,050.01 |
| Other | 66.52 | 13.79 |
| | **8,181.25** | **8,395.78** |
| **Dividend income from** | | |
| Current investments | 0.21 | 1.11 |
| Non-current investments | 147.70 | 566.51 |
| | **147.91** | **567.62** |
| Net gain on sale of property plant and equipment's | 56.17 | 28.46 |
| long-term investments | - | |
| Realised/ unrealised gain on swap contract | 1,254.17 | 4,784.57 |
| Fair value changes on commodity derivative | 576.15 | - |
| Commission on guarantee to subsidiary | 707.34 | 954.16 |
| Profit on sale of mutual funds | 402.27 | 132.89 |
| Shared service fee from units | 2,825.81 | 2,739.55 |
| Liabilities / provisions no longer required written back | 284.92 | 1,319.02 |
| Miscellaneous income | 195.85 | 279.07 |
| | **6,302.68** | **10,237.72** |
| **Total** | **14,631.84** | **19,201.12** |

## Notes forming part of the standalone financial statements

### Note 21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particualrs | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| **Inventories at the beginning of the year:** | | |
| Stock-in-trade | 46,350.61 | 46,102.96 |
| Finished goods | 9,607.95 | 8,424.23 |
| Work-in-progress | 3,790.45 | 4,120.66 |
| Discontinued operation | - | (169.02) |
| | **59,749.01** | **58,478.83** |
| **Inventories at the end of the year:** | | |
| Stock-in-trade | 62,781.14 | 46,350.61 |
| Finished goods | 6,173.91 | 9,607.95 |
| Work-in-progress | 4,026.51 | 3,790.45 |
| Discontinued operation | - | - |
| | **72,981.56** | **59,749.01** |
| **Total** | **(13,232.55)** | **(1,270.18)** |

### Note 22. Employee benefit expense

| Particualrs | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Salaries and wages | 16,367.18 | 14,815.37 |
| Contribution to provident and other funds (refer note 35) | 1,627.42 | 1,149.65 |
| Staff welfare expenses | 1,078.37 | 1,001.95 |
| **Total** | **19,072.97** | **16,966.97** |

### Note 23. Finance costs

| Particualrs | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| **Interest expense on:** | | |
| Borrowings | 5,096.71 | 3,999.37 |
| Bill discounting | 59.35 | 77.74 |
| Lease liabilities | 616.13 | - |
| Other borrowing costs | 841.06 | 669.56 |
| **Total** | **6,613.25** | **4,746.67** |

### Note 24. Depreciation and amortisation expense

| Particualrs | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Property, plant and equipment | 1,615.87 | 2,245.12 |
| Intangible assets | 72.63 | 128.58 |
| Right of use assets | 320.89 | - |
| **Total** | **2,009.39** | **2,373.70** |

## Notes forming part of the standalone financial statements

### Note 25. Other expenses

| Particualrs | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Consumption of stores and spare parts | 4,196.70 | 4,765.04 |
| Consumption of packing materials | 929.82 | 974.40 |
| Increase / (decrease) of excise duty on inventory | - | - |
| Processing charges | 11,659.64 | 11,025.42 |
| Duty, clearing, forwarding and other charges | 5,217.21 | 7,983.52 |
| Service charges | 7,108.20 | 6,613.04 |
| Power and fuel | 1,889.65 | 1,914.45 |
| Rent including lease rentals | 270.79 | 1,277.90 |
| Repairs and maintenance - buildings | 214.76 | 186.87 |
| Repairs and maintenance - machinery | 246.36 | 389.28 |
| Repairs and maintenance - others | 913.84 | 782.64 |
| Insurance | 282.60 | 113.42 |
| Rates and taxes | 120.11 | 85.53 |
| Travelling and conveyance | 1,151.25 | 1,179.20 |
| Sales expense | 2,400.08 | 3,060.89 |
| Sales commission | 88.05 | 84.75 |
| Legal and professional fees | 2,215.32 | 2,373.89 |
| Payments to auditors | 117.41 | 89.78 |
| Trade, other receivables and advances written off | 119.10 | 117.38 |
| Provision for doubtful debts | 270.06 | 148.74 |
| Loss on foreign exchange re instatement | 1,359.58 | 143.65 |
| Fair value changes on derivative | 3,260.34 | 5,797.67 |
| Security and conservancy | 363.31 | 359.83 |
| Corporate social responsibility expense | 78.90 | 76.52 |
| Miscellaneous expenses | 3,268.71 | 4,046.05 |
| **Total** | **47,741.79** | **53,589.86** |

### Note (i) Payments to auditors

| Particualrs | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Audit fees | 76.00 | 76.00 |
| In other capacities: | | |
| Taxation matters | 5.00 | 5.00 |
| Other services | 2.25 | 2.75 |
| Reimbursement of expenses | 34.16 | 6.03 |
| **Total** | **117.41** | **89.78** |

The above amounts does not include fees of Rs. 52 lakhs for the services rendered by auditors which was reimbursed by the subsidiary to the company.

### Note 26 Exceptional Items

| Particualrs | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Loss on measuring inventory at net realisable value (Refer note 1 below) | (8,890.78) | - |
| Gain on sale of property, plant and equipment (Refer note 2 below) | - | 793.68 |
| **Total** | **(8,890.78)** | **793.68** |

**Note**

1. In respect of inventories of Coal carried as at March 31 2020, the Company has recorded a reduction of Rs 8,890.78 lakhs from the cost of such inventories, to reflect the net realizable value thereof. Market prices of Coal recorded a sharp reduction, which is attributable to the Covid-19 pandemic. The sharp reduction in these prices in a short period of time is highly unusual and accordingly, is disclosed as an exceptional item.
2. During the FY18-19, the company has sold a guest house situated at Dewas. The sale consideration of sale was Rs. 795.87 lakhs as against carrying value of Rs. 2.19 Lakhs resulted in profit of Rs. 793.68 Lakhs.

## Notes forming part of the standalone financial statements

**27 (a)** During the financial year 2015-16, as per the Share Purchase Agreement ("SPA") dated May 22, 2015 entered into between the Selling Shareholders (Tata Industries Limited ("TIL") and Tata International Limited (the Company)), Drive India Enterprise Solutions Limited ("DIESL") and TVS Logistics Services Limited ("TLSL"), the Selling Shareholders have jointly sold their entire shareholding in DIESL to TLSL for a total consideration of Rs. 8,581.00 lakhs (Company's share Rs. 4,290 lakhs).As per the SPA, the Selling Shareholders have severally provided certain general and specific indemnities to TLSL. General indemnities up to 100% of total consideration received for breach of Representations and Warranties (R&W) relating to title of sale shares and demand, if any, raised on TLSL/DIESL under Section 281 of the Income tax Act, 1961. Specific indemnity up to Rs. 3,003.00 lakhs on account of liabilities in respect of demands from statutory authorities presently pending against DIESL and claims that may arise in future in respect of certain matters identified in SPA. Specific indemnities up to 20% of total consideration received in respect of claims arising from breaches of R&W relating to tax compliances, no pending investigations and inquiries (10%) and other general representations (10%). However, within the sub limits applicable to general and specific indemnities as specified above, the maximum aggregate liability of each Selling Shareholder under this agreement shall not exceed the aggregate amounts received by it from TLSL under the SPA and/or DIESL under the Preference Share Agreement entered into on May 19, 2015 and the liability of each Selling Shareholder to indemnify TLSL/DIESL shall be proportionate to their respective pre closing equity shareholding percentage. The claims can be made before expiration of eight years from the closing date which is August 31, 2015.The Selling Shareholders are also liable to indemnify, without limit, TLSL/DIESL in respect of two legal proceedings identified in the SPA for which there are no claims on DIESL presently. The potential future impact of such indemnities provided, if any, cannot be ascertained presently.

**27 (b)** During the previous year, 500,001 preference share held in Drive India Enterprise Solutions Limited were split into 10,002 shares of TVS Logistics Services Limited and 399,999 shares of Drive India Enterprise Solutions Limited as a result of demerger.

Out of above shares, 282,671 share held in Drive India Enterprise Solutions Limited shares and 2,325 shares held in TVS Logistics Services Limited are redeemed at the redemption premium of 1,128.88 lakhs. Further the company has received Rs. 302.56 lakhs arrears of consideration for sale of investment in Drive India Enterprise Solutions Limited.

Gain on redemption of preference share along with arrears of consideration for sale of investment in Drive India Enterprise Solutions Limited aggregating to Rs.1,431.44 is recognised in other comprehensive income as fair value of equity instruments / preference share through other comprehensive income in the previous year.

**27 (c)** During the year ended 31st March, 2020, pursuant to an asset transfer agreement with Rohini Industrial Electricals Ltd., the Company has transferred its assets pertaining to solar business, with effect from 30th June, 2019 for a total consideration of Rs. 1,090.50 lakhs. Consideration receivables as on 31st March, 2020 is Rs 684.60 lakhs.

**27 (d)** During the year, the Company had entered into a business transfer agreement of transfer of its Bicycle Unit to its wholly owned subsidiary Stryder Cycle Pvt. Limited (SCPL) on a going concern basis w.e.f. 1st November, 2019. Basis the agreement, the transfer of bicycle unit is done along with its all assets and liabilities, including human resources deployed has been effected for the market value of Rs. Rs.2,550.20 Lakhs against which SCPL has paid Rs. 1 Lakh and issued 10,000 equity shares of face value of Rs. 10/- each at a premium of Rs. 28,314.50/- per share aggregating to Rs. 25,49,20,500 (Twenty Five Crore Forty Nine Lakh Twenty Thousand and Five Hundred only) to Tata International Limited (TIL).Since, this is a common control transaction , the Company has recorded the investment in SCPL at the carrying value of net assets transferred.

**27 (e)** The Company was in the advanced stage of finalising the contract for sale of its shareholding in Tata International DLT Pvt Ltd, a joint venture which was classified as Assets Held for Sale in the previous year. However, the sale purchase agreement did not go through due to the prevailing market conditions. Hence, the same has been reclassified to Non Current Investments in the current year.

## Notes forming part of the standalone financial statements

### Note 28. Contingent Liability

**(a) Claims against the Company not acknowledged as debts comprise of :**

(i) Sales tax / Entry Tax

Demand notices aggregating to Rs. 1433.51 lakhs (31 March 2019- Rs. 1133.10 lakhs) have been issued by various State Sales Tax Authorities relating to issue of applicability and classification.

**(ii) Service tax**

The Service Tax department, Mumbai has issued demand and recovery notices aggregating to Rs. 0.55 lakhs (31 March 2019- Rs. 0.55 lakhs) including interest, towards service tax allegedly payable by the Company for the period 2005 to 2009. The Service Tax Authorities contend that the Company was rendering services as "Clearing & Forwarding Agents" during the said period and was, therefore chargeable to service tax in respect of those services.

The Service Tax department, Dewas has raised demands of Rs. 18.77 lakhs (31 March 2019- Rs. 18.77 lakhs) for import of services during the period 2004 to 2009. The matter is under appeal.

**(iii) Taxation matters**

Demand against the Company not acknowledged as debts and not provided for relating to issues of transfer pricing, deductibility and taxability in respect of which the Company is in appeal :-

Income Tax: Rs. 7,356.03 lakhs (31 March 2019- Rs. 6,975.09 lakhs)

**(iv) DEPB / Drawback claims**

DEPB / Drawback claims rejected by Commissioner of Customs (Appeals) disputed by the Company relating to issue of inadmissibility aggregating to Rs. 3,205.11 lakhs (31 March 2019 - Rs. 3,205.11 lakhs).

**(v) Excise Duty**

The Excise Department at Dewas has raised a demand of Rs. 426.63 lakhs (31 March 2019 - Rs. 359.43 lakhs) alleging that the activity of mixing of chemicals amounts to manufacturing and hence eligible to excise duty.The Company is contesting the claim before Commissioner of Central Excise.

**(vi) Other Matters Rs. 683.01 lakhs (31 March 2019- Rs. 1,045.08 lakhs).**

Future cash outflows in respect of above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

**(vii)** The State Government of Madhya Pradesh had issued a Permanent Eligibility Certificate recognizing the Company as an "Exporting Industrial Unit", thus exempting it from payment of Sales Tax and Entry Tax, till 24th January, 2007. In accordance there with the Company has lodged claims for refund of Rs. 215.08 lakhs (31st March, 2019 - Rs. 215.08 lakhs), being Entry Tax paid by the Parent Company during the period 1994-1995 to 2006-2007. The said amount has been included in 'Other non current assets' under the heading Other advances.

All the amounts stated above from note (i) to (vii) does not include interests & penalties.

**(viii)** During the previous year, the Company had given counter-corporate guarantee to Indian Hotels Company Limited (IHCL) to the extent of 50% against Corporate guarantee they had issued to Standard Chartered Bank, UK and Standard Chartered Bank, Johanessburg for a facility of USD 38 million and ZAR 11 million respectively, equivalent to Rs. 29,218.40 lakhs in respect of borrowing by IHMS Hotels (SA) (Pty) Limited, South Africa (a joint venture between the company's subsidiary Tata Africa Holdings (SA) Pty Ltd and IHCL). The proceeds were used for refinancing the loan taken from ICICI bank PLC, UK. Subsequent to the year end, the corporate guarantee issued by Tata International Limited (TIL) is cancelled and a non-binding letter of comfort is issued in favour IHCL.

**(ix)** There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The impact is not expected to be material as per the assessment made by the company.

## Notes forming part of the standalone financial statements

**28(b) i)** Full particulars of guarantees given together with purpose in terms of section 186 (4) of the Companies Act, 2013

| Name of entity | Amount | | | | Full Particulars of guarantees | Purpose |
|---|---|---|---|---|---|---|
| | As at 31st March 2020 | | As at 31st March 2019 | | | |
| | FC in lakhs | Rs. in lakhs | FC in lakhs | Rs. in lakhs | | |
| **Guarantees Given** | | | | | | |
| Tata International Singapore Pte Limited (wholly-owned subsidiary) | - | - | SGD 888.1 | 45,322.41 | Guarantee to the holders of Senior bonds of value SGD 500 lakhs (Fully repaid) and the holders of perpetual bonds of value SGD 1500 lakhs (Outstanding value as on 31st March 19 is SGD 507.50 lakhs). | Repayment of debts, general corporate purpose and re-capitalization of some subsidiaries at Africa |
| Tata International Singapore Pte Limited (wholly-owned subsidiary) | EUR 300 | 24,830.98 | EUR 300 | 23,298.60 | Corporate guarantee issued by Tata International Ltd. As security of a term loan raised from EXIM bank. | Repayment of debts, general corporate purpose and re-capitalization of some subsidiaries at Africa |
| Tata International Singapore Pte Limited (wholly-owned subsidiary) | - | - | USD 330 | 22,819.50 | Corporate guarantee issued by Tata International Limited as security for a term loan raised from Indusland bank | Repayment of debts, general corporate purpose and re-capitalization of some subsidiaries in Africa |
| Indian Hotels Company Limited | USD 190 | 14,376.35 | USD 190 | 13,138.50 | the Company has given counter-corporate guarantee to Indian Hotels Company Limited(IHCL) to the extent of 50% against Corporate guarantee they have issued to SCB, UK and SCB, Johanessburgfor a facility of USD 38 million and ZAR 11 million respectively | Corporate guarantee given to Indian hotels as Indian hotels has issued a guarantee in favour of a bank for having extended a term loan to our joint venture company |
| Indian Hotels Company Limited | ZAR 55 | 232.85 | ZAR 55 | 262.06 | | |
| Tata Africa Holdings (Ghana) Limited | USD 22 | 1,664.63 | - | - | In favour of John Deere Asia (Singapore) Pvt. Ltd and John Deere Proprietary Ltd | Corporate Guarantee issued to get additional credit for Tata Ghana imports from John Deere |
| Tata Africa Services (Nigeria) Limited | USD 50 | 3,783.25 | - | - | In favour of John Deere Asia (Singapore) Pvt. Ltd and John Deere Proprietary Ltd | Corporate Guarantee issued on to get additional credit for Tata Nigeria imports from John Deere |
| Tata Africa Holdings (SA) (Proprietary) Limited | USD 88 | 6,658.52 | - | - | In favour of John Deere Asia (Singapore) Pvt. Ltd and John Deere Proprietary Ltd | Corporate Guarantee issued to get additional credit for Tata Africa imports from John Deere |
| **Total** | **51,546.58** | **104,841.07** | | | | |

## Notes forming part of the standalone financial statements

### Note 29. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2020 is Rs. 310.06 lakhs (31st March, 2019 - Rs. 596.48 lakhs).

### Note 30.

The Company has given undertakings to banks / other entities for non-disposal of its shareholding in its subsidiaries against loans and other facilities extended by them to its subsidiaries as listed below:

- Tata Africa Holdings (SA) (Pty) Limited
- Tata Zambia Limited
- Tata South-East Asia Limited
- Tata South East Asia (Cambodia) Limited
- Tata International Singapore Pte Limited
- Tata International Metals (UK) Limited
- Tata Automobile Corporation (SA) (Proprietary) Limited
- Tata International Metals (Asia) Limited
- Tata International Metals (Americas) Limited
- Tata International Vietnam Company Limited
- Calsea Footwear Private Limited
- Move on Components e calcado,S.A.
- Tata International West Asia DMCC
- Tata Africa Services (Nigeria) Limited
- Tata Uganda Limited
- Tata De Mocambique, Limitada
- Tata Africa Holdings (Tanzania) Limited
- Tata Africa Holdings (Kenya) Limited
- Tata Africa Holdings (Ghana) Limited
- Alliance Finance Corporation Limited

**Note 31.** Full particulars of loans given, investment made, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013

| Name of entity | Amount | | | | Full Particulars | Purpose |
|---|---|---|---|---|---|---|
| | As at 31st March 2020 | | As at 31st March 2019 | | | |
| | Foreign Currency in lakhs | Rs. in lakhs | Foreign Currency in lakhs | Rs. in lakhs | | |
| **(a) Loans Given** Tata International Singapore Pte Limited (wholly-owned subsidiary) | USD 1129.9 | 85,491.39 | - | - | Loans given during the year | Refinance the high cost debts at the subsidiary and to re-capitalize certain step-down subsidiaries to enable the step-down subsidiaries, in turn, to retire their high cost debts. |
| | USD 1129.9 | 85,491.39 | USD 1792.2 | 123,929.36 | Loans outstanding | |
| Calsea Footwear Private Limited (wholly-owned subsidiary) | - | - | - | 1,600.00 | Loans given during the year | To augment working capital requirements temporarily |
| | - | 1,690.00 | - | 1,690.00 | Loans outstanding | |
| **(b) Investments made** | As detailed in Note 4(a) to the financial statements | | | | | |
| **(C)** The Company had written off investment in equity shares in Tata West Asia FZE during the year ended March 31, 2016. | | | | | | |

## Notes forming part of the standalone financial statements

**Note 32. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Rs in lakhs

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| (a) Dues remaining unpaid as on 31st March | | |
| Principal | 778.98 | 356.01 |
| Interest | - | 2.90 |
| (b) (i) Amounts paid to suppliers beyond the appointed day<br>(ii) Interest paid in terms of Sec.16 of the Act | 1,151.29 | 1,147.00 |
| (c) Interest due and payable for the period of delay in payments made beyond the appointed day during the year | 9.54 | 2.65 |
| (d) Interest accrued and remaining unpaid as on 31st March | 5.05 | 8.02 |
| (e) Interest due and payable even in the succeeding years until actually paid | 14.29 | 12.11 |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**Note 33. Leases**

**33 (i) As Lessor**

The Company has given on lease various items of machinery, vehicles and premises. These leases are generally for a period of 1 year. The Company has earned income of Rs. 8.60 lakhs by way of lease rentals.

**33 (ii) As Lessee**

The Company has lease contracts for various items of machinery and premises, which are used in its operations. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are based on mutual agreement of terms and conditions.The Company also has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.The Company has considered hindsight information in order to determine the lease term for recognition of ROU asset and lease liabilities as at 1st April, 2019.

**33 (ii) (a) For Right of Use Asset**

| Nature of ROU | Lease term in years 1st April, 2019 | Opening balance as on | Addition during the year | Depreciation expense for the year | Closing balance as on 31st March, 2020 |
|---|---|---|---|---|---|
| Building (including factory building) | 1.2 to 15 years | 929.81 | 6,505.85 | 311.30 | 7,124.36 |
| Plant and Machinery | 4 years | 19.17 | - | 9.59 | 9.58 |
| | | **948.98** | **6,505.85** | **320.89** | **7,133.94** |

**33 (ii) (b) For Lease liabilities**

**A) Movement of Lease liabilities**

| Particulars | Rs. lakhs |
|---|---|
| **Discount rate used- %** | **9% to 10.50 %** |
| **Opening balance as on 1st April, 2019** | **1,216.64** |
| Add: Addition during the year | 6,505.89 |
| Add: Interest expense | 616.13 |
| Less: Cash outflow | (1,055.73) |
| **Closing balance as on 31st March, 2020** | **7,282.93** |
| *Bifurcation of above* | |
| Current Lease liabilities | 6,410.18 |
| Non current Lease liabilities | 872.75 |

## Notes forming part of the standalone financial statements

**B) Maturity Analysis**

Rs. Lakhs

| Particulars | Less than 1 year | Between 1 to 5 years | More than 5 years | Total- as on 31st March, 2020 |
|---|---|---|---|---|
| Lease liabilities (current+Non current) | 6,410.18 | 635.55 | 237.20 | **7,282.93** |

**C) Impact on Retained earnings**

| Particulars | Amount |
|---|---|
| Right of Use asset on 1st April 2019 | 948.98 |
| Lease Liability as on 1st April 2019 | 1,216.64 |
| **Impact on Retained earnings** | **(267.66)** |

**33 (ii) (c) Rent including lease rentals bifurcation as per Note 25 Other expenses as below:**

| Particulars | Rs. lakhs |
|---|---|
| Expense relating to short-term leases -Lease tenure less than 1 year | 357.04 |
| Expense relating to leases of low-value assets-less than Rs. 3 lakhs | 27.04 |
| **Total** | **384.08** |
| Less: Discontinued operations | 113.29 |
| Lease renatal as per Note 25 Standalone Financial Statements | 270.79 |

**33 (ii) (d) Other expense breakup**

| Particulars | Rs.lakhs |
|---|---|
| Depreciation expense of right-of-use assets | **320.89** |
| Interest expense on lease liabilities | **616.13** |

**34 (a) Income Tax Expense** **Rs in lakhs**

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|---|---|
| **Current Tax:** | | |
| Current Tax relating to current year | 699.90 | 5,392.71 |
| Current Tax relating to previous year | (3,097.23) | - |
| **Deferred Tax** | | |
| Deferred tax | 5,936.01 | (6,268.79) |
| Total Tax Expense recognised in statement of profit and loss | **3,538.68** | **(876.08)** |

## Notes forming part of the standalone financial statements

**(b) The reconciliation of estimated income tax expenses at Indian statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:**

**Rs in lakhs**

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|---|---|
| **(Loss)/ Profit Before Income Tax** | (5,256.41) | 6,820.04 |
| Indian statutory income tax rate 34.944% | (1,836.80) | 2,383.19 |
| **Tax Effect of :** | | |
| Effect of income that is exempt from taxation | (51.75) | (198.35) |
| Effect of expenses that are not deductible in determining taxable profit | 73.54 | 3,180.19 |
| Effect of expenses that are deductible in determining taxable profit but not included in the statement of profit and loss | (4,339.60) | (4,663.36) |
| Effect of concessions (Capital gains on sale of investments and property, plant & Equipment) | - | (27.27) |
| Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets | - | (6,059.26) |
| Effect of previously recognised and unused tax losses and deductible temporary differences now reversed | 5,936.01 | - |
| Adjustments recognised in the current year in relation to the current income tax of prior years. | (3,097.23) | - |
| Effect on account of reclassification of Tax on Interest on perpetual bonds | - | 3,899.75 |
| Effect on account of Tax on MAT | - | 818.56 |
| Effect on account of MAT Credit Recognised | - | (209.54) |
| Deferred Tax assets not recognized | 6,854.51 | - |
| **Total income tax expense** | **3,538.68** | **(876.09)** |

**(c) Income Tax on Other Comprehensive Income:**

**Rs in lakhs**

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|---|---|
| Net fair value in gain on investments in investment carried at FVTOCI | - | (129.79) |
| Remeasurement of defined benefit obligation | - | - |
| **Total** | **-** | **(129.79)** |

**(d) Amounts on which deferred tax asset has not been created:**

**Rs in lakhs**

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|---|---|
| Deductible Temporary differences | 18,175.00 | - |
| Unused Tax losses | 8,820.00 | 1,486.39 |
| Unused tax Credits (MAT) | 7,204.12 | 1,684.92 |
| **Total** | **34,199.12** | **3,171.31** |

## Notes forming part of the standalone financial statements

Under the Indian Income Tax Act, 1961, unabsorbed business losses expire 8 years after the year in which they originate.

Unrecognised Deferred Tax assets relate primarily to business losses and tax credit entitlement. This unexpired business losses will expire based on the year of origination as follows :

**Rs. in lakhs**

| Particulars | Unused Tax losses | Unused tax credits |
|---|---|---|
| **Mar-31** | | |
| 2021 | 1,633.00 | - |
| 2022 | - | - |
| 2023 | - | - |
| thereafter | 7,187.00 | 7,204.12 |

**Rs. in lakhs**

| Particulars | For the Year ended 31 March 2020 | | | |
|---|---|---|---|---|
| | Opening Balance | Recognised in profit and Loss | Recognised in OCI | Closing Balance |
| Tax effect of items constituting deferred tax liabilities | | | | |
| FVTPL financial asset | - | - | | - |
| | **-** | **-** | **-** | **-** |
| Tax effect of items constituting deferred tax assets | | | | |
| Carry forward losses and deductible temprorary differences | 6,651.80 | (2,156.02) | - | 4,495.78 |
| Minimum Alternate Tax Credit | 3,779.99 | (3,779.99) | - | |
| | **10,431.79** | **(5,936.01)** | **-** | **4,495.78** |
| **Net Tax Asset (Liabilities)** | **10,431.79** | **(5,936.01)** | **-** | **4,495.78** |

**Rs. in lakhs**

| Particulars | For the Year ended 31 March 2019 | | | |
|---|---|---|---|---|
| | Opening Balance | Recognised in profit and Loss | Recognised in OCI | Closing Balance |
| Tax effect of items constituting deferred tax liabilities | | | | |
| FVTPL financial asset | 98.41 | (98.41) | | - |
| | **98.41** | **(98.41)** | **-** | **-** |
| Tax effect of items constituting deferred tax assets | - | | | |
| Carry forward losses and deductible temprorary differences | 656.12 | 5,960.85 | 34.83 | 6,651.80 |
| Minimum Alternate Tax Credit | 3,570.45 | 209.54 | - | 3,779.99 |
| | **4,226.57** | **6,170.39** | **34.83** | **10,431.79** |
| **Net Tax Asset (Liabilities)** | **4,128.16** | **6,268.80** | **34.83** | **10,431.79** |

## Notes forming part of the standalone financial statements

**35 (a) Defined Contribution Plan**

The Company makes contributions to Family Pension Fund, Superannuation Fund, ESIC contribution to Defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

Company's contribution paid / payable during the year to Family Pension Fund and ESIC are recognized in Statement of Profit and Loss. These amounts are recognized as an expense and included in Note 22 'Employee Benefit Expenses' under the heading 'Contribution to Provident and other funds '.

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:

**Rs in lakhs**

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Contribution to Employees' Family Pension Fund | 171.78 | 167.46 |
| Provident Fund | 395.96 | 359.10 |
| EDLI Fund | 18.31 | 14.28 |
| Contribution to Employees' Superannuation Fund | 19.28 | 26.40 |
| Employees' State Insurance Scheme | 237.04 | 276.77 |

**(b) Defined Benefit Plans:**

**Provident Fund**

The Company makes monthly contributions to Provident Fund managed by Tata International Limited Provident Fund Trust (the "Trust") for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year the Company has contributed Rs.Rs.163.87 lakhs (31 March 2019: Rs.156.05 lakhs) to the Provident fund trust.

In accordance with Indian law, employer established provident fund trusts are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the actuarial valuation, the Defined Benefit Obligation of Interest rate Guarantee on exempted Provident Fund in respect of employees of the Company as at 31 March 2020 works out to 9.10 lakhs and hence provision is made in the books of accounts (31 March 2019 - 31.23 lakhs ) towards the guarantee given for notified interest rates. Further, during the year Company has provided Rs. 386.79 lakhs on account of mark to market reduction in value of investments of the Trust.

In carrying out an actuarial valuation of interest rate guarantee on exempt provident fund liability, expected investment return is compared with the guaranteed rate of interest and the expected shortfall is determined for a projection period of 3 year. This is further applied to accumulated value of the provident fund to arrive at the Defined Benefit Obligation.

The above process is carried out for 3 scenarios, one based on the prevailing rate of return, and the other two with 100 Basis Points upward and downward shifts in the expected rate of return and Defined Benefit Obligation of the interest rate guarantee is determined under these three scenarios. Defined Benefit Obligation of the interest rate guarantee is equal to the average of the Defined Benefit Obligation determined under all three scenarios above. The actuarial valuation is carried out using the projected accrued benefit method.

The major categories of plan assets in which the contributions are invested by Tata International Limited Provident Fund Trust are as under:

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Bonds and Securities of Central Government | 466.91 | 227.38 |
| Bonds and Securities of State Government | 1,666.66 | 2,043.96 |
| Corporate Bonds | 2,354.51 | 2,208.26 |
| Special Deposits with Banks | 1,230.32 | 1,230.32 |
| Equity Fund | 269.49 | 223.80 |
| Other Investments | 163.23 | 166.43 |
| **Total Assets** | **6,151.12** | **6,100.15** |

## Notes forming part of the standalone financial statements

Actuarial assumptions made to determine Interest Rate Guarantee on Exempt Provident Fund Liabilities are as follows:

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Discount Rate for the term of the Obligation | 6.24% | 7.07% |
| Remaining term to Maturity (years) of plan assets | 5.82 | 5.08 |
| Weighted Average YTM | 8.48% | 8.61% |
| Attrition rate | 15.00% | 15.00% |
| Guaranteed Rate of Return | 8.50% | 8.65% |

**Gratuity and Pension Plan**

The Company provides Gratuity benefit to all employees. The Company provides post retirement pension for retired whole-time directors. The assets of the gratuity plans are held separately from those of the Company in funds under the control of the trustees of the independent trusts or with the life insurance companies. The board of trustees of the gratuity fund composed of an equal number of representatives from both employees and employers. The board of the Fund is required by law and by the trust deed to act in the interest of the Fund and of all relevant stakeholders in the scheme. The board of trustee of the fund and management of life insurance company is responsible for the investment policy with regard to the assets of the Fund. Post retirement pension plan is not funded.

Under the gratuity plan, the employees with minimum five years of continous service are entitled to lumpsum payment at the time of separation calculated based on the last drawn salary and number of years of service rendered with the company. Under the post retirement pension, the Company pays monthly pension to retired whole-time directors as decided by the board of directors.

These plans expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk

**Investment Risk**The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefits plans, the discount rate is determined by reference to bonds when there is deep market for such bonds. Currently, for the plan in India, it has relatively balanced mix of investments in government securities and other debt instruments.

**Interest risk**A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk**The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan particpants will increase the plan's liability.

| | Particulars | Funded Plan | | Unfunded Plan | |
|---|---|---|---|---|---|
| | | Gratuity | | Pension Scheme | |
| | | 2020 | 2019 | 2020 | 2019 |
| **I.** | **Expenses Recognised in Profit and Loss Account for Current Period** | | | | |
| 1. | Current Service Cost | 216.19 | 200.35 | - | - |
| 2. | Net Interest Cost | 9.09 | 20.05 | 34.36 | 36.37 |
| 3. | Past Service Cost | - | - | - | - |
| 4. | (Expected Contribution by the Employees) | - | - | - | - |
| 5. | (Gain)/Losses on Curtailment And Settlements | - | - | - | - |
| 6. | Net Effect of Changes in Foreign Exchange Rates | - | - | - | - |
| **7.** | **Expenses Recognised** | **225.28** | **220.40** | **34.36** | **36.37** |

## Notes forming part of the standalone financial statements

| | Particulars | Funded Plan | | Unfunded Plan | |
|---|---|---|---|---|---|
| | | Gratuity | | Pension Scheme | |
| | | 2020 | 2019 | 2020 | 2019 |
| **II.** | **Expenses Recognised in Other Comprehensive Income (OCI) for Current Period** | | | | |
| 1. | Actuarial (Gain)/ Losses on Obligation For the Period | 160.56 | (76.32) | 70.37 | 31.82 |
| 2. | Return on Plan Assets, Excluding Interest Income | (43.53) | 10.95 | - | - |
| 3. | Change in Asset Ceiling | - | - | - | - |
| 4. | **Net (Income)/Expense for the Period Recognised in OCI** | **117.03** | **(65.37)** | **70.37** | **31.82** |
| **III.** | **Net Asset/(Liability) recognised in the Balance Sheet as at 31st March** | | | | |
| 1. | Present value of defined benefit obligation as at 31st March | (2,550.12) | (2,405.99) | (478.80) | (459.30) |
| 2. | Fair value of plan assets as at 31st March | 2,138.88 | 2,259.82 | - | - |
| 3. | Surplus/(Deficit) | (411.24) | (146.17) | (478.80) | (459.30) |
| 4. | Current portion of the above | (202.13) | (60.96) | (77.80) | (75.22) |
| 5. | Non current portion of the above | (209.11) | (85.21) | (401.00) | (384.08) |
| **IV.** | **Change in the obligation during the year ended 31st March** | | | | |
| 1. | Present value of defined benefit obligation at the beginning of the year | 2,416.30 | 2,579.34 | 459.30 | 473.58 |
| 2. | Add/(Less) Liability transfer in/acquisition | (62.29) | 4.49 | - | |
| | Transfer | - | - | | |
| 3. | Current Service Cost | 216.19 | 200.34 | - | |
| 4. | Past Service Cost | - | - | - | |
| 5. | Interest Expense (Income) | 167.12 | 194.05 | 34.36 | 36.37 |
| 6. | Actuarial Gain (Loss) arising from: | - | - | | |
| | i. Demographic Assumptions | - | 12.84 | | |
| | ii. Financial Assumptions | 54.56 | (20.12) | 17.06 | 3.21 |
| | iii. Experience Adjustments | 106.00 | (69.04) | 53.31 | 28.61 |
| 7. | Benefit payments | (347.75) | (485.60) | (85.23) | (82.47) |
| 8. | Others (Specify) | - | - | - | |
| **9.** | **Present value of defined benefit obligation at the end of the year** | **2,550.125** | **2,416.30** | **478.80** | **459.30** |
| **V.** | **Change in fair value of assets during the year ended 31st March** | | | | |
| 1. | Fair value of plan assets at the beginning of the year | 2,259.82 | 2,307.00 | - | - |
| 2. | Add/(Less) Liability transfer in/acquisition | (45.24) | 4.49 | - | - |
| 3. | Expected return on plan assets | 158.03 | 174.00 | - | - |
| 4. | Actual Return on plan assets in excess of the expected return | 43.53 | (10.95) | - | - |
| 5. | Contributions by employer (including benefit payments recoverable) | 70.49 | 270.88 | - | - |
| 6. | Benefit payments | (347.75) | (485.60) | - | - |
| **7.** | **Fair value of plan assets at the end of the year** | **2,138.88** | **2,259.82** | **-** | **-** |
| **VI.** | **The Major categories of plan assets** | | | | |
| | Government of India assets | 307.44 | 466.22 | - | - |
| | State Government Securities | 182.84 | 268.06 | - | - |
| | Special Deposit Scheme | 279.04 | 279.04 | - | - |
| | Equity Instruments | 79.47 | 79.47 | - | - |
| | Corporate Bonds | 456.86 | 490.63 | - | - |
| | Cash & Cash equivalents | 23.10 | 9.95 | - | - |
| | Insurance Fund | 765.42 | 723.71 | - | - |
| | Asset - backed securities | - | - | - | - |
| | Structured debt | - | - | - | - |
| | Other | 80.69 | 90.33 | - | - |
| | Amount (payable) to Company | (35.97) | (147.60) | | |
| | **Total** | **2,138.89** | **2,259.82** | **-** | **-** |
| **VII.** | **Actuarial assumptions** | | | | |
| 1. | Discount rate | 6.24%/6.66% | 7.68% / 7.00% | 6.43% | 7.48% |
| 2. | Expected rate of return on plan assets | 6.24%/7% | 7.68% / 7.60% | NA | NA |
| 3. | Attrition rate | 15.00% | 15.00% | NA | NA |
| 4. | Expected rate of salary increase | 5.00% | 5.00%/7.00% | NA | NA |
| 4. | Medical premium inflation | | NA | 0% | 0% |

## Notes forming part of the standalone financial statements

**Sensitivity analysis for each significant actuarial assumption is shown in table below:**

| Particulars | Funded Plan Gratuity | | Unfunded Plans Post retirement Benefits | |
|---|---|---|---|---|
| Effect of one percentage point change | **2020** | **2019** | **2020** | **2019** |
| Projected Benefit Obligation on Current Assumptions | 2,550.12 | 2,416.30 | 478.79 | 459.30 |
| Delta Effect of +0.5% Change in Rate of Discounting | (46.80) | (42.73) | (8.29) | (7.94) |
| Delta Effect of -0.5% Change in Rate of Discounting | 49.48 | 45.56 | 8.62 | 8.25 |
| Delta Effect of +0.5% Change in Rate of Salary Increase | 50.00 | 46.14 | - | - |
| Delta Effect of -0.5% Change in Rate of Salary Increase | (47.69) | (43.83) | - | - |
| Delta Effect of +0.5% Change in Rate of Employee Turnover | 1.26 | 3.22 | - | - |
| Delta Effect of -0.5% Change in Rate of Employee Turnover | (1.49) | (3.65) | - | - |
| Delta Effect of +010% Change in Rate of Employee Turnover | 5.30 | - | - | - |
| Delta Effect of -10% Change in Rate of Employee Turnover | (43.15) | - | - | - |
| Delta Effect of +10.0% Change in Rate of Mortality Rate | - | - | (22.36) | (20.10) |
| Delta Effect of -10.0% Change in Rate of Mortality Rate | - | - | 25.19 | 22.50 |

| VIII. | Experience Adjustments : | For the period ended | | | | |
|---|---|---|---|---|---|---|
| | | **2020** | **2019** | **2018** | **2017** | **2016** |
| | | **Gratuity** | | | | |
| 1. | Defined Benefit Obligation | (2,550.12) | (2,416.30) | (2,579.34) | (2,642.60) | (2,325.00) |
| 2. | Fair value of plan assets | 2,138.88 | 2,259.82 | 2,307.00 | 2,254.09 | 2,020.70 |
| 3. | Surplus/(Deficit) | (411.24) | (156.48) | (272.34) | (388.51) | (304.30) |
| 4. | Experience adjustment on plan liabilities [(Gain)/Loss] | (106.00) | 69.04 | 33.41 | -57.45 | 166.66 |
| 5. | Experience adjustment on plan assets [Gain/(Loss)] | 43.53 | (10.95) | 19.10 | 3.89 | (6.16) |
| | | **Post retirement benefit** | | | | |
| 1. | Defined Benefit Obligation | (478.80) | (459.30) | (473.58) | (460.70) | (438.83) |
| 2. | Plan assets | - | - | - | - | - |
| 3. | Surplus/(Deficit) | - | - | - | - | - |
| 4. | Experience adjustment on plan liabilities [(Gain)/Loss] | (53.31) | (28.61) | 53.20 | 20.80 | - |

### 36 Financial instruments

### 36.01 Capital management

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in notes 14 offset by cash and bank balances) and the total equity of the Company. Unsecured perpetual security is considered part of equity.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, long term-term borrowings, short-term borrowings, interest accrued thereon, less cash and cash equivalents.

## Notes forming part of the standalone financial statements

### Gearing Ratio

The gearing ratio at end of the reporting period was as follows

| Particulars | As at 31st March 2020 Rs. in lakhs | As at 31st March 2019 Rs. in lakhs |
|---|---|---|
| **Debt** | | |
| Current borrowings | 78,749.58 | 60,435.05 |
| Interest accrued but not due on borrowings | 173.50 | 105.81 |
| Less: Cash and bank balances | (19,554.45) | (3,738.82) |
| **Net debt** | **59,368.63** | **56,802.04** |
| **Total equity** | **137,002.71** | **198,820.61** |
| Equtiy share capital | 4,010.00 | 4,010.00 |
| Unsecured perpetual securities | 80,000.00 | 120,000.00 |
| Other equity | 52,992.71 | 74,810.61 |
| **Net debt to equity ratio** | **0.43** | **0.29** |

### 36.02 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables, lease liability etc. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions. The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

### 36.02.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

### 36.02.2 Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of metals, leather, minerals and agriculture products. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The company's commodity risk is managed centrally through well-established trading operations and control processes.

### 36.02.3 Foreign currency risk management

The Company enter into sale and purchase transactions and borrowings denominated in foreign currencies; consequently, exposures to exchangee rate fluctuations arise.

## Notes forming part of the standalone financial statements

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Monetary assets | As at 31st March 2020 | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2019 |
|---|---|---|---|---|
| | Foreign currency in lakhs | Rs. in lakhs | Foreign currency in lakhs | Rs. in lakhs |
| US Dollar | 1,316.20 | 99,589.85 | 206.63 | 14,288.72 |
| Euro | 22.84 | 1,890.63 | 19.86 | 1,542.64 |
| GBP | 3.30 | 308.69 | 3.66 | 330.05 |
| VND | 484.43 | 1.55 | - | - |
| ZAR | 86.07 | 364.41 | - | - |
| TAKA | 4.79 | 4.24 | - | - |

| Monetary liabilities | As at 31st March 2020 | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2019 |
|---|---|---|---|---|
| | Foreign currency in lakhs | Rs. in lakhs | Foreign currency in lakhs | Rs. in lakhs |
| US Dollar | 1,188.04 | 89,892.92 | 941.63 | 65,113.64 |
| Euro | 12.34 | 1,021.42 | 5.89 | 457.08 |
| GBP | 0.14 | 13.30 | 0.14 | 12.70 |
| HKD | 0.15 | 1.44 | - | - |
| ZAR | - | - | 0.03 | 0.14 |
| TAKA | - | - | - | - |

**Foreign currency sensitivity analysis**

| Particulars | Net exposure Rs. in lakhs | Increase/ (decrease) In profit (Rs. in lakhs) | Net exposure Rs. in lakhs | Increase/ (decrease) In profit (Rs. in lakhs) |
|---|---|---|---|---|
| | As at 31st March 2020 | | As at 31st March 2019 | |
| USD/INR Increase by 10% | 9,696.93 | (969.69) | (50,824.92) | 5,082.49 |
| USD/INR Decrease by 10% | | 969.69 | | (5,082.49) |
| EUR/INR Increase by 10% | 869.21 | (86.92) | 1,085.56 | (108.56) |
| EUR/INR Decrease by 10% | | 86.92 | | 108.56 |
| GBP/INR Increase by 10% | 295.39 | (29.54) | 317.35 | (31.74) |
| GBP/INR Decrease by 10% | | 29.54 | | 31.74 |
| HKD/INR Increase by 10% | (1.44) | 0.14 | - | - |
| HKD/INR Decrease by 10% | | (0.14) | | - |
| VND/INR Increase by 10% | 1.55 | (0.16) | - | - |
| VND/INR Decrease by 10% | | 0.16 | | - |
| ZAR/INR Increase by 10% | 364.41 | (36.44) | (0.14) | 0.01 |
| ZAR/INR Decrease by 10% | | 36.44 | | (0.01) |
| TAKA/INR Increase by 10% | 4.24 | (0.42) | - | - |
| TAKA/INR Decrease by 10% | | 0.42 | | - |

## Notes forming part of the standalone financial statements

### 36.02.4 Outstanding Derivative Contracts

| Fair value hedges | Average Exchange rates | | Amount in INR Lakhs | | Nominal Value in respective currency | | Fair value | |
|---|---|---|---|---|---|---|---|---|
| | As at 31st March 2020 Rs | As at 31st March 2019 Rs | As at 31st March 2020 Rs. in lakhs | As at 31st March 2019 Rs. in lakhs | As at 31st March 2020 in Lakhs | As at 31st March 2019 in Lakhs | As at 31st March 2020 Rs. in lakhs | As at 31st March 2019 Rs. in lakhs |
| **Export** | | | | | | | | |
| USD | 73.04 | 72.45 | 44,843.59 | 56,126.42 | 613.99 | 774.64 | (1,746.74) | 1,740.73 |
| EUR | 80.84 | 86.80 | 3,665.94 | 5,807.08 | 45.35 | 66.90 | (67.39) | 476.19 |
| AUD | - | 49.34 | - | 94.24 | - | 1.91 | - | 0.05 |
| GBP | - | 95.44 | - | 596.52 | - | 6.25 | - | 20.25 |
| **Cross currency Swap** | | | | | | | | |
| USD | 76.90 | 72.45 | 86,896.82 | 123,437.30 | 1,129.94 | 1,792.18 | (6,896.82) | (3,437.30) |
| **Import** | - | | | | | | | |
| USD | 73.65 | 71.01 | 10,808.91 | 22,932.86 | 146.76 | 322.97 | 322.08 | (364.00) |
| EUR | 81.69 | 83.47 | 421.71 | 2,006.58 | 5.16 | 24.04 | 12.28 | (92.59) |

* Fair value is marked to market value of derivative contracts.

### 36.02.5 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the borrowing is limited as the company does not have any long term loan. Further short term borrowing of the company is also generally not for more than 90 days.

### 36.02.6 Credit risk management

Credit risks refers to that a counterparty will default its contractual obligations resulting in financial loss to the Company. The Company has adopted policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the of financial loss from defaults. The Company uses other publically available financial information and its own trading records to rate its major customers.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. On going credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The credit risk on bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

In addition, the company is exposed to credit risk in relation to financial guarantees given to banks for loans given to subsidiaries and given to vendors of subsidiaries. The company's maximum exposure in this respect is the maximum amount the company could have to pay if the guarantee is called on ( Refer note 28 (b)).

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk is actively managed through Letters of Credit, Bank Guarantees, advance payments and factoring.

### 36.02.7 Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore,the Company has access to funds from debt markets through commercial paper programs and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

## Notes forming part of the standalone financial statements

The table below provides details regarding the undiscounted contractual maturities of financial liabilities:

Rs. in lakhs

| Particulars | Less than 1 year | 1 to 5 years | > 5 years | Total | Carrying amount |
|---|---|---|---|---|---|
| Borrowing (including interest) | 78,923.08 | - | - | 78,923.08 | 78,923.08 |
| Derivative liabilities | 1,477.62 | 6,898.09 | - | 8,375.71 | 8,375.71 |
| Trade payables | 111,150.05 | - | - | 111,150.05 | 111,150.05 |
| Other financial liabilities | 297.87 | 130.11 | - | 427.98 | 427.98 |
| Lease liabilities | 6,410.18 | 635.55 | 237.20 | 7,282.93 | 7,282.93 |
| **Total** | **198,258.80** | **7,663.75** | **237.20** | **206,159.75** | **206,159.75** |

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2019:

Rs. in lakhs

| Particulars | Less than 1 year | 1 to 5 years | > 5 years | Total | Carrying amount |
|---|---|---|---|---|---|
| Borrowing (including interest) | 60,541.19 | - | - | 60,541.19 | 60,541.19 |
| Derivative liabilities | 2,295.64 | - | - | 2,295.64 | 2,295.64 |
| Trade payables | 93,104.61 | - | - | 93,104.61 | 93,104.61 |
| Other financial liabilities | 201.79 | 119.57 | - | 321.36 | 321.36 |
| Lease liabilities | - | - | - | - | - |
| **Total** | **156,143.23** | **119.57** | **-** | **156,262.80** | **156,262.80** |

### 37 Fair Value Measurement

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 as disclosed in significant accounting policies of consolidated financial statements.

**(a) Financial Assets and Liabilities :**

There are no financial assets or financial liabilities not measured at fair value, whose carrying amount is not a reasonable approximation of fair value.

**(b) Fair Value Measurement**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

• Level 1- Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The investments included in Level 2 of Fair value Hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

## Notes forming part of the standalone financial statements

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

**Rs. in lakhs**

| Particulars | As at 31st March 2020 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Derivative financial assets | - | - | - | - |
| Other investments classified as fair value through OCI - Non current | 9,417.32 | - | 17,864.09 | 27,281.41 |
| Current investments classified as fair value through PL | 4,501.32 | - | - | 4,501.32 |
| **Total** | **13,918.64** | **-** | **17,864.09** | **31,782.73** |
| Financial Liabilities : | | | | |
| Derivative liabilities | - | 8,375.71 | - | 8,375.71 |
| **Total** | **-** | **8,375.71** | **-** | **8,375.71** |

**Rs. in lakhs**

| Particulars | As at 31st March 2019 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Derivative financial assets | - | 639.79 | - | 639.79 |
| Other investments classified as fair value through OCI - Non current | 9,380.84 | - | 17,893.72 | 27,274.56 |
| Current investments classified as fair value through Profit and Loss | - | - | - | - |
| **Total** | **9,380.84** | **639.79** | **17,893.72** | **27,914.35** |
| Financial Liabilities : | | | | |
| Derivative liabilities | - | 2,295.64 | - | 2,295.64 |
| **Total** | **-** | **2,295.64** | **-** | **2,295.64** |

There is no transfer between Level 1 & level 2 as there is no level 2 financial assets in current year as compared to previous year.

Reconciliation of Level 3 fair value measurement is as follows:

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| Balance at the beginning of the year | 17,893.72 | 17,894.82 |
| Disposals during the year | (29.63) | (1.10) |
| Impairment in value of investments | - | - |
| Translation exchange difference | - | - |
| | **17,864.09** | **17,893.72** |

## Notes forming part of the standalone financial statements

**38 (a) Related Party Disclosures**

**(A) Holding Company**

1 Tata Sons Private Limited
Related Parties where control exists

**(B) Subsidiaries**

1 Alliance Finance Corporation Limited
2 Alliance Motors Ghana Limited
3 Blackwood Hodge Zimbabwe (Private) Limited
4 Calsea Footwear Private Limited
5 Cometal, S.A.R.L. (sold w.e.f 18 March, 2020)
6 Euro Shoe Components Limited
(merged with Calsea Footwear Private Limited w.e.f 14 November, 2019)
7 Monroa Portugal, Comércio E Serviços, Unipessoal LDA
8 Motor-Hub East Africa Limited
9 Move on Componentes e calcado,S.A.
10 Move On Retail Spain, S.L.
11 Newshelf 1369 Pty Ltd
12 Pamodzi Hotels Plc
13 TAH Pharmaceuticals Limited (ceased w.e.f 11 March, 2019)
14 Tata International Unitech (Senegal) SARL
15 Tata Africa Cote D'Ivoire SARL
16 Tata Africa Holdings (Ghana) Limited
17 TATA Africa Holdings (Kenya) Limited
18 Tata Africa Holdings (SA) (Proprietary) Limited
19 Tata Africa Holdings (Tanzania) Limited
20 Tata Africa Services (Nigeria) Limited
21 Tata Africa Steel Processors (Proprietary) Limited
22 Tata Automobile Corporation (SA) (Proprietary) Limited
23 Tata De Mocambique, Limitada
24 Tata Holdings Mocambique Limitada
25 Tata International Canada Limited
26 Tata International Metals (Americas) Limited
27 Tata International Metals (Asia) Limited
28 Tata International Metals (UK) Limited
29 Tata International Singapore Pte Limited
30 Tata International Vietnam Company Limited
31 Tata International West Asia DMCC
32 Tata South East Asia (Cambodia) Limited
33 Tata South-East Asia Limited
34 Tata Uganda Limited
35 Tata West Asia FZE
36 Tata Zambia Limited
37 Tata Zimbabwe (Private) Limited
38 TIL Leather Mauritius Limited
39 Tata International Metals (South Africa) (Pty) Ltd
40 Tata International Metals (Guangzhou) Limited (w.e.f 17 May 2019)
41 AFCL Ghana Limited (w.e.f 12 March 2019)
42 AFCL Zambia Limited (w.e.f 26 April 2019)

## Notes forming part of the standalone financial statements

43 Alliance Leasing Limited (w.e.f 17 April 2019)
44 AFCL Premium Services Ltd. (w.e.f 27 May 2019)
45 Stryder Cycle Private Limited (w.e.f 20 April, 2019)
46 AFCL RSA (Pty) Limited (w.e.f 14 October 2019)
47 TISPL Trading Company Limited (w.e.f 17 November 2019)
48 Société Financière Décentralisé Alliance Finance Corporation Senegal (w.e.f 17 March 2020)

**(C ) Other related parties where transactions have taken place during the year**

**(a) Fellow Subsidiaries**

1 Tata AIG General Insurance Company Limited
2 Tata Communications Limited
3 Tata Consultancy Services Limited
4 Tata Teleservices Limited
5 Tata Investment Corporation Limited
6 Tata Teleservices (Maharashtra) Limited
7 Tata Autocomp Systems Limited
8 Tata SIA Airlines Limited
9 Infiniti Retail Limited
10 Tata Capital Limited
11 Ewart Investments Limited
12 Trent Hypermarket Private Limited

**(b) Joint Ventures**

1 Tata International DLT Private Limited
2 Tata International GST AutoLeather Limited

**(c) Associates**

1 Tata Ceramics Limited (sold w.e.f 04 January, 2020)

**(d) Associates of Holding Company**

1 Titan Company Limited
2 Voltas Limited
3 Trent Limited
4 Tata Steel Limited
5 The Indian Hotels Company Limited
6 The Tata Power Company Limited
7 Conneqt Business Solutions Limited
8 Tata Motors Limited
9 Tata Chemicals Limited

**(e) Joint Venture of Holding Company**

1 Tata Industries Limited

**(f) Key Management Personnel**

1 Managing Director - Mr Noel Tata
2 Company Secretary & CFO - Mr Ajay M Ponkshe
3 Director - Ms Sandhya S Kudtarkar
4 Director - Mr Deepak I Premnarayan
5 Director - Mr Ramakrishnan Mukundan
6 Director - Mr Gopal K Pillai
7 Executive Director - Mr Anand Sen

## Notes forming part of the standalone financial statements

### 38 (b) Related Party Transactions

| Transaction | Year | Associates of Holding Company | Fellow Subsidiaries | Holding Company | Joint Venture of Holding Company | Joint Venture | Key Management Personnel | Subsidiaries |
|---|---|---|---|---|---|---|---|---|
| **Amount Payable** | 2018-19 | 724.14 | 181.78 | 4.32 | - | - | - | 54,722.84 |
| | 2019-20 | 125.17 | 924.47 | - | - | - | - | 71,523.76 |
| **Amount Receivable** | 2018-19 | 252.14 | 202.28 | 6.23 | 0.83 | 208.34 | - | 2,329.96 |
| | 2019-20 | 847.95 | 41.33 | 16.94 | 16.68 | 142.46 | - | 5,897.05 |
| **Claims Income** | 2018-19 | - | - | - | 0.08 | 8.51 | - | - |
| **Commission Expense** | 2018-19 | - | - | - | - | - | - | 438.56 |
| **Commission Income** | 2018-19 | - | - | - | - | - | - | 954.16 |
| | 2019-20 | - | - | - | - | - | - | 707.34 |
| **Deposit Given** | 2018-19 | 277.76 | - | - | - | - | - | - |
| | 2019-20 | 2.17 | - | - | - | - | - | - |
| **Interest / Dividend Income** | 2018-19 | 1,048.50 | - | 118.16 | - | 448.35 | - | 37.93 |
| | 2019-20 | 1,047.08 | 21.20 | 147.70 | - | - | - | 7,095.14 |
| **Interest Accrued Receivable** | 2018-19 | - | - | - | - | - | - | 757.35 |
| | 2019-20 | 204.90 | - | - | - | - | - | 586.01 |
| **Interest/ Dividend Expense** | 2018-19 | 1,343.12 | 298.65 | 209.25 | - | - | - | 7,010.74 |
| | 2019-20 | 1,633.71 | 217.25 | 209.25 | 21.40 | - | - | 7.09 |
| **Loan Given outstanding** | 2018-19 | - | - | - | - | - | - | 125,619.36 |
| | 2019-20 | - | - | - | - | - | - | 87,187.18 |
| **Managerial Remuneration** | 2018-19 | - | - | - | - | - | 703.90 | - |
| | 2019-20 | - | - | - | - | - | 776.50 | - |
| **Other Income** | 2018-19 | 0.27 | 9.14 | - | - | - | - | 102.12 |
| | 2019-20 | 0.45 | - | - | - | - | - | 2,735.19 |
| **Purchase of goods** | 2018-19 | 19,707.42 | 5.49 | - | - | - | - | 243,144.97 |
| | 2019-20 | 24,062.47 | - | - | - | - | - | 226,113.71 |
| **Receiving of Services** | 2018-19 | 857.98 | 8,696.54 | 6.14 | 31.50 | - | - | 514.94 |
| | 2019-20 | 190.19 | 6,717.64 | 4.80 | - | - | - | 1,358.19 |
| **Recovery of Expenses** | 2018-19 | 6.96 | 223.30 | 107.05 | - | 64.42 | - | 480.93 |
| | 2019-20 | 21.50 | - | 10.80 | 115.06 | 24.28 | - | 1,305.98 |
| **Reimbursement of expenses** | 2018-19 | 243.95 | 4.19 | - | - | - | - | 442.48 |
| | 2019-20 | 415.98 | - | - | - | 0.98 | - | 98.48 |
| **Sale of goods** | 2018-19 | 1,768.84 | 171.04 | - | - | 1,207.05 | - | 11,773.96 |
| | 2019-20 | 6,689.02 | 110.74 | - | - | 991.85 | - | 7,598.33 |
| **Instruments entirely equity in nature** | 2018-19 | 15,000.00 | 2,000.00 | - | - | - | - | - |
| **Rendering of Services (Income)** | 2018-19 | 6.57 | - | - | - | - | - | 3,253.48 |
| | 2019-20 | - | 5.47 | - | - | - | - | 1,002.81 |
| **Sale of Assets** | 2019-20 | 45.63 | - | - | - | - | - | 6.11 |
| **Purchase of Asset** | 2019-20 | 0.22 | - | - | - | - | - | - |
| **Claims Expense** | 2019-20 | - | - | - | - | 0.82 | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions

| Transactions | Associates of Holding Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Conneqt Business Solutions Limited | | Tata Chemicals Limited | | Tata Motors Limited | | Tata Steel Limited | | The Indian Hotels Company Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | 0.07 | - | - | - | 119.26 | 656.29 | 0.11 | - |
| Amount Receivable | - | - | - | - | 15.06 | 4.28 | 6.27 | 159.42 | 2.63 | 1.25 |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | - | - | - | - | - |
| Commission Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | 876.08 | 877.50 | - | - |
| Interest Accrued Receivable | - | - | - | - | - | - | 133.69 | - | - | - |
| Interest/ Dividend Expense | - | - | 60.00 | - | 86.69 | 86.69 | 35.77 | 35.77 | 10.00 | 10.00 |
| Loan Given outstanding | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | 0.05 | - | 0.40 | 0.27 |
| Purchase of goods | - | - | - | - | - | - | 23,940.71 | 19,486.50 | - | - |
| Receiving of Services | 16.59 | - | - | - | 0.20 | 0.06 | - | - | 9.77 | 14.70 |
| Recovery of Expenses | - | - | - | - | 20.89 | 2.36 | - | - | - | - |
| Reimbursement of expenses | - | - | 0.36 | - | - | - | 365.82 | 243.95 | - | - |
| Sale of goods | - | - | - | - | 17.32 | 29.97 | 5,366.25 | 1,725.16 | 7.94 | 10.15 |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Rendering of Services (Income) | - | - | - | - | - | - | - | 6.57 | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transactions | Associates of Holding Company | | | | | | | | Fellow Subsidiaries | |
|---|---|---|---|---|---|---|---|---|---|---|
| | The Tata Power Company Limited | | Titan Company Limited | | Trent Limited | | Voltas Limited | | Conneqt Business Solutions Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | 3.07 | 0.17 | - | - | 2.67 | 65.65 | - | 2.03 | - | 1.61 |
| Amount Receivable | 6.75 | 83.61 | 3.58 | 3.58 | 111.06 | - | 702.61 | - | - | - |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | - | - | - | - | - |
| Commission Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | 0.52 | 1.16 | - | - | - | 274.95 | 1.65 | 1.65 | - | - |
| Interest / Dividend Income | 171.00 | 171.00 | - | - | - | - | - | - | - | - |
| Interest Accrued Receivable | 71.21 | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | 30.00 | 30.00 | - | - | 468.75 | 468.75 | 942.50 | 711.91 | - | - |
| Loan Given outstanding | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | - |
| Purchase of goods | - | - | 30.52 | 98.08 | - | 121.03 | 91.24 | 1.81 | - | - |
| Receiving of Services | 6.14 | 5.87 | 5.24 | - | 142.55 | 825.31 | 9.71 | 12.05 | - | 20.60 |
| Recovery of Expenses | - | 4.30 | - | - | 0.61 | - | - | 0.30 | - | - |
| Reimbursement of expenses | 5.43 | - | - | - | - | - | 44.37 | - | - | - |
| Sale of goods | 6.51 | - | - | - | 62.36 | 3.56 | 1,228.62 | - | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | 5,000.00 | - | 10,000.00 | - | - |
| Rendering of Services (Income) | - | - | - | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | 45.63 | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | 0.22 | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transactions | Fellow Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Ewart Investments Limited | | Infiniti Retail Limited | | Tata AIG General Insurance Company Limited | | Tata Autocomp Systems Limited | | Tata Capital Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | - | - | - | - | - | - | 17.43 | - |
| Amount Receivable | - | - | 28.46 | 12.82 | 9.18 | - | 1.98 | 6.44 | - | 10.27 |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | - | - | - | - | - |
| Commission Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued Receivable | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | 31.25 | 31.25 | - | - | - | - | - | - | - | - |
| Loan Given outstanding | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | 0.25 |
| Purchase of goods | - | - | - | 5.49 | - | - | - | - | - | - |
| Receiving of Services | - | - | - | - | 5.23 | - | - | - | 174.18 | 223.10 |
| Recovery of Expenses | - | - | - | - | - | - | - | - | - | - |
| Reimbursement of expenses | - | - | - | - | - | - | - | - | - | - |
| Sale of goods | - | - | 54.90 | 56.98 | - | - | 3.05 | 6.13 | 8.59 | 94.20 |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Rendering of Services (Income) | - | - | - | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transactions | Fellow Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tata Chemicals Limited | | Tata Communications Limited | | Tata Consultancy Services Limited | | Tata Industries Limited | | Tata Investment Corporation Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | 0.07 | 39.76 | 7.53 | 863.73 | 171.52 | - | - | - | - |
| Amount Receivable | - | - | - | - | 1.64 | - | - | 171.04 | - | - |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | - | - | - | - | - |
| Commission Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued Receivable | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | - | 60.00 | - | - | - | - | - | 21.40 | 186.00 | 186.00 |
| Loan Given outstanding | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | - |
| Purchase of goods | - | - | - | - | - | - | - | - | - | - |
| Receiving of Services | - | 0.07 | 74.53 | 76.77 | 6,443.26 | 8,351.86 | - | - | - | - |
| Recovery of Expenses | - | - | - | - | - | - | - | 223.30 | - | - |
| Reimbursement of expenses | - | - | - | - | - | - | - | - | - | - |
| Sale of goods | - | - | - | - | 23.43 | 7.71 | - | - | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | 2,000.00 |
| Rendering of Services (Income) | - | - | - | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transactions | Fellow Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tata SIA Airlines Limited | | Tata Teleservices (Maharashtra) Limited | | Tata Teleservices Limited | | Taj Air Limited | | Trent Hypermarket Private Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | 0.21 | 0.39 | 3.33 | 0.65 | - | - | - | - |
| Amount Receivable | - | - | - | - | - | 1.70 | - | - | 0.07 | - |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | - | - | - | - | - |
| Commission Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | 21.20 | - |
| Interest Accrued Receivable | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | - | - | - | - | - | - | - | - | - | - |
| Loan Given outstanding | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | 8.88 | - | 0.01 | - | - |
| Purchase of goods | - | - | - | - | - | - | - | - | - | - |
| Receiving of Services | - | - | 12.12 | 18.93 | 8.33 | 5.20 | - | - | - | - |
| Recovery of Expenses | - | - | - | - | - | - | - | - | - | - |
| Reimbursement of expenses | - | - | - | - | - | 4.19 | - | - | - | - |
| Sale of goods | 20.78 | 5.84 | - | - | - | - | - | 0.19 | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Rendering of Services (Income) | - | - | - | - | 5.47 | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transactions | Holding Company | | Joint Venture of Holding Company | | | | Joint Ventures | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tata Sons Limited | | Tata AIG General Insurance Company Limited | | Tata Industries Limited | | Tata International DLT Private Limited | | Tata International GST AutoLeather Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | 4.32 | - | - | - | - | - | - | - | - |
| Amount Receivable | 16.94 | 6.23 | - | 0.83 | 16.68 | - | - | - | 142.46 | 208.34 |
| Claims Income | - | - | - | 0.08 | - | - | - | - | - | 8.51 |
| Commission Expense | - | - | - | - | - | - | - | - | - | - |
| Commission Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | 147.70 | 118.16 | - | - | - | - | - | 448.35 | - | - |
| Interest Accrued Receivable | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | 209.25 | 209.25 | - | - | 21.40 | - | - | - | - | - |
| Loan Given outstanding | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | - |
| Purchase of goods | - | - | - | - | - | - | - | - | - | - |
| Receiving of Services | 4.80 | 6.14 | - | 31.50 | - | - | - | - | - | - |
| Recovery of Expenses | 10.80 | 107.05 | - | - | 115.06 | - | 11.41 | 51.77 | 12.87 | 12.66 |
| Reimbursement of expenses | - | - | - | - | - | - | - | - | 0.98 | - |
| Sale of goods | - | - | - | - | - | - | - | - | 991.85 | 1,207.05 |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Rendering of Services (Income) | - | - | - | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | 0.82 | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transactions | Key Management Personnel | | Subsidiaries | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Key Management Personnel | | Alliance Finance Corporation | | Alliance Motors Ghana Limited Limited | | Blackwood Hodge Zimbabwe (Private) Limited | | Calsea Footwearl Private Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | - | - | - | - | - | - | 517.89 | 85.26 |
| Amount Receivable | - | - | 0.47 | 1.11 | 7.25 | 19.18 | 125.23 | 71.12 | 1,855.62 | 1,029.75 |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | - | - | - | - | - |
| Commission Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | 175.98 | 37.93 |
| Interest Accrued Receivable | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | - | - | - | - | - | - | - | - | - | 8.10 |
| Loan Given outstanding | - | - | - | - | - | - | - | - | 1,690.00 | 1,690.00 |
| Managerial Remuneration | 776.50 | 703.90 | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | 25.54 | - | 34.80 | - | - | 102.12 |
| Purchase of goods | - | - | - | - | - | - | - | - | 3,911.83 | 238.65 |
| Receiving of Services | - | - | - | - | - | - | - | - | 383.86 | - |
| Recovery of Expenses | - | - | 2.88 | 55.12 | 0.53 | - | 9.38 | - | 18.33 | 13.93 |
| Reimbursement of expenses | - | - | - | - | - | - | - | - | 0.11 | - |
| Sale of goods | - | - | - | - | - | - | - | - | 2,275.80 | 1,386.43 |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Rendering of Services (Income) | - | - | - | - | - | 26.73 | - | 37.40 | - | 56.34 |
| Sale of Assets | - | - | - | - | - | - | - | - | 6.11 | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transactions | Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cometal, S.A.R.L. | | Euro Shoe Components Limited | | Monroa Portugal, Comércio E Serviços, Unipessoal LDA | | Move On Componentes E Calcado, S.A. | | TAH Pharmaceuticals Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | - | 146.38 | 0.16 | - | 44.40 | 43.93 | - | - |
| Amount Receivable | - | 7.33 | - | 10.47 | - | 0.15 | 14.99 | (1.01) | 43.36 | 39.63 |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | - | - | - | - | - |
| Commission Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued Receivable | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | - | - | - | - | - | - | - | - | - | - |
| Loan Given outstanding | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | - |
| Purchase of goods | - | - | - | 3,544.75 | - | - | - | - | - | - |
| Receiving of Services | - | - | - | 407.58 | - | - | - | 5.23 | - | - |
| Recovery of Expenses | - | - | - | 7.20 | - | - | 0.53 | - | - | 0.59 |
| Reimbursement of expenses | - | - | - | - | - | - | - | - | - | - |
| Sale of goods | - | - | - | 1,003.95 | - | - | 14.60 | 3.83 | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Rendering of Services (Income) | - | - | - | 72.31 | - | - | - | - | - | 45.01 |
| Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transactions | Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tata Africa (Cote D'Ivoire) SARL | | Tata Africa Holdings (Ghana) Limited | | TATA Africa Holdings (Kenya) Limited | | Tata Africa Holdings (SA) (Proprietary) Limited | | Tata Africa Holdings (Tanzania) Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | - | - | - | - | - | - | - | - |
| Amount Receivable | 13.98 | 13.91 | - | (0.12) | 1.02 | 8.72 | 359.15 | 81.25 | 13.32 | 55.39 |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | - | - | - | - | - |
| Commission Income | - | - | 2.32 | - | - | - | 28.21 | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued Receivable | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | - | - | - | - | - | - | - | - | - | - |
| Loan Given outstanding | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Income | 44.10 | - | 40.38 | - | 106.60 | - | 169.35 | - | 168.35 | - |
| Purchase of goods | - | - | - | - | - | - | - | - | - | - |
| Receiving of Services | - | - | - | - | - | - | - | - | - | - |
| Recovery of Expenses | 6.61 | 6.18 | 25.63 | - | 48.53 | 23.63 | 206.78 | 96.60 | 34.51 | 47.23 |
| Reimbursement of expenses | - | - | - | - | - | - | - | 1.49 | - | - |
| Sale of goods | - | - | - | - | - | - | - | - | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Rendering of Services (Income) | - | 38.77 | - | 64.95 | - | 99.34 | - | 142.10 | - | 177.22 |
| Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transactions | Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tata Africa Services (Nigeria) Limited | | Tata Africa Steel Processors (Proprietary) Limited | | Tata Automobile Corporation (SA) (Proprietary) Limited | | Tata De Mocambique, Limitada | | Tata Holdings Mocambique Limitada | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | - | - | - | - | - | - | 1.05 | - |
| Amount Receivable | 42.79 | 2.32 | - | 13.28 | 5.26 | 0.19 | 78.64 | 61.84 | 118.26 | 0.48 |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | - | - | - | - | - |
| Commission Income | 2.54 | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued Receivable | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | - | - | - | - | - | - | - | - | - | - |
| Loan Given outstanding | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Income | 86.88 | - | - | - | - | - | 78.22 | - | 43.03 | - |
| Purchase of goods | - | - | - | - | - | - | - | - | - | - |
| Receiving of Services | - | - | - | - | - | - | - | - | - | - |
| Recovery of Expenses | 39.16 | 39.49 | - | - | 29.65 | - | 18.38 | 11.17 | 67.61 | 0.48 |
| Reimbursement of expenses | - | - | - | - | - | - | - | - | 1.04 | - |
| Sale of goods | - | - | - | - | - | - | - | - | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Rendering of Services (Income) | - | 66.04 | - | - | 126.76 | 223.24 | - | 86.21 | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transactions | Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tata International Metals (Americas) Limited | | Tata International Metals (Asia) Limited | | Tata International Metals (South Africa) (Pty) Ltd | | Tata International Metals (UK) Limited | | Tata International Singapore Pte Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | 11.84 | - | 473.34 | 4.60 | - | - | 146.58 | 8.10 | 70,005.81 | 54,333.82 |
| Amount Receivable | 1,246.01 | 44.96 | 521.74 | - | - | 33.26 | 47.82 | 0.06 | 1,008.74 | 349.78 |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | - | - | - | - | - |
| Commission Income | - | - | - | - | - | - | - | - | 674.26 | 954.16 |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | 6,919.16 | - |
| Interest Accrued Receivable | - | - | - | - | - | - | - | - | 586.01 | 757.35 |
| Interest/ Dividend Expense | - | - | - | - | - | - | - | - | 7.09 | 7,002.64 |
| Loan Given outstanding | - | - | - | - | - | - | - | - | 85,497.18 | 123,929.36 |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Income | 153.56 | - | 264.13 | - | - | - | 145.27 | - | 980.37 | - |
| Purchase of goods | - | - | 374.40 | - | - | - | - | - | 221,423.70 | 239,076.30 |
| Receiving of Services | - | 68.71 | - | - | 1.09 | - | 127.54 | 3.86 | - | - |
| Recovery of Expenses | 0.54 | 0.02 | 0.54 | 0.67 | - | 1.63 | 24.96 | 12.44 | 685.94 | 70.74 |
| Reimbursement of expenses | 11.74 | - | - | 9.71 | - | - | 6.13 | 0.45 | 60.31 | 362.35 |
| Sale of goods | 5,051.78 | 650.23 | - | - | - | - | - | - | - | 8,424.36 |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Rendering of Services (Income) | - | - | - | 301.98 | - | 42.18 | - | 137.46 | 876.06 | 1,262.50 |
| Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transactions | Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tata International West Asia DMCC | | Tata South East Asia (Cambodia) Limited | | Tata South-East Asia Limited | | TATA UGANDA LIMITED | | Tata Unistore Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | 0.21 | - | - | - | 292.96 | 92.04 | - | - | - | - |
| Amount Receivable | 117.88 | 8.73 | 0.71 | 0.64 | - | 42.08 | 186.57 | 131.14 | - | - |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | 438.56 | - | - | - | - |
| Commission Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued Receivable | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | - | - | - | - | - | - | - | - | - | - |
| Loan Given outstanding | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Income | 103.28 | - | - | - | - | - | 99.93 | - | - | - |
| Purchase of goods | 403.79 | 285.28 | - | - | - | - | - | - | - | - |
| Receiving of Services | - | 0.19 | - | - | 820.87 | - | - | - | 0.06 | - |
| Recovery of Expenses | 0.05 | 1.08 | - | 0.64 | 1.04 | 28.97 | 24.75 | 16.09 | - | - |
| Reimbursement of expenses | - | - | - | - | - | 68.47 | - | - | - | - |
| Sale of goods | - | - | - | - | 89.52 | 171.73 | 166.63 | 133.44 | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Rendering of Services (Income) | - | 84.09 | - | - | - | 0.50 | - | 117.78 | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions (Contd.)

| Transaction | Subsidiaries | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Tata Zambia Limited | | Pamodzi Hotels Plc | | Motor-Hub East Africa Limited | | Tata International Unitech (Senegal) SARL | | Tata International Vietnam Company Limited | | Stryder Cycle Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | - | - | - | - | - | - | 4.78 | 8.73 | 24.76 | - |
| Amount Receivable | 46.37 | 294.74 | - | 0.59 | 0.65 | 0.59 | 3.51 | 0.60 | 11.92 | 7.79 | 25.80 | - |
| Claims Income | - | - | - | - | - | - | - | - | - | - | - | - |
| Commission Expense | - | - | - | - | - | - | - | - | - | - | - | - |
| Commission Income | - | - | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued Receivable | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Given outstanding | - | - | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Income | 117.63 | - | - | - | - | - | 47.95 | - | - | - | 25.80 | - |
| Purchase of goods | - | - | - | - | - | - | - | - | - | - | - | - |
| Receiving of Services | - | - | - | - | - | - | - | - | - | 29.36 | 24.76 | - |
| Recovery of Expenses | 45.07 | 32.06 | 0.53 | 0.59 | - | 0.59 | 10.73 | 8.05 | 3.33 | 5.73 | - | - |
| Reimbursement of expenses | - | - | - | - | - | - | - | - | 19.14 | - | - | - |
| Sale of goods | - | - | - | - | - | - | - | - | - | - | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - | - | - |
| Rendering of Services (Income) | - | 125.49 | - | - | - | - | - | 45.83 | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - | - | - |

## Notes forming part of the standalone financial statements

### 38 (c) Related Party Transactions

Rs. In lakhs

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Managerial remuneration | 755.00 | 682.90 |
| Post-employment benefit (Gratuity & medical benefits) | 21.50 | 21.00 |
| **Total** | **776.50** | **703.90** |

The sitting fees paid to non executive directors is Rs. 30.80 lakhs (31 March, 2019 Rs. 29.10 lakhs)

As the liabilities for gratutiy and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the directors are not sepeartely identifiable and hence not included in the said disclosure.

### 39 Discontinued Operations :

During the year ended 31st March, 2020, pursuant to an asset transfer agreement with Rohini Industrial Electricals Ltd., the Company has transferred its assets pertaining to solar business, with effect from 30th June, 2019. Also, the company has demerged it's Bicycle division and transferred it to a newly incorporated wholly owned subsidiary, viz. Stryder Cycle Pvt. Ltd. Thus, the Company had classified these divisions as a discontinued operation previous year.

**Results for discontinued operations as below:**

Rs. In Lakhs

| Particualrs | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Total | Total |
| Revenue from operations | 9,875.82 | 28,230.86 |
| Other income | 118.20 | 105.82 |
| **Total income** | **9,994.02** | **28,336.68** |
| Expenses | | |
| Cost of raw material consumed | 7,522.08 | 12,821.08 |
| Purchase of stock-in-trade | - | 8,039.93 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 227.44 | (283.47) |
| Employee benefit expense | 494.86 | 1,105.68 |
| Finance costs | 8.44 | 247.93 |
| Depreciation and amortisation expense | 22.29 | 57.11 |
| Other expenses | 1,589.14 | 5,826.80 |
| **Total expenses** | **9,864.25** | **27,815.06** |
| Profit before tax | 129.77 | 521.62 |
| Total tax expense | (45.35) | (182.27) |
| **Profit from discontinued operations** | **84.42** | **339.35** |

## Notes forming part of the standalone financial statements

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Total | Total |
| **ASSETS** | | |
| Total non-current assets | - | 1,083.59 |
| Total current assets | - | 6,765.57 |
| **Assets classified as held for sale** | - | **7,849.16** |
| **EQUITY AND LIABILITIES** | | |
| Total non-current liabilities | - | 29.48 |
| Total current liabilities | - | 6,160.74 |
| **Liabilities directly associated with assets classified as held for sale** | - | **6,190.22** |
| **Net assets directly associated with disposal group** | - | **1,658.94** |

**The net cash flows from discontinued operations, as follows:**

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Operating | (670.09) | 1,572.87 |
| Investing | - | 17.18 |
| Financing | - | - |
| **Net cash (outflow)/inflow** | - | **1,590.05** |

| Earnings per share from discontinued operation: | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Basic | 21.05 | 84.63 |
| Diluted | 21.05 | 84.63 |

**Other details::**

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Total consideration paid or received | 3,640.70 | - |
| Portion of consideration consisting of cash and cash equivalents | 1,090.60 | - |
| The amount of cash and and cash equivalents in the division over which the entity has lost control. | 22.96 | - |

There were no income or expenses recognised through OCI pertaining to the discontinued operations in the current year as well as the previous year.

Note: There are no amount of adjustments that are made in the current period to amounts previously presented in discontinued operations that are directly related to the disposal of a discontinued operation in a prior period

## Notes forming part of the standalone financial statements

**40 Derivative Instruments**

**Outstanding Derivative Contracts**

| Fair value of derivative contracts | As at 31st March 2020 Rs in Lakhs | As at 31st March 2019 Rs in Lakhs |
|---|---|---|
| **Options & Forward Contract** | | |
| more than 1 year | (1.27) | - |
| less than 1 year | (1,477.62) | 1,781.45 |
| **Cross Currency Swap** | | |
| more than 1 year | (6,896.82) | - |
| less than 1 year | - | (3,437.30) |
| **Total** | **(8,375.71)** | **(1,655.85)** |
| Non Current assets | **-** | **-** |
| Current assets | **-** | **639.79** |
| Current Liabilities | **(1,477.62)** | **(2,295.64)** |
| Non Current Financial Liabilities | **(6,898.09)** | **-** |

**41 Earnings per share**

Rs. in lakhs

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|---|---|
| (Loss)/ Profit for the year | (8,795.09) | 7,967.79 |
| Less: Distribution on unsecured perpetual securities | (11,160.00) | (7,260.25) |
| Less : Expense relating to issue of unsecured perpetual securities | (839.96) | - |
| Adjusted (Loss)/ Profit for the year | (20,795.05) | 707.54 |
| (Loss)/ Profit for the year used in the calculation of basic/diluted earning per share from continuing operations | (20,879.47) | 368.19 |
| Profit for the year used in the calculation of basic/diluted earning per share from discontinuing operations | 84.42 | 339.35 |
| Weighted Average number of equity shares | 401,000 | 401,000 |
| Earning per share basic and diluted from continuing operations(Rs.) | (5,206.85) | 91.82 |
| Earning per share basic and diluted from discontinued operations(Rs.) | 21.05 | 84.63 |
| Earning per share basic and diluted from continuing & discontinued operations(Rs.) | (5,185.80) | 176.45 |
| Face value per equity share (Rs.) | 1,000 | 1,000 |

**42** During the year ended March 31, 2020, the Company paid the final dividend of Rs. 125 per equity share for the year ended March 31, 2019 amounting to Rs. 501.1 lakhs and dividend distribution tax of Rs. 103. 03 lakhs.

## Notes forming part of the standalone financial statements

**43** As per Section 135 of Companies Act, 2013, the Company is required to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy i.e.,Rs. 68.7 Lakhs. However, the Company incurred Rs. 78.90 lakhs in FY 2019-20 (Rs. 76.52 lakhs in PY 2018-19) towards CSR expenditure for the purposes other than construction/acquisition of any asset.

**44** The Company incurred a loss during the year, which was primarily attributable to the exceptional item of a write-down to realizable value of certain inventories (refer note 26); further, the current liabilities exceed the current assets as of the balance sheet date. Management has made an assessment of the Company's ability to continue as a going concern as required by IndAS 1 'Presentation of Financial Statements', considering all available information and has concluded that the going concern assumption is appropriate. Management considered business plans relevant for the next 12 months, basis which it concludes that the Company has sufficient liquidity over and beyond such period, and expects to realize its assets and meet its obligations in the normal course of business. The Company is also in the process of rationalization of certain activities, which is expected to have a positive impact on profitability. During the year, the Company raised Rs. 800 crores through issue of perpetual securities, with a first optional redemption date of January, 2023 (refer note 12 to the financial statements). The Company also has sufficient undrawn sanctioned borrowings to meet its business requirements. In addition, the Company is also seeking an additional infusion of capital from its shareholders. Having regard to these factors, these financial statements are prepared on a going concern basis.

**45** The Covid-19 pandemic spread throughout the world, including India. Consequent to the mandatory lockdowns and restrictions in activities in India, the Company's manufacturing and trading operations had to be temporarily closed, including for a period after the year-end. In preparation of these financial statements, Management has taken into account the events arising from COVID-19 pandemic and the resultant impact, including but not limited to its assessment of the Company's liquidity and going concern, cash flow forecasts, the recoverable values of goodwill and property, plant and equipment, and the net realisable values of inventories and other assets. However, considering the evolving nature of the pandemic, its actual impacts in future could differ from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

**46** The Company has not presented standalone segment information as permitted by Ind AS 108 – Operating Segments, as segment information of the group is included in consolidated financial statements.

**47** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification /disclosure.

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership No: 101143

Place :Mumbai
Date : 24th June, 2020

**For and on behalf of the Board of Directors**

**G. K. Pillai**
Chairman
DIN : 02340756

**N N Tata**
Managing Director
DIN : 00024713

**A M Ponkshe**
Chief Financial Officer & Company Secretary

Place :Mumbai
Date :24th June, 2020

# CONSOLIDATED FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Tata International Limited**

**Report on the Audit of the Consolidated Ind AS Financial Statements Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **Tata International Limited** (hereinafter referred to as " the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as " the Group") and its associates and joint ventures comprising the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (" the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Emphasis of Matter**

We draw attention to note 48 to the consolidated Ind AS financial statements, which describes Holding Company's Management's assessment of the impact of Covid 2019 pandemic on the business operations of the Group, its cash flows and the recoverable amounts of its assets. Our opinion is not modified in this respect.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **<u>Significant judgments related to testing for impairment, the carrying amount of goodwill</u>** *(as described in Note 03 (e), of the consolidated Ind AS financial statements)* | |
| The Group has goodwill of Rs. 20,019.11 lakhs as at the balance sheet date. Goodwill is tested for impairment annually.<br><br>Holding Company's Management's process for assessing and determining recoverable amount is based on multiple judgments, forecasts of future cashflows, long-term growth rates and discount rates applied to such cash flows.<br><br>Considering the complexity associated with use of assumptions and judgments inherent to the forecasting of cash flows, we regard this as a key audit matter. | As part of our audit procedures, we:<br><br>● Understood the Group's processes to assess impairment, including the design and implementation of related controls. We tested the operating effectiveness of such controls.<br><br>● Assessed methodology used by Management of Holding Company to estimate recoverable amount, for compliance with applicable Accounting Standards.<br><br>● Obtained and read cash flow forecasts, and evaluated the key assumptions and estimates used in preparing those.<br><br>● Involved our valuation experts as necessary, and where the Group used the work of an external specialist, assessed objectivity and independence of such specialists.<br><br>● Tested arithmetical accuracy of the calculations and assessed the accounting treatment applied, and disclosures made in consolidated Ind AS financial statements, for compliance with Accounting Standards. |
| Recoverability of carrying amount of deferred tax assets *(as described in Note 3 6 of the consolidated Ind AS financial statements)* | |
| Deferred tax assets as at March 31, 2020 includes Rs. 4,495,78 lakhs pertaining to Holding Company.<br><br>The recoverability of these assets is dependent on its realisability within the allowed time frame, estimates of availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and positions adopted by the Holding Company.<br><br>Considering the complexity associated with use of assumptions and judgments inherent to the forecasting availability of sufficient taxable income in future, we regard this as a key audit matter. | As part of our audit procedures, we:<br><br>● Obtained an understanding of the process adopted by the Management of Holding Company in making estimates of future incomes and expenses and the consequential taxable incomes. We tested the operating effectiveness of such controls.<br><br>● Evaluated Holding Compa ny's Management's methodology, assumptions and estimates used in preparation of projections of future taxable income, taking into account an interpretation of taxation laws and the positions adopted by the Holding Company in that regard.<br><br>● involved our tax specialists to evaluate the tax positions adopted by the Holding Company.<br><br>● tested the arithmetical accuracy of the calculations relating to deferred tax amounts and balances.<br><br>● assessed the disclosures relating to deferred taxes in the consolidated Ind AS financial statements for compliance with accounting standards. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Recoverability of dues receivable in respect of sale of stake in subsidiary (as described in Note 7(a) and note 7(b) and note 29 of the consolidated Ind AS financial statements) | As part of our audit procedures, we: |
| In an earlier year, the Group sold its stake in a subsidiary, on a deferred payment basis, with the consideration receivable over a period of 4 years. The carrying amount receivable in this regard was Rs. 31,788.85 lakhs.<br><br>The Group has not received payments against the instalments due till the balance sheet date, aggregating Rs. 31,788.85 lakhs. Considering the past due status of amounts, and uncertainty as to timing and extent of eventual collection, the Group has recognised a provision for impairment of Rs. 31,788.85 lakhs in this regard.<br><br>As the amount involved is material to the consolidated Ind AS financial statements and assessing recoverability involves significant judgment on part of Management, we regard this as a key audit matter. | • read the Sale and Purchase Agreement relating to this amount.<br>• Read the correspondence between the Group and the purchaser in this regard.<br>• Obtained an understanding of Management's process to assess recoverability of amounts due, and basis for recognition of provisions.<br>• Read minutes of meetings of the audit committee and board of directors in this regard.<br>• Evaluated related disclosures in the financial statements in this regard. |
| Determination of the Net Realisable Value (NRV) on coal inventories held as stock -in-trade by Holding Company *( as described in Note 09 and note 26 of the consolidated Ind AS financial statements)* | |
| As at March 31, 2020, the Holding Company carries an inventory of Coal Rs. 57,688.74 lakhs, held as stock-in-trade. The Company has recognized an adjustment of Rs 8,890.78 lakhs as a reduction in cost to reflect the net realizable value of such inventory.<br><br>Determination of net realizable value of inventories involves making an estimate of the amount that inventories are expected to realize in future, taking into account the most reliable evidence available at the time of making such estimates. These estimates take into consideration fluctuations of price directly relating to events occurring after the balance sheet date, to the extent that such events confirm conditions existing at the time of making such estimates.<br><br>The determination of net realizable value requires consideration of internal and external information and involves making significant judgments. Considering these factors and the materiality of the amounts involved, we consider this to be a key audit matter. | As part of our audit, we:<br>• Read the Group's accounting policy to assess compliance with the relevant requirements of Accounting Standard Ind AS 2 – Inventories<br>• Understood the Holding Company's process and internal controls over measurement of cost of inventories and for estimating net realizable value. We tested the operating effectiveness of such controls.<br>• Obtained a listing prepared by Management, comparing cost of inventories as at March 31, 2020, with the net realizable value and tested whether inventory is valued in accordance with the accounting policy in this regard.<br>• Obtained from Management, details relating to sales by the Holding Company completed after the balance sheet date, to establish the realizable values. We also obtained from Management, the internal and external data relating to selling prices, storage costs / other costs to complete, and other relevant factors including the period over which the inventories are expected to be sold after the balance sheet date, that it considered in determining net realizable value of inventories, and which respect to which we performed our testing on a sample basis, including tests of arithmetical accuracy.<br>• Read the consolidated Ind AS financial statements to assess accounting treatment and disclosures in this regard. |

**Other Information**

The Holding Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Annual Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

**Our opinion on the consolidated Ind AS financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.**

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the Other Information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

**Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entities or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the respective entities and of its associates and joint ventures.

**Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS 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.
- 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 Holding Company has adequate internal financial controls system 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 made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures 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 consolidated Ind AS 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 Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

(a) We did not audit the financial statements and other financial information, in respect of 31 subsidiaries, whose Ind AS financial statements include total assets of Rs. 3,27,240 lakhs as at March 31, 2020, and total revenues of Rs 5,23,126 lakhs and net cash inflows of Rs 15,651 lakhs for the year ended on that date. Such Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports thereon have been furnished to us by the Management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 216 lakhs for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 4 associates and joint ventures, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to such of the subsidiaries, joint ventures and associates is based solely on the reports of such other auditors.

Certain of these subsidiaries, associates and joint ventures are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries of incorporation, and which have been audited by other auditors under generally accepted auditing standards applicable in those countries. The Holding Company's management has converted the financial statements of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries, to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of such subsidiaries, associates and joint ventures located outside India, is based on the report of other auditors and the conversion adjustments prepared by Management of the Holding Company, and audited by us.

(b) The accompanying consolidated Ind AS financial statements are based on unaudited financial statements and other unaudited financial information in respect of 6 subsidiaries, whose financial statements and other financial information reflect total assets of Rs 351 lakhs as at March 31, 2020, and total revenues of Rs 103 lakhs and net cash outflows of Rs 27 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the Management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 249 Lakhs for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 7 associates and joint ventures, whose financial statements and other financial information have not been audited and whose unaudited financial statements and other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates to amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to such of the subsidiaries, joint ventures and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion, and according to the information and explanations given to us by Management, these financial statements and other financial information are not material to the Group.

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

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon, have sought and obtained, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) A Joint Venture has not received declaration under section 164 (2) from a director. Except for the same, on the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate company and joint ventures, none of the directors of the Group's companies, its associate and joint ventures incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate company and joint ventures incorporated in India, refer to our separate Report in " Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries, associate, and joint ventures incorporated in India, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint ventures in its consolidated Ind AS financial statements – Refer Note 32 (a) to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 40 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associate and joint ventures and (b) the Group's share of net profit/ loss in respect of its associate;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associate and joint ventures incorporated in India during the year ended March 31, 2020.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership Number: 101143 UDIN: 20101143AAAABK9100

Place of Signature: Mumbai
Date: 24 June 2020

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TATA INTERNATIONAL LIMTED**

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

In conjunction with our audit of the consolidated Ind AS financial statements of **Tata International Limited** as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Tata International Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate company, joint ventures, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements**

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

**Qualified Opinion**

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements in case of its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, the following material weaknesses have been identified as at March 31, 2020:

a. In the Agricultural trading division of the Holding Company, documentation for timely approval of certain transactions of purchases and sales of traded goods, and for delivery of goods, was not available. This could potentially result in material misstatement in accounts balances of the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's consolidated Ind AS financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company, its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, have in all material respects, maintained adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements as of March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as of March 31, 2020.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such joint ventures incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated Ind AS financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 24 June 2020 expressed unmodified opinion.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**
Partner

Membership Number: 101143 UDIN: 20101143AAAABK9100

Place of Signature: Mumbai
Date: 24 June 2020

## Consolidated Balance Sheet as at 31st March, 2020

| Particulars | Note No. | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|---|
| **(I) ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, plant and equipment | 03 (a) | 32,535.33 | 34,132.62 |
| (b) Right-of-use asset | 03 (b) | 16,236.79 | - |
| (c) Capital work-in-progress | 03 (c) | 1,663.21 | 790.16 |
| (d) Investment property | 03 (d) | 182.80 | 156.44 |
| (e) Goodwill | 03 (e) | 20,019.11 | 19,899.66 |
| (f) Other intangible assets | 03 (f) | 358.57 | 488.82 |
| (g) Intangible assets under development | 03 (g) | 281.26 | 235.22 |
| (h) Investments in associates and joint ventures | 04 (a) | 5,791.33 | 3,305.77 |
| (i) Financial assets | | | |
| (i) Investments | 04 (b) | 27,281.57 | 27,274.71 |
| (ii) Trade receivables | 05 (a) | 1,967.97 | - |
| (iii) Loans | 06 (a) | 646.28 | 572.53 |
| (iv) Other financial assets | 07 (a) | - | 23,113.07 |
| (j) Income tax assets (net) | | 11,012.87 | 5,896.18 |
| (k) Deferred tax assets (net) | 36 | 8,922.30 | 14,723.76 |
| (l) Other non-current assets | 08 (a) | 821.90 | 6,767.63 |
| **Total non-current assets** | | **127,721.29** | **137,356.57** |
| **(2) Current assets** | | | |
| (a) Inventories | 09 | 190,143.31 | 242,313.40 |
| (b) Financial assets | | | |
| (i) Investments | 10 | 4,868.57 | 565.15 |
| (ii) Trade receivables | 05 (b) | 249,168.14 | 276,669.77 |
| (iii) Cash and cash equivalents | 11 | 86,035.92 | 42,490.13 |
| (iv) Bank balances other than (iii) above | 11 | 1,278.35 | 250.25 |
| (v) Loans | 06 (b) | 2,863.59 | 2,246.40 |
| (vi) Derivative assets | 40 | 1,303.64 | 709.35 |
| (vii) Other financial assets | 07 (b) | 17,793.90 | 11,146.53 |
| (c) Other current assets | 08 (b) | 68,804.12 | 45,942.07 |
| (d) Income tax assets (net) | | 628.25 | - |
| (e) Assets classified as held for sale / disposal groups | 38 | 857.15 | 9,995.58 |
| **Total current assets** | | **623,744.94** | **632,328.63** |
| **TOTAL ASSETS** | | **751,466.23** | **769,685.20** |
| **(II) EQUITY AND LIABILITIES** | | | |
| **(1) Equity** | | | |
| (a) Equity share capital | 12 (a) | 4,010.00 | 4,010.00 |
| (b) Unsecured perpetual securities | 12 (b) | 80,000.00 | 144,793.75 |
| (c) Other equity | 13 | (93,166.15) | (8,465.51) |
| **Equity Attributable to Equity holders of the Parent** | | **(9,156.15)** | **140,338.24** |
| (d) Non controlling interest | | 1,428.37 | 1,430.76 |
| **Total Equity** | | **(7,727.78)** | **141,769.00** |
| **(2) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14 (a) | 151,592.93 | 30,116.21 |
| (ii) Derivative liabilities | 40 | 6,898.09 | - |
| (iii) Lease liabilities | 35 | 7,837.53 | - |
| (iv) Other financial liabilities | 15 (a) | 334.55 | 514.83 |
| (b) Provisions | 16 (a) | 985.92 | 888.87 |
| (c) Deferred tax liabilities (net) | 36 | 2,375.53 | 1,145.29 |
| (d) Other non-current liabilities | 17 | 1,690.84 | 809.55 |
| **Total non-current liabilities** | | **171,715.39** | **33,474.75** |
| **(3) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14 (b) | 223,305.34 | 296,073.78 |
| (ii) Trade payables | 18 | | |
| (i) total outstanding dues of micro enterprises and smallenterprises | | 1,358.37 | 375.63 |
| (ii) total outstanding dues of creditors other than microenterprises and small enterprises | | 269,194.96 | 253,094.56 |
| (iii) Derivative liabilities | 40 | 3,998.33 | 3,849.99 |
| (iv) Lease liabilities | 35 | 8,860.25 | - |
| (v) Other financial liabilities | 15 (b) | 41,938.67 | 17,072.46 |
| (b) Provisions | 16 (b) | 2,828.22 | 2,068.39 |
| (c) Other current liabilities | 17 | 33,417.09 | 12,584.06 |
| (d) Income tax liabilities (net) | | 2,577.39 | 3,132.35 |
| (e) Liabilities directly associated with assets classified as held for sale/ disposal groups | 38 | - | 6,190.23 |
| **Total current liabilities** | | **587,478.62** | **594,441.45** |
| **TOTAL LIABILITIES** | | **759,194.01** | **627,916.20** |
| **TOTAL EQUITY AND LIABILITIES** | | **751,466.23** | **769,685.20** |
| The accompanying notes form an integral part of the consolidated financials statements | | | |

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership No: 101143

Place: Mumbai
Date : 24th June, 2020

**For and on behalf of the Board of Directors**

**G. K. Pillai**
Chairman
DIN : 02340756
Place: Delhi
Date : 24th June, 2020

**N N Tata**
Managing Director
DIN : 00024713
Place: Mumbai
Date : 23rd June, 2020

**A M Ponkshe**
Chief Financial Officer &
Company Secretary
Place: Mumbai
Date : 23rd June, 2020

## Consolidated Statement of Profit & Loss for the year ended 31st March, 2020

| | Particulars | Note No. | For the year ended 31st March, 2020 Rs. in lakhs | For the year ended 31st March, 2019 Rs. in lakhs |
|---|---|---|---|---|
| | **Continuing operations** | | | |
| I | Revenue from operations | 19 | 1,624,745.19 | 1,808,257.07 |
| II | Other income | 20 | 11,930.35 | 18,444.28 |
| III | **Total income (I + II)** | | **1,636,675.54** | **1,826,701.35** |
| IV | **Expenses** | | | |
| | (a) Cost of materials consumed | | 77,284.68 | 77,024.25 |
| | (b) Purchase of stock-in-trade | | 1,253,780.61 | 1,543,730.80 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 21 | 66,486.60 | (38,690.24) |
| | (d) Employee benefits expense | 22 | 52,107.76 | 49,357.08 |
| | (e) Finance costs | 23 | 29,626.05 | 25,589.38 |
| | (f) Depreciation and amortisation expense | 24 | 6,250.75 | 4,799.35 |
| | (g) Other expenses | 25 | 158,177.71 | 158,188.38 |
| | **Total expenses (IV)** | | **1,643,714.16** | **1,819,999.00** |
| V | **(Loss)/ profit before exceptional items, share of net profits of investments accounted for using equity method and tax from continuing operations(III - IV)** | | **(7,038.62)** | **6,702.35** |
| VI | **Share of profit / (loss) of joint ventures and associates** | | | |
| | (a) Share of (loss) / profit of joint ventures | | (49.98) | 1,478.35 |
| | (b) Share of profit / (loss) of associates | | 80.82 | (198.38) |
| | | | **30.84** | **1,279.97** |
| VII | **(Loss)/ profit before exceptional items and tax from continuing operations (V + VI)** | | **(7,007.78)** | **7,982.32** |
| VIII | Exceptional items | 26 | (33,963.50) | 1,195.17 |
| IX | **(Loss)/ profit before tax from continuing operations (VII + VIII)** | | **(40,971.28)** | **9,177.49** |
| X | **Tax expense** | | | |
| | (a) Current tax | 36 | | |
| | (i) Relating to current year | | 4,299.22 | 9,131.68 |
| | (ii) Adjustments relating to earlier years | | (2,730.55) | - |
| | (b) Deferred tax | 36 | 7,341.15 | (7,041.13) |
| | **Total tax expense** | | **8,909.82** | **2,090.55** |
| XI | **(Loss) / profit from continuing operations (IX - X)** | | **(49,881.10)** | **7,086.94** |
| | Discontinued operations | | | |
| | Loss before tax from discontinued operations | 38 | (2,267.33) | (10,474.81) |
| | Tax expense of discontinued operations | | 45.35 | 215.56 |
| | **Loss from discontinued operations** | | **(2,312.68)** | **(10,690.37)** |
| | **Loss for the year** | | **(52,193.78)** | **(3,603.43)** |
| | **Other comprehensive income** | | | |
| | **A** (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurement of defined benefit plans | | (202.47) | (16.13) |
| | (b) Fair value of investments through other comprehensive income | | 36.49 | (275.13) |
| | | | **(165.98)** | **(291.26)** |
| | (ii) Income tax effect | | - | (94.94) |
| | (iii) Deferred tax effect | | - | (34.76) |
| | **B** (i) Items that will be reclassified to profit or loss | | | |
| | (a) Exchange differences in translating the financial statements of a foreign operation | | (17,807.60) | (7,573.11) |
| | | | **(17,807.60)** | **(7,573.11)** |
| | (ii) Income tax effect | | - | - |
| XII | **Other comprehensive loss (net of tax) (A + B)** | | **(17,973.58)** | **(7,734.67)** |
| XIII | **Total comprehensive loss for the year (XI + XII)** | | **(70,167.36)** | **(11,338.10)** |
| | **(Loss) / profit for the year attributable to:** | | | |
| | Owners of the Company | | (52,240.03) | (5,169.02) |
| | Non controlling interests | | 46.25 | 1,565.59 |
| | | | **(52,193.78)** | **(3,603.43)** |
| | **Other comprehensive loss for the year attributable to:** | | | |
| | Owners of the Company | | (17,973.58) | (7,734.67) |
| | Non controlling interests | | - | - |
| | | | **(17,973.58)** | **(7,734.67)** |
| | **Total comprehensive (loss) / income for the year attributable to:** | | | |
| | Owners of the Company | | (70,213.61) | (12,903.69) |
| | Non controlling interests | | 46.25 | 1,565.59 |
| | | | **(70,167.36)** | **(11,338.10)** |
| | **Earnings per share from continuing operations** | 45 | | |
| | Basic and diluted (in Rs.) | | (15,637.70) | (870.08) |
| | **Earnings per share from discontinued operations** | 45 | | |
| | Basic and diluted (in Rs.) | | (576.73) | (2,665.93) |
| | **Earnings per share from continuing and discontinued operations)** | 45 | | |
| | Basic and diluted (in Rs.) | | (16,214.43) | (3,536.01) |

The accompanying notes form an integral part of the consolidated financials statements

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership No: 101143

Place: Mumbai
Date : 24th June, 2020

**For and on behalf of the Board of Directors**

**G. K. Pillai**
Chairman
DIN : 02340756

Place: Delhi
Date : 24th June, 2020

**N N Tata**
Managing Director
DIN : 00024713

Place: Mumbai
Date : 23rd June, 2020

**A M Ponkshe**
Chief Financial Officer &
Company Secretary

Place: Mumbai
Date : 23rd June, 2020

## Notes forming part of the financial statements

### Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

**A. Equity Share Capital**

| Particulars | No. of Shares | Rs. in lakhs |
|---|---|---|
| **Balance as at 1st April, 2018 (Face value of Rs. 1,000 each)** | **401,000** | **4,010.00** |
| Add : Issued during the year | - | - |
| **Balance as at 31st March, 2019 (Face value of Rs. 1,000 each)** | **401,000** | **4,010.00** |
| **Balance as at 1st April, 2019 (Face value of Rs. 1,000 each)** | **401,000** | **4,010.00** |
| Add : Issued during the year | - | - |
| **Balance as at 31st March, 2020 (Face value of Rs. 1,000 each)** | **401,000** | **4,010.00** |

**B. Unsecured perpetual securities**

| Particulars | No. of Shares | Rs. in lakhs |
|---|---|---|
| **Balance as at 1st April, 2018** | **50,762,000** | **144,378.72** |
| Add: Exchange difference | - | 415.03 |
| **Balance as at 31st March, 2019** | **50,762,000** | **144,793.75** |
| | | |
| **Balance as at 1st April, 2019** | **50,762,000** | **144,793.75** |
| Add : Issued during the year | 8,000 | 80,000.00 |
| Less: Redemption during the year | (50,762,000) | (147,415.86) |
| Add: Gain on redemption | - | 1,094.08 |
| Add: Exchange difference | - | 1,528.03 |
| **Balance as at 31st March, 2020** | **8,000** | **80,000.00** |

## Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

### C. Other Equity

Rs. in lakhs

| Particulars | Reserves & Surplus | | | | | | | Items of OCI | | Attributable to equity-holders of the Company | Non-controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | General reserve | Security premium | Contingency reserve | Foreign projects reserve | Legal reserve | Capital reserve on consolidation | Retained earnings | Other reserve | Foreign currency translation reserve | | | |
| **Balance as at 1st April, 2018** | **11,033.28** | **18,090.00** | **1,020.33** | **35.00** | **21.59** | **245.61** | **(6,255.47)** | **201.86** | **(10,025.81)** | **14,366.39** | **1,871.27** | **16,237.66** |
| (Loss) / profit for the year | - | - | - | - | - | - | (5,169.02) | - | - | (5,169.02) | 1,565.59 | (3,603.43) |
| Other comprehensive income/ (loss) for the year | - | - | - | - | - | - | 18.63 | (180.19) | (7,573.11) | (7,734.67) | - | (7,734.67) |
| **Total comprehensive (loss)/ income for the year** | **-** | **-** | **-** | **-** | **-** | **-** | **(5,150.39)** | **(180.19)** | **(7,573.11)** | **(12,903.69)** | **1,565.59** | **(11,338.10)** |
| Dividend paid (including dividend tax thereon) | - | - | - | - | - | - | (542.17) | - | - | (542.17) | - | (542.17) |
| Purchase of non controlling interest | - | - | - | - | - | - | (375.65) | - | - | (375.65) | (333.10) | (708.75) |
| Foreign currency translation difference | - | - | - | - | - | - | - | - | - | - | (1,673.00) | (1,673.00) |
| Distribution on unsecured perpetual securities (net of tax) | - | - | - | - | - | - | (9,010.39) | - | - | (9,010.39) | - | (9,010.39) |
| **Balance as at 31st March, 2019** | **11,033.28** | **18,090.00** | **1,020.33** | **35.00** | **21.59** | **245.61** | **(21,334.07)** | **21.67** | **(17,598.92)** | **(8,465.51)** | **1,430.76** | **(7,034.75)** |
| **Balance as at 1st April, 2019** | **11,033.28** | **18,090.00** | **1,020.33** | **35.00** | **21.59** | **245.61** | **(21,334.07)** | **21.67** | **(17,598.92)** | **(8,465.51)** | **1,430.76** | **(7,034.75)** |
| Impact on adoption of Ind AS 116 (refer note 35) | - | - | - | - | - | - | (981.93) | - | - | (981.93) | - | (981.93) |
| **Restated balance as at 1st April, 2019** | **11,033.28** | **18,090.00** | **1,020.33** | **35.00** | **21.59** | **245.61** | **(22,316.00)** | **21.67** | **(17,598.92)** | **(9,447.44)** | **1,430.76** | **(8,016.68)** |
| (Loss) / profit for the year | - | - | - | - | - | - | (52,240.03) | - | - | (52,240.03) | 46.25 | (52,193.78) |
| Other comprehensive (loss)/ income for the year | - | - | - | - | - | - | (202.47) | 36.49 | (17,807.60) | (17,973.58) | - | (17,973.58) |
| **Total comprehensive (loss)/ income for the year** | **-** | **-** | **-** | **-** | **-** | **-** | **(52,442.50)** | **36.49** | **(17,807.60)** | **(70,213.61)** | **46.25** | **(70,167.36)** |
| Dividend paid (including dividend tax thereon) | - | - | - | - | - | - | (604.28) | - | - | (604.28) | - | (604.28) |
| Cessation of non controlling interest | - | - | - | - | - | - | 27.41 | - | - | 27.41 | (27.41) | - |
| Foreign currency translation difference | - | - | - | - | - | - | - | - | - | - | (21.23) | (21.23) |
| Distribution on unsecured perpetual securities | - | - | - | - | - | - | (13,033.94) | - | - | (13,033.94) | - | (13,033.94) |
| Gain on redemption of unsecured perpetual securities | - | - | - | - | - | - | 1,094.08 | - | - | 1,094.08 | - | 1,094.08 |
| Expenses on issue of unsecured perpetual securities | - | - | - | - | - | - | (839.96) | - | - | (839.96) | - | (839.96) |
| Others | - | - | - | - | - | - | (148.41) | - | - | (148.41) | - | (148.41) |
| **Balance as at 31st March, 2020** | **11,033.28** | **18,090.00** | **1,020.33** | **35.00** | **21.59** | **245.61** | **(88,263.60)** | **58.16** | **(35,406.52)** | **(93,166.15)** | **1,428.37** | **(91,737.78)** |

**Consolidated Statement of Changes in Equity for the year ended 31st March, 2020**

**Nature and purpose of reserves**

**General reserve :** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**Securities premium :** Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of Companies Act, 2013.

**Contingency reserve :** Surplus arising out of transfer of assets and liabilities net of costs of the Group's investment in its former subsidiary, are presented as a 'Contingency Reserve' which reserve as approved by the shareholders at an extraordinary general meeting and also as sanctioned by Order of the hon'ble High Court of judicature at Bombay, vide its order dated 11th February, 2005 may be utilised to the extent considered necessary by the Board of Directors of the Group from time to time for providing for any contingent liability (including but not limited to tax liabilities), diminution in value of and / or loss on sale of investments and other assets of the Group. If part or whole of the Contingency Reserve is no longer required for these purposes, the same can be transferred to General Reserve and shall be deemed to be the General Reserve for all purposes under the provisions of the Companies Act, 1956 as per the said Order.

**Foreign currency translation reserve :** Foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit and loss on disposal of investment.

**Other reserves :** This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the retained earnings when those assets have been disposed off.

As per our report of even date

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership No: 101143

Place : Mumbai
Date : 24th June, 2020

**For and on behalf of the Board of Directors**

**G. K. Pillai**
Chairman
DIN : 02340756

Place : Delhi
Date : 24th June, 2020

**N N Tata**
Managing Director
DIN : 00024713

Place : Mumbai
Date : 23rd June, 2020

**A M Ponkshe**
Chief Financial Officer &
Company Secretary

Place : Mumbai
Date : 23rd June, 2020

## Consolidated Cash Flow Statement for the year ended 31st March, 2020

| Particulars | For the year ended 31st March, 2020 | | For the year ended 31st March, 2019 | |
|---|---|---|---|---|
| | Rs. In lakhs | Rs.In lakhs | Rs.In lakhs | Rs.In lakhs |
| **A. Cash flow from operating activities** | | | | |
| **Loss for the year** | | **(52,193.78)** | | **(3,603.43)** |
| **Adjustments to reconcile loss before tax to net cash provided by operating activities:** | | | | |
| Income tax expense recognised in statement of profit and loss | 8,909.82 | | 2,306.11 | |
| Loss on foreign currency transactions and translation | (11,436.15) | | (3,730.45) | |
| Allowance for doubtful debts | 3,665.53 | | 4,070.58 | |
| Trade, other receivables and advances written off | 1,084.87 | | - | |
| Allowance for doubtful advances | 23.38 | | 99.30 | |
| Liabilities / provisions no longer required written back | (538.84) | | (1,783.74) | |
| Depreciation and amortisation expense | 6,250.75 | | 4,856.46 | |
| Profit on sale of fixed assets (net) | (148.84) | | (3,605.22) | |
| Loss on measuring inventory at net realisable value | 8,890.78 | | - | |
| Sale of subsidiary | (4,690.55) | | - | |
| Unrealised gain on swap contract | (1,254.17) | | (4,784.57) | |
| Fair value loss on commodity derivatives | 2,051.97 | | - | |
| Fair value loss on derivatives | 3,260.33 | | 520.29 | |
| Profit on sale of units of mutual funds | (404.06) | | (156.07) | |
| Allowance for other receivables | 29,763.27 | | - | |
| Finance costs | 29,626.05 | | 24,827.08 | |
| Interest income | (2,615.92) | | (3,090.39) | |
| Dividend income | (156.21) | | (128.29) | |
| Impairment of goodwill | - | | 2,117.30 | |
| | | **72,282.01** | | **21,518.39** |
| Operating profit before working capital changes | | **20,088.23** | | **17,914.96** |
| Changes in working capital: | | | | |
| Adjustments for (increase)/ decrease in operating assets: | | | | |
| Inventories | 43,279.31 | | (43,609.08) | |
| Trade receivables - non-current | (1,967.97) | | 2,734.59 | |
| Trade receivables - current | 26,849.65 | | (88,516.68) | |
| Loans - non-current | (73.75) | | 60.00 | |
| Loans - current | (617.19) | | (23.61) | |
| Other financial assets | (12,528.95) | | (2,475.52) | |
| Non current assets- non financial others | 3,401.61 | | (2,476.81) | |
| Current assets-non financial others | (23,224.26) | | (3,525.37) | |
| | | 35,118.45 | | (137,832.48) |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Trade payables | 12,131.88 | | 133,104.89 | |
| Other financial liabilities - non current | 10.54 | | (39.58) | |
| Other financial liabilities - current | (3,042.89) | | 3,548.00 | |
| Other non current liabilities | 881.29 | | 304.95 | |
| Other current liabilities | 21,344.92 | | (6,261.80) | |
| Current provisions | 557.36 | | (797.81) | |
| Non-current provisions | 97.05 | | (78.44) | |
| | | 31,980.15 | | 129,780.21 |
| **Cash generated from operations** | | **87,186.83** | | **9,862.69** |
| Income tax paid (net) | | (7,914.08) | | (8,715.88) |
| **Net cash flow from operating activities (A)** | | **79,272.75** | | **1,146.81** |
| **B. Cash flow from investing activities** | | | | |
| Purchase of property, plant and equipment | | (3,192.57) | | (2,805.86) |
| Proceeds from sale of property, plant and equipment | | 292.28 | | 6,055.56 |
| Current investments | | | | |
| - Purchase of mutual fund (net) | | (3,899.36) | | - |
| - Proceeds from sale of units of mutual funds (net) | | 0.00 | | 147.48 |
| Advance towards purchase of mutual funds | | - | | 200.00 |
| Investments made in subsidiaries, joint venture and associates | | (223.90) | | (3,504.53) |
| Proceeds from sale of non-current investments | | 1,692.39 | | 776.05 |
| Interest received | | 2,605.55 | | 3,016.58 |
| Dividend from associates and joint ventures | | - | | 128.29 |
| Dividend from mutual funds | | 156.21 | | - |
| Invenstment in Bank balances not considered as cash and cash equivalents (net) | | (1,028.10) | | (212.02) |
| **Net cash flow (used in) / from investing activities (B)** | | **(3,597.50)** | | **3,801.54** |

| Particulars | For the year ended 31st March, 2020 | | For the year ended 31st March, 2019 | |
|---|---|---|---|---|
| | Rs. In lakhs | Rs.In lakhs | Rs.In lakhs | Rs.In lakhs |
| **C. Cash flow from financing activities** | | | | |
| Proceeds from issue of perpetual securities | | 80,000.00 | | - |
| Redemption of perpetual securities | | (147,415.86) | | - |
| Distribution on unsecured perpetual securities | | (13,033.94) | | (12,910.14) |
| Gain on redemption of unsecured perpetual securities | | 1,094.08 | | - |
| Expense relating to issue of unsecured perpetual securities | | (839.96) | | - |
| Proceeds from non-current borrowings | | 154,368.74 | | 1,326.39 |
| Repayment of non-current borrowings | | (7,272.15) | | (14,358.13) |
| Proceeds / (repayment) from short-term borrowings (net) | | (72,768.44) | | 46,489.20 |
| Payment towards lease liabilities | | | | |
| - towards principal and initial registration cost | | (710.67) | | - |
| - towards interest | | (1,300.73) | | - |
| Interest paid | | (26,040.03) | | (23,403.99) |
| Realised gain on derivative assets | | 2,394.01 | | 4,784.57 |
| Dividends paid (net of tax) | | (604.51) | | (664.47) |
| **Net cash flow (used in) / from financing activities (C)** | | **(32,129.46)** | | **1,263.44** |
| **Net increase in cash and cash equivalents (A+B+C)** | | **43,545.79** | | **6,211.79** |
| Cash and cash equivalents at the beginning of the year | | 42,490.13 | | 36,278.34 |
| **Cash and cash equivalents at the end of the year** | | **86,035.92** | | **42,490.13** |
| **Reconciliation of cash and cash equivalents with the Balance Sheet:** | | | | |
| Cash and cash equivalents as per balance sheet (refer note 11) | | 86,035.92 | | 42,490.13 |
| **Net cash and cash equivalents** | | **86,035.92** | | **42,490.13** |
| **Cash and cash equivalents at the end of the year** | | **86,035.92** | | **42,490.13** |

The accompanying notes form an integral part of the consolidated financials statements

The consolidated cash flow statement has been prepared under the indirect method as set out in Ind AS 7

Refer note Note 14 (c). Changes in liabilities arising from financing activities

As per our report of even date

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership No: 101143

Place : Mumbai
Date : 24th June, 2020

**For and on behalf of the Board of Directors**

**G. K. Pillai**
Chairman
DIN : 02340756

Place : Delhi
Date : 24th June, 2020

**N N Tata**
Managing Director
DIN : 00024713

Place : Mumbai
Date : 23rd June, 2020

**A M Ponkshe**
Chief Financial Officer &
Company Secretary

Place : Mumbai
Date : 23rd June, 2020

## Notes forming part of the consolidated financial statements

**1. (a) General information**

Tata International Limited was incorporated on 30th November 1962 as the international business gateway of the Tata Group of Companies. It has since evolved into an international entity with a global reach. The Parent alongwith its subsidiaries (herein after referred to as "the Group") main lines of businesses are manufacture and sale of leather and leather products, trading in metals, minerals and other commodities and distribution of vehicles and other products. The Group's unsecured perpetual securities are listed on the National Stock exchange

**1. (b) Statement of compliance**

These Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (Converged with International Financial Reporting Standards) notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Consolidated financial statements for the year ended 31st March 2020 were approved by the Board of Directors and authorised for issue on June 23, 2020.

**2. Significant Accounting Policies**

**(a) Basis of preparation**

The Consolidated 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 year, 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. 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.

These financial statements have been prepared on accrual and going concern basis.

**(b) Functional and presentation currency**

These Consolidated financial statements are presented in Indian Rupees (INR), which is also the Groups's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

**(b) Functional and presentation currency**

The Consolidated financial statements have been prepared on the historical cost basis except for the following items:

| Items | Measurement basis |
|---|---|
| Certain financial assets and liabilities (including derivatives instruments) | Fair value |
| Business combination | Fair value |
| Net defined benefit (asset)/ liability | Fair value of plan assets less present value of defined benefit obligations |

**(d) Use of estimates and judgments**

In preparing these Consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Following area where management has used the significant estimates judgments, estimates and assumptions

- **Impairment assessment of goodwill**

The Group estimates the value-in-use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on the historical market returns of comparable companies.

- **Impairment assessment of investments**

  The Group reviews it carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than it carrying amount, the impairment loss is accounted for.

- **Useful lives of property, plant and equipment and intangible assets**

  Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. The lives are dependent upon an assessment of both the technical lives of the assets and their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

- **Valuation and measurement of income taxes and deferred taxes**

  Provision of current and deferred tax liabilities is dependent on Management estimate of the allowability or otherwise of expenses incurred and other debits to profit or loss. Deferred tax assets (including minimum alternate tax recoverable) are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- **Provisions and contingencies**

  A provision (including provision for claims) is recognised when the Group has a present obligation because of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. A tax provision is recognised when the Group has a present obligation as a result of past events, and it is probable that the Group will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements. When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific applicable law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decision.

- **Provision for employee benefit expenses**

  The present value of defined benefit obligations is determined on an actuarial basis using a number of underlying assumptions, including the discount rate and expected increase in salary costs. Any changes in these assumptions will impact the carrying amount of obligations.

- **Valuation of inventory**

  The Group values its inventory based on the various methods prescribed by the standard i.e. specific identification method; FIFO (first-in, first-out) and weighted average cost formula. The methods require use of judgement and estimate in terms of the costs to be included in the valuation of inventory. Any changes in these assumptions will impact the carrying amount of the inventory.

- **For measurement of right to use and lease liability**

  The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Revenue recognition**

  The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting year.The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation based on the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- **Fair value measurement**

  When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Impairment assessment of financial assets**

  The impairment provision for financial assets (other than trade receivables) are based on assumptions of risk of default and expected loss rates. The Group makes judgements about these assumptions for selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year. Trade receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts which are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

- **Impairment assessment of non-financial assets**

  Determining whether non – financial assets are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a discounted cash flow model over the estimated useful life of the assets. Further, the cash flow projections are based on estimates and assumptions relating to the growth of the business, operational performance, market prices of raw materials, exchange variations, inflation, terminal value etc. which are considered reasonable by the Management.

**(e) Measurement of fair values**

The Group measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**(f) Basis of consolidation**

The Consolidated Financial Statements comprise Tata International Limited ("the Parent"), its subsidiary companies, associate companies and joint ventures.

**i) Subsidiaries**

Subsidiaries are entities controlled by the Group. the Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting year of the subsidiary is different from that of the parent, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**Consolidation process:**

The following adjustments are applied to separate financial statements / information to prepare the consolidated financial statements:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.

- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated financial statements. Standard on Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

**Non-controlling interests (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

**Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

**ii) Equity accounted investees**

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence i.e. the power to participate in the financial and operating policy decisions of the investee but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to assets and obligations for its liabilities.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the Consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments in the nature of net investments) is reduced to nil. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the associate or joint venture are prepared for the same reporting year as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**(g) Business combinations**

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in the equity of subsidiaries.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations arising from transfer of interests in entities that are under the common control are accounted for using the carrying values. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholder's equity.

**(h) Foreign currency**

**i) Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- Equity investments at fair value through OCI (FVOCI);
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.
- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., Consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

**ii) Foreign operations**

The assets and liabilities of foreign operations (subsidiaries, associates, joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the average exchange rates if the average rate approximates the actual rate at the date of the transaction. The exchange differences arising on translation for consolidation are recognised in OCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

**(i) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i) Financial Asset**

**i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under standard on Revenue from contracts with customers. Refer to the accounting policies for Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**ii. Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)

- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

**Financial assets at amortised cost (debt instruments)**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. the Group's financial assets at amortised cost includes trade receivables, and loan to an group companies and other loan to a director included under other non-current / current financial assets.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Standard on Financial Instruments (Presentation) and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Standard Business Combination on applies are classified as at FVTPL.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**iii. Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**ii) Financial liabilities and equity instruments**

Financial Liability and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance the definitions of a financial liability and an equity instrument.

An instrument is an equity instrument only if both the following conditions are met:

- The equity instrument includes no contractual obligation either:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.
- If the instrument will, or may, be settled in the issuer's own equity instruments, it is either:
  - a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
  - a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose the issuer's own equity instruments do not include instruments that have all the features and meet the conditions described in paragraphs 16A and 16B or paragraphs 16C and 16D of instruments that are contracts for the future receipt or delivery of the issuer's own equity instruments.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

**Financial liabilities**

**i. Initial recognition and measurement**

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments etc.

**ii. Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Standard on Financial Instruments. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Standard on Financial Instruments are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statment of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. the Group has not designated any financial liability as at fair value through profit or loss.

**Financial liabilities at amortised cost (loans and borrowings)**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Standard on Financial Instruments and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 - Revenue from Contracts with Customers.

**iii. Derecognition**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**iii) Reclassification of financial assets / financial liabilities**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. the Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. the Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**v) Derivative financial instruments**

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

**(j) Property, plant and equipment and intangible assets**

**i) Recognition and measurement**

Items of property, plant and equipment and intangible assets are measured at cost, less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment and intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use including eligible borrowing costs and estimated costs of dismantling and removing the item and restoring the site on which it is located. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

**ii) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

**iii) Depreciation and amortisation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method / Written down value and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate on prospective basis.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate on prospective basis.

The estimated useful lives of items of property, plant and equipment are as follows:

| Assets | Useful Life |
|---|---|
| **Tangible assets** | |
| Buildings | 5 to 60 years |
| Leasehold improvements | 3 to 99 years |
| Plant and machinery | 1 to 25 years |
| Furniture and fixtures | 1 to 10 years |
| Vehicles | 2 to 20 years |
| Office equipments | 1 to 10 years |
| Computer | 2 to 10 years |
| Electric installations | 3 to 10 years |
| Others / mould ans lasts (included under plant and machinery) | 2 to 10 years |
| **Intangible assets** | |
| Computer software | 2 to 8 years |
| Tenancy rights of shops on lease | 2 to 10 years |

**iv) Derecognition**

An item of property, plant and equipment 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 property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

**v) Reclassification to investment property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

**(k) Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Group depreciates the investment properties over a period of 55 years on a straight line basis.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year of derecognition.

Transfers are made to (or from) investment property only when there is a change in use.

**(l) Non-current assets or disposal group held for sale**

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, if any, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. the Group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

**(m) Discontinued operations**

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical area of operations and

- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

**(n) Revenue recognition**

**i) Sale of goods and rendering of services**

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers on behalf of the government.

When the Group enters into purchase and sale transaction involving no price risk, inventory risk or similar risk other than credit risk, the transaction are not shown as purchase and sale instead net income arising on such transactions have been included in "other operating income".In accordance with Standard on Provisions, Contingent Liabilities and Contingent Assets, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. the Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The Group disaggregates revenue from contracts with customers by industry verticals.

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.The group in some cases where the goods have not been delivered to the customer recognises the revenue as the transaction has satisfied the performance obligation as control of the good has been transferred to the customer upon the signing of the relevant bill and hold arrangement with the customer, and all the following criteria are met, the reason for the bill and hold arrangement is substantive, the goods are identified separately as belonging to the customer, the goods are currently ready for physical transfer to the customer, and the group does not have the ability to use the goods or to direct it to another customer.

**ii) Dividend income, interest income and interest expense**

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**iii) Commission**

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission / income earned by the Group.

**iv) Rental income**

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leasing is also recognised in a similar manner and included under other income.

**v) Contract balances**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

**(o) Expenditure**

All expenses are recognised on an accrual basis.

**(p) Employee benefits**

**i) Short - term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**ii) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Parent company makes monthly contributions to Provident Fund managed by Tata International Limited Provident Fund Trust for qualifying employees. the Group meets the shortfall, if any, with respect to the interest rate guaranteed for exempt provident funds.

**iii) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. the Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or

reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements 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 in Other Comprehensive Income (OCI) is reflected immediately in retained earnings and is not reclassified to profit or loss. the Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense. Past service cost and other expenses related to defined benefit plans are recognised in the statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement profit or loss. the Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**iv) Other long – term employee benefits**

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method.

Remeasurement gains or losses are recognised in the statement of profit or loss in the year in which they arise.

**v) Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

**(q) Provisions, contingent liabilities and contingent assets**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

**Warranties**

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

**Restructuring provisions**

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when: (i) a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

**Onerous contracts**

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an

onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the Consolidated financial statements when an inflow of economic benefit is probable. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

**(r) Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

**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 laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax 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.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Minimum alternate tax (MAT)**

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, 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 is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**(s) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method except for vehicles which are valued on specific identification method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the year.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

**(t) Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**(u) Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group. Such income or expense is classified as an exceptional item and accordingly, are disclosed in the consolidated financial statements.

**(v) Segment reporting**

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director (who is the Group's chief operating decision maker) in deciding how to allocate resources and in assessing performance.

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses based on products and services. Accordingly, directors of the Group have chosen to organise the segment based on its product and services as follows:

- Leather and leather products
- Minerals
- Metals
- Distribution
- Agricultural commodities and products

The accounting policies adopted for segment reporting are in conformity with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which related to the Group as a whole and are not allocable to segments on a reasonable basis have been included under unallocable revenue/expenses/assets/liabilities.the Group's financing and income taxes are managed on a Group level and are not allocated to operating segment.

**(w) Earnings per share (EPS)**

Basic EPS is computed by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and accruals on perpatual security and attributable taxes) by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

**(x) Dividend**

Final dividend on shares are recorded as a liability, on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Parent's Board of Directors.

**(y) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. the Group has identified twelve months as its operating cycle.

**(z) Impairment**

**i) Impairment of financial instruments**

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost (Trade Receivables, Lease Receivables. Other assets having Other contractual rights to receive cash and other financial asset); and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Standard on Revenue from Contracts with Customers are always measured at an amount equal to lifetime expected credit losses unless there is significant financing component.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

**Measurement of expected credit losses**

Expected credit losses are a probabilityweighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted standard on Financial Instrument. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due, unless other period is appropriate.

**Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the writeoff. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**ii) Impairment of non-financial assets**

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

Where there are indicators that assets may be impaired, the Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior years, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(aa) Borrowing cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred. The capitalisation of borrowing cost is suspended when the activities necessary to prepare the qualifying asset are deferred / interrupted for significant period of time. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(bb) Accounting for government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the year necessary to match them with the costs that they are intended to compensate and presented within other operating income / other income.

Government grants relating to the purchase of property, plant and equipment are adjusted with cost of such the property, plant and equipment.

**(cc) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. the Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 15 years
- Plant and machinery 4 years
- Vehicles 4 years
- Office equipments 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

ii) **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the year in which they are earned.

**(dd) Changes in accounting policies and disclosures**

**i) New and amended standards**

The Group applied Standard on Lease for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2020, but do not have an impact on the Consolidated financial statements of the Group. the Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

**i. Standard on leases**

The Group has adoped new lease standard which supersedes old standard on Leases including its appendices (Appendix C - Determining whether an Arrangement contains a Lease, Appendix A - Operating Leases-Incentives and Appendix B - Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting is substantially unchanged and therefore, new standard does not have an impact for leases where the Group is the lessor.

The Group adopted New Lease Standard using the modified retrospective method of adoption, with the date of initial application on 1 April 2019.

- Right of use asset (ROU) would be measured as if standard had always been applied but using incremental borrowing date on 1 April 2019
- Lease liability would be measured on 1 April 2019 as the present value of the remaining lease payments and using incremental borrowing rate on 1 April 2019
- Standard would be applied on 1 April 2019 and equity adjustment (difference between the ROU asset and lease liability computed above) would be recognised on 1 April 2019
- Comparative year would not be restated
- Disclosures to be made as applicable

The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases at the date of initial application. the Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). the Group has also elected to use hindsight in estimating lease term if the contract contains options to extend or terminate the lease. Group has also elected to exclude initial direct costs from measurement of right of use asset on date of initial application. Group has elected to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

**ii. Appendix C to standard on income taxes - uncertainty over income tax treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Standard on Income Taxes. It does not apply to taxes or levies outside the scope of Standard on Income Taxes, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Appendix had an impact on its Consolidated financial statements.

Upon adoption, the Group considered whether it has any uncertain tax positions.

**iii. Amendments to standard on financial instruments: prepayment features with negative compensation**

Under Standard on Financial Instruments, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to this standard clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the Consolidated financial statements of the Group.

**iv. Amendments to standard on employee benefits: plan amendment, curtailment or settlement**

The amendments to Standard on Employee Benefits address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting year, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no major impact on the Consolidated financial statements of the Group as it did not have any major plan amendments, curtailments, or settlements during the year.

**v. Amendments to standard on investments in associates and joint ventures: long-term interests in associates and joint ventures**

The amendments clarify that an entity applies Standard on Financial Instruments to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Standard on Financial Instruments applies to such long-term interests.

The amendments also clarified that, in applying Standard on Financial Instruments, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Standard on Investments in Associates and Joint Ventures.

These amendments had no significant impact on the Consolidated financial statements as the Group does not have any significant long-term interests in its associate and joint venture.

**ii) Annual improvements to standards**

**i. Standard on business combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting year beginning on or after 1 April 2019.

These amendments had no impact on the Consolidated financial statements of the Group as there is no transaction where joint control is obtained.

**ii. Standard on joint arrangements**

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Standard on Business Combination. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting year beginning on or after 1 April 2019.

These amendments had no impact on the Consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

**iii. Standard on income taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting year beginning on or after 1 April 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the Consolidated financial statements of the Group.

**iv. Standard on borrowing costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting year in which the entity first applies those amendments. An entity applies those amendments for annual reporting year beginning on or after 1 April 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the Consolidated financial statements of the Group.

## Notes forming part of the consolidated financial statements

### 03 (a). Property, plant and equipment

Rs. in lakhs

| Particulars | Freehold Land | Building | Leasehold Improvement | Plant and Machinery | Furniture and fixtures | Vehicles | Office Equipments | Computer | Electric Installation | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | |
| **Balance as at 1st April, 2018** | **2,969.10** | **27,886.08** | **794.56** | **16,796.54** | **2,578.80** | **1,515.43** | **2,049.05** | **1,758.21** | **631.47** | **56,979.24** |
| Additions | 466.31 | 517.81 | 25.91 | 1,576.73 | 130.50 | 190.07 | 62.97 | 94.76 | 19.08 | 3,084.14 |
| Other adjustments | 107.70 | - | - | - | - | - | - | - | - | 107.70 |
| Adjustment for companies ceasing to be subsidiaries | 0.22 | 15.03 | - | 64.80 | 2.29 | (13.76) | 1.19 | 1.32 | 4.52 | 75.61 |
| Effect of foreign currency exchange differences | 23.33 | (265.14) | (51.15) | (474.36) | (129.16) | (193.40) | 59.68 | (72.82) | (6.72) | (1,109.74) |
| Disposals | (45.76) | (51.01) | (99.47) | (879.04) | (4.62) | (167.12) | (85.33) | (69.38) | (6.00) | (1,407.73) |
| Forming part of disposal group | - | - | - | (126.79) | (23.65) | - | (47.86) | (30.23) | - | (228.53) |
| **Balance as at 31st March, 2019** | **3,520.90** | **28,102.77** | **669.85** | **16,957.88** | **2,554.16** | **1,331.22** | **2,039.70** | **1,681.86** | **642.35** | **57,500.69** |
| Additions | - | 1,040.12 | - | 1,672.68 | 131.68 | 173.22 | 185.41 | 158.92 | 131.44 | 3,493.47 |
| Effect of foreign currency exchange differences | 153.61 | (668.16) | (187.55) | (730.13) | (201.87) | 90.33 | 163.75 | (14.12) | 6.82 | (1,387.32) |
| Disposals | - | (89.68) | (100.92) | (397.74) | (179.01) | (56.00) | (63.40) | (1.15) | (25.40) | (913.30) |
| Adjustment (refer note 3) | - | - | - | 126.79 | 23.65 | - | 41.29 | 30.23 | - | 221.96 |
| **Balance as at 31st March, 2020** | **3,674.51** | **28,385.05** | **381.38** | **17,629.48** | **2,328.61** | **1,538.77** | **2,366.75** | **1,855.74** | **755.21** | **58,915.50** |
| **Accumulated depreciation** | | | | | | | | | | |
| **Balance as at 1st April, 2018** | **-** | **3,612.58** | **273.36** | **10,941.06** | **1,517.99** | **750.47** | **1,630.26** | **1,304.08** | **461.05** | **20,490.84** |
| Depreciation expense | - | 1,365.93 | 101.33 | 2,153.50 | 376.52 | 325.79 | 169.67 | 176.80 | 69.95 | 4,739.49 |
| Adjustment for companies ceasing to be subsidiaries | - | 11.81 | - | 51.68 | 2.17 | (12.19) | 1.16 | (0.26) | 4.37 | 58.74 |
| Effect of foreign currency exchange differences | - | (64.51) | (15.50) | (297.24) | (101.41) | (179.54) | 80.63 | (41.25) | (6.77) | (625.59) |
| Disposals | - | (15.92) | (99.47) | (704.18) | (55.32) | (119.70) | (79.11) | (67.45) | (7.57) | (1,148.72) |
| Forming part of disposal group | - | - | - | (70.35) | (14.45) | - | (39.61) | (22.28) | - | (146.69) |
| **Balance as at 31st March, 2019** | **-** | **4,909.89** | **259.72** | **12,074.47** | **1,725.50** | **764.83** | **1,763.00** | **1,349.64** | **521.03** | **23,368.07** |
| Depreciation expense | - | 1,226.54 | 61.38 | 1,473.74 | 297.96 | 252.28 | 144.01 | 83.93 | 63.54 | 3,603.38 |
| Effect of foreign currency exchange differences | 2.26 | 9.28 | (29.02) | (154.52) | (162.34) | 131.76 | 185.28 | 48.33 | 6.80 | 37.83 |
| Disposals | - | (40.85) | (75.20) | (347.70) | (166.58) | (55.96) | (60.67) | (0.70) | (22.20) | (769.86) |
| Adjustment (refer note 3) | - | - | - | 70.35 | 14.45 | - | 33.67 | 22.28 | - | 140.75 |
| **Balance as at 31st March, 2020** | **2.26** | **6,104.86** | **216.88** | **13,116.34** | **1,708.99** | **1,092.91** | **2,065.29** | **1,503.48** | **569.17** | **26,380.17** |
| **Carrying amount** | | | | | | | | | | |
| **Balance at 1st April, 2018** | **2,969.10** | **24,273.50** | **521.20** | **5,855.48** | **1,060.81** | **764.96** | **418.79** | **454.13** | **170.42** | **36,488.40** |
| **Balance at 31st March, 2019** | **3,520.90** | **23,192.88** | **410.13** | **4,883.41** | **828.66** | **566.39** | **276.70** | **332.22** | **121.32** | **34,132.62** |
| **Balance at 31st March, 2020** | **3,672.25** | **22,280.19** | **164.50** | **4,513.14** | **619.62** | **445.86** | **301.46** | **352.26** | **186.04** | **32,535.33** |

Note 1: Refer note 14(a) & 14(b) for information on property, plant and equipment hypothecated as security by the Group.

Note 2: Refer note 33 for disclosure of contractual commitment for acquition of property, plant and equipment.

Note 3: The Group had classified these Property, plant and equipment and the related accumulated depreciation as assets held for sale in the financial statements for the year ended 31 March 2019. However during the year ended 31 March 2020, holding company has transferred these assets to its wholly owned subsidiary "Stryder Cycle Private Limited" and hence has reclassified the amount of gross block and the related accumulated depreciation pertaining to these assets transferred in the Property, plant and equipment as the assets are held within the same Group.

**Notes forming part of the consolidated financial statements**

**Note 03 (b). Right-of-use asset**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Balance as at beginning of the year (on adoption of Ind AS 116 - refer note 35) | 10,114.73 | - |
| Addition during the year | 7,735.30 | - |
| Effect of foreign currency exchange differences | 797.41 | - |
| Depreciation expense for the year | (2,410.65) | - |
| **Carrying amount at end of year** | **16,236.79** | **-** |

**Note 03 (c). Capital work-in-progress**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Carrying amount at beginning of year | 790.16 | 1,105.45 |
| Addition during the year | 1,588.54 | 825.79 |
| Transferred to property, plant and equipment | (764.03) | (1,141.08) |
| Effect of foreign currency exchange differences | 48.54 | - |
| **Carrying amount at end of year** | **1,663.21** | **790.16** |

**Note 03 (d). Investment property**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Carrying amount at beginning of year | 156.44 | 204.95 |
| Addition during the year | 182.09 | - |
| Depreciation expense for the year | (11.76) | (17.33) |
| Disposal during the year | (103.95) | - |
| Effect of foreign currency exchange differences | (40.02) | (31.18) |
| **Carrying amount at end of year** | **182.80** | **156.44** |

**(i) Amounts recognised in profit or loss for investment properties**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Rental income | 244.76 | 273.70 |
| Direct operating expenses from property that generated rental income | - | (41.41) |
| **Profit from investment properties before depreciation** | **244.76** | **232.29** |
| Depreciation | (11.76) | (17.33) |
| **Profit from investment properties** | **233.00** | **214.96** |
| **Movement of Depreciation** | | |
| Carrying amount at beginning of year | 78.49 | 29.98 |
| Depreciation charge for the year | 11.76 | 17.33 |
| Accumulated depreciation on disposal during the year | (122.37) | - |
| Effect of foreign currency exchange differences | 37.52 | 31.18 |
| **Carrying amount at end of year** | **5.40** | **78.49** |

**Notes forming part of the consolidated financial statements**

**(ii) Fair value**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Investment properties (level 3) | 5,017.17 | 3,110.00 |

| Investment properties | Basis of valuation | Significant Inputs |
|---|---|---|
| Office properties | Market value, Rental value and replacement value | Market value- ZMW 116.30 Mn<br>Market rent - ZMW 80,100 per month<br>Insured value- ZMW 10.20 Mn |
| Residential property | Fair valuation | Fair value- EUR 0.22 Mn |

**Estimation of fair value**

The Group obtains independent valuations for its investment properties at periodic intervals. The fair values of investment properties have been determined by independent surveyor. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

**Note 03 (e). Goodwill**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Carrying amount at beginning of year | 19,899.66 | 22,016.96 |
| Less : Deductions for the year (refer note 31(a)) | - | (2,136.35) |
| Add : Effect of foreign currency exchange differences | 119.45 | 19.05 |
| **Balance at the end of the year** | **20,019.11** | **19,899.66** |

Goodwill is tested annually for impairment and if there are indications that it may be impaired, then more frequently. The recoverable amount has been determined based on value in use calculations which uses cash flow projections covering a period of five years. Value in use has been determined based on future cashflows after considering current economic conditions and trends, including but not limited to the impact of COVID-19 pandemic, estimated future operating results, growth rates and anticipated future economic conditions.

The Board of Directors of the Parent approves financial budgets for the subsequent financial year which is considered by management in estimating cash flow projections for the future.

Key assumptions and description of management's approach to determining the values assigned to each key assumption for the value in use calculations are as follows:

| Goodwill can be allocated to the following CGUs: | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| CGU1- Bachi Shoes (division of Tata International Limited) | 16,873.60 | 16,873.60 |
| CGU2- Euro shoe components (division of Calsea Footwear Private Limited) | 1,751.86 | 1,751.86 |
| CGU3- Tata International Unitech (Senegal) SARL | 1,393.65 | 1,274.20 |

**Notes forming part of the consolidated financial statements**

The below disclosures are required for each CGU to which goodwill has been allocated. The recoverable value is determined basis value in use:

**CGU 1 - Bachi shoes limited (divison of Tata International Limited)**

| | |
|---|---|
| a) Key assumptions of cash flow projections | Revenue Growth, Margin, Terminal growth rate |
| b) Description of whether the above key assumptions reflect past experience, or are consistent with external sources of information. If not, how and why there is a difference. | Revenue Growth, Margin- Based on past performance and management's expectation for the future.Terminal Growth rate - Based on the expected industry growth rate. This growth rate does not exceed the long-term average growth rate for this industry in India. |
| i. Period over which management has projected cash flows. | 5 years |
| ii. Growth rate used to extrapolate cash flow projections. | 5% for justification Ref point "b" above |
| iii.Discount rate(s) applied to the cash flow projections. | 12.50% |

**Note 03 (e). Goodwill (continued)**

**CGU 2 - Euro shoe components limited (division of Calsea Footwear Private Limited)**

| | |
|---|---|
| a) Key assumptions of cash flow projections | Revenue Growth, Margin, Terminal growth rate |
| b) Description of whether the above key assumptions reflect past experience, or are consistent with external sources of information. If not, how and why there is a difference. | Revenue Growth, Margin- Based on past performance and management's expectation for the future.Terminal Growth rate - Based on the expected industry growth rate. This growth rate does not exceed the long-term average growth rate for this industry in India. |
| i. Period over which management has projected cash flows. | 5 years |
| ii. Growth rate used to extrapolate cash flow projections. | 5% for justification Ref point "b" above |
| iii. Discount rate(s) applied to the cash flow projections. | 12.50% |

**CGU 3 - Tata International Unitech (Senegal) SARL**

| | |
|---|---|
| a) Key assumptions of cash flow projections | Revenue Growth, Margin, Terminal growth rate |
| b) Description of whether the above key assumptions reflect past experience, or are consistent with external sources of information. If not, how and why there is a difference. | Revenue Growth, Margin- Based on past performance and management's expectation for the future.Terminal Growth rate - Based on the expected industry growth rate. This growth rate does not exceed the long-term average growth rate for this industry in India. |
| i. Period over which management has projected cash flows. | 5 years |
| ii. Growth rate used to extrapolate cash flow projections. | 2% for justification Ref point "b" above |
| iii. Discount rate(s) applied to the cash flow projections. | 10% - 10.50% |

The management believes that no reasonable change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

**Notes forming part of the consolidated financial statements**

**03 (f). Other intangible assets**

Rs. in lakhs

| Particulars | Computer Software | Tenancy Rights of Shops on Lease | Total |
|---|---|---|---|
| **Cost** | | | |
| **Balance as at 1st April, 2018** | **1,315.03** | **162.27** | **1,477.30** |
| Additions | 348.88 | - | 348.88 |
| Adjustment for companies ceasing to be subsidiaries | 1.23 | - | 1.23 |
| Effect of foreign currency exchange differences | 58.88 | - | 58.88 |
| Disposals | (204.25) | - | (204.25) |
| Forming part of discontinued business | (80.03) | - | (80.03) |
| **Balance as at 31st March, 2019** | **1,439.74** | **162.27** | **1,602.01** |
| Additions | 76.80 | - | 76.80 |
| Effect of foreign currency exchange differences | 28.75 | - | 28.75 |
| Disposals | (124.82) | - | (124.82) |
| Adjustment (refer note 1) | 4.81 | - | 4.81 |
| **Balance as at 31st March, 2020** | **1,425.28** | **162.27** | **1,587.56** |
| **Accumulated depreciation** | | | |
| **Balance as at 1st April, 2018** | **742.97** | **162.27** | **905.24** |
| Amortisation expense | 343.72 | - | 343.72 |
| Adjustment for companies ceasing to be subsidiaries | 2.65 | - | 2.65 |
| Effect of foreign currency exchange differences | 34.10 | - | 34.10 |
| Disposals | (114.46) | - | (114.46) |
| Forming part of discontinued business | (58.06) | - | (58.06) |
| **Balance as at 31st March, 2019** | **950.92** | **162.27** | **1,113.19** |
| Amortisation expense | 224.96 | - | 224.96 |
| Effect of foreign currency exchange differences | 11.79 | - | 11.79 |
| Disposals | (124.03) | - | (124.03) |
| Adjustment (refer note 1) | 3.07 | - | 3.07 |
| **Balance as at 31st March, 2020** | **1,066.71** | **162.27** | **1,228.98** |
| **Carrying amount** | | | |
| **Balance as at 1st April, 2018** | **572.06** | **-** | **572.06** |
| **Balance as at 31st March, 2019** | **488.82** | **-** | **488.82** |
| **Balance as at 31st March, 2020** | **358.57** | **-** | **358.57** |

Note 1: The Group had classified these other intangible assets and the related accumulated amortisation as assets held for sale in the financial statements for the year ended 31 March 2019. However during the year ended 31 March 2020, holding company has transferred these assets to its wholly owned subsidiary "Stryder Cycle Private Limited" and hence has reclassified the amount of gross block and the related accumulated amortisation pertaining to these assets transferred in other intangible assets as the same is held within the Group.

**Note 03 (g). Intangible assets under development**

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| **Carrying amount at beginning of year** | **235.22** | **124.24** |
| Addition during the year | 117.23 | 55.52 |
| Transferred to cost of other intangible assets | (76.80) | - |
| Effect of foreign currency exchange differences | 5.61 | 55.46 |
| **Carrying amount at end of year** | **281.26** | **235.22** |

## Notes forming part of the consolidated financial statements

### Note 04 (a). Investments in associates and joint ventures

| Particulars | No of Shares | As at 31st March, 2020 Rs. in lakhs | No of Shares | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|---|---|
| **Carrying amount of the Company's interest in associates using equity method (refer note 04(c))** | | | | |
| Tata Motors (SA) (Pty) Limited | 7,934,800 | 688.07 | 7,934,800 | 789.97 |
| Accordian Investments (Pty) Limited ^ | - | - | 18,000,000 | - |
| Tata Ceramics Limited ^ | - | - | 39,564,952 | - |
| Imbanita Consulting & Engineering (Pty) Ltd | 490 | 0.02 | 490 | 0.02 |
| | | **688.09** | | **789.99** |
| **Carrying amount of the Company's interest in joint ventures using equity method (refer note 04(d))** | | | | |
| Ferguson Place (Pty) Limited | 200 | 1,986.39 | 200 | 2,167.02 |
| Tata International DLT Private Limited (refer note 31(d)) | 85,400 | 2,713.12 | - | - |
| Tata Precision Industries (India) Limited | 200,000 | 219.58 | 200,000 | 208.86 |
| Tata International GST Autoleather Limited | 2,150,000 | 99.83 | 2,150,000 | 104.40 |
| Consilience Technologies (Pty) Limited | 2,500,000 | - | 2,500,000 | - |
| IHMS Hotels (SA) (Pty) Limited | 500 | - | 500 | - |
| Women in Transport | - | 55.13 | - | 35.50 |
| T/A Tata International Cape Town | - | 29.20 | - | - |
| | | **5,103.24** | | **2,515.78** |
| **Total** | | **5,791.33** | | **3,305.77** |

^During the year the Group has sold its stake in Tata Ceramics Ltd and Accordian Investments (Pty) Limited

### Note 04 (b). Non current investments

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | No. of shares | Rs. in lakhs | No. of shares | Rs. in lakhs |
| **Investment carried at fair value through other comprehensive income** | | | | |
| **Quoted :** | | | | |
| **(a) Investments in equity instruments** | | | | |
| Indian Overseas Bank | 15,600 | 1.66 | 15,600 | 2.78 |
| **(b) Investments in debentures or bonds** | | | | |
| The Tata Power Company Limited ( 11.40% Perpetual Bonds) | 150 | 1,545.71 | 150 | 1,560.90 |
| Tata Steel Limited ( 11.80% Perpetual Bonds) | 500 | 5,254.88 | 500 | 5,222.16 |
| Tata Steel Limited ( 11.50% Perpetual Bonds) | 250 | 2,615.08 | 250 | 2,595.00 |
| | | **9,417.33** | | **9,380.84** |

## Notes forming part of the consolidated financial statements

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | No. of shares | Rs. in lakhs | No. of shares | Rs. in lakhs |
| **Unquoted :** | | | | |
| **(c) Investments in equity instruments** | | | | |
| Tata Industries Limited* | 3,384,486 | 5,812.99 | 3,384,486 | 5,812.99 |
| Tata Sons Limited* | 1,477 | 11,901.69 | 1,477 | 11,901.69 |
| Tata Services Limited* | 198 | 1.98 | 198 | 1.98 |
| Tata Capital Limited* | 790,592 | 134.81 | 790,592 | 134.81 |
| Virendra Garments Manufactures Limited** | 1,200 | - | 1,200 | - |
| Pran Agro Services Limited** | 500 | - | 500 | - |
| Tata Employees Consumers Co-operative Society Limited | 50 | 0.05 | 50 | 0.05 |
| Surat Diamond Industries Limited** (net of provision for diminution of Rs. 1.00 Lakh) | 1,000 | - | 1,000 | - |
| Ambur Effluent Treatment Cooperative Society Limited | 11,120 | 10.12 | 11,120 | 10.12 |
| Lotus Clean Power Venture Private Limited | 141,500 | 0.01 | 141,500 | 14.15 |
| Dewas Tanneries Private Limited** (net of provision for diminution Rs. 0.80 Lakhs) | 804 | - | 804 | - |
| Tata Steel (KZN) (Pty) Limited | 14,400,000 | - | 14,400,000 | - |
| Olive Ecopower Private Limited | - | - | 154,850 | 15.49 |
| Zega Limited | 10,000 | 0.15 | 10,000 | 0.15 |
| | | **17,861.80** | | **17,891.43** |
| **(d) Investments in preference shares** | | | | |
| Pran Agro Services Limited(5% Non Cumulative Redeemable Preference Shares) | 500 | 0.50 | 500 | 0.50 |
| Drive India Enterprises Solutions Limited (0.001% Cumulative Redeemable Preference Shares) [refer note 27 (b)] | 117,328 | 1.17 | 117,328 | 1.17 |
| TVS Logistics Services Limited (0.001% cumulative redeemable non-convertible participating preference shares) [refer note 27 (b)] | 7,677 | 0.77 | 7,677 | 0.77 |
| | | **2.44** | | **2.44** |
| **Total** | | **27,281.57** | | **27,274.71** |
| **Notes:** | | | | |
| Aggregate book value of quoted investments | | 9,417.33 | | 9,417.33 |
| Aggregate market value of quoted investments | | 9,417.33 | | 9,417.33 |
| Aggregate value of unquoted investments | | 17,864.24 | | 17,893.87 |
| Aggregate amount of Impairment in value of investments | | 1.80 | | 57.80 |

* The cost of these investments approximate their fair value because there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within that range.

** Value less than Rs. 500/-

## Notes forming part of the consolidated financial statements

### Note 04 (c). Associates

**(i) The following associates are material in the Group:**

| Name of the associate | Principal activity | Proportion of ownership interest / voting right held by the Group | |
|---|---|---|---|
| | | As at 31st March, 2020 | As at 31st March, 2019 |
| Tata Motors (SA) (Pty) Limited | Assembly of commercial vehicles | 40.00% | 40.00% |
| Accordian Investments (Pty) Limited | Sale of Tata passenger cars and light delivery vehicles | - | 40.00% |
| Tata Ceramics Limited | Produces and exports fine-bone crockery and tableware | - | 40.00% |
| Imbanita Consulting & Engineering (Pty) Ltd | Providing professional services in the area of design, Engineering, Project Management | 40.00% | 40.00% |

**(ii) Details of associates:**

**The Group's interest in associates is accounted for using the equity method in the consolidated financial statements. The following table summarised financial information:**

Rs in lakhs

| Particulars | Tata Motors (SA) (Pty) Limited | |
|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 |
| **Current Assets** | | |
| Cash and cash equivalents | 76.10 | 71.10 |
| Other assets | 11,849.89 | 8,788.96 |
| **Total current assets** | **11,925.99** | **8,860.06** |
| **Non Current Assets** | **573.17** | **1,246.14** |
| **Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | 204.85 | - |
| Other liabilities (including trade payables) | 10,451.91 | 7,398.00 |
| **Total current liabilities** | **10,656.76** | **7,398.00** |
| **Non - Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | - | - |
| Other liabilities (including trade payables) | 390.21 | 1,264.62 |
| **Total non - current liabilities** | **390.21** | **1,264.62** |
| **Net Assets** | 1,452.19 | 1,443.58 |
| Revenue from operations | 14,977.87 | 14,568.91 |
| Interest income | 135.16 | 91.58 |
| Depreciation and amortisation | 65.36 | 86.68 |
| Interest expense | 199.55 | 14,519.58 |
| Tax expense | 83.69 | 70.14 |
| Profit for the year attributable to owners of the company | 202.05 | 157.46 |
| Other comprehensive income | - | - |
| Total comprehensive income | 202.05 | 157.46 |
| **Group's share of profit for the year** | **80.82** | **62.99** |
| Net Assets of the associate | 1,452.19 | 1,443.58 |
| Proportion of group's ownership (%) | 40.00% | 40.00% |
| Proportion of group's ownership | 580.88 | 577.43 |
| Loan given | 107.20 | 216.08 |
| **Carrying amount of group's interest** | **688.07** | **793.51** |
| Capital commitment of associate | - | - |
| Contingent liability of associate | - | 27.00 |

## Notes forming part of the consolidated financial statements

### (iii) Financial information in respect of individually not material associates

Aggregate financial information of associates that are individually not material: Rs in lakhs

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Aggregate carrying amount of Group's interest in these associates | 0.02 | 0.02 |

### Note 04 (d). Joint ventures

### (i) The following joint ventures are material in the Group:

| Name of the joint venture | Principal Activity | Place of Incorporation | Proportion of ownership interest / voting right held by the Group | |
|---|---|---|---|---|
| | | | As at 31st March, 2020 | As at 31st March, 2019 |
| Consilience Technologies (Pty) Limited | Provision of various information technology related services in Africa | South Africa | 50.00% | 50.00% |
| IHMS Hotels (SA) (Pty) Limited | Investing in, managing and operating hotels | South Africa | 50.00% | 50.00% |
| Ferguson Place (Pty) Limited | Holding of investment property to earn rental income | South Africa | 50.00% | 50.00% |
| Tata International DLT Private Limited | Trailer manufacturing | India | 50.00% | 50.00% |
| Tata Precision Industries (India) Limited | Manufacturing of High precision parts | India | 50.00% | 50.00% |
| Woman in transport | Providing transport services | South Africa | 50.00% | 50.00% |
| T/A Tata International Cape Town | Sale of Tata and Daewoo vehicles, after sales parts and workshop services | South Africa | 50.00% | - |
| Tata International GST AutoLeather Ltd | Manufacturing Leather | India | 50.00% | 50.00% |

### (ii) Details of joint ventures:

The Group's interest in Joint Ventures is accounted for using the equity method in the consolidated financial statements. The following table summarised financial information:

Rs in lakhs

| Particulars | Consilience Technologies (Pty) Limited | |
|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 |
| Non current assets | 1,446.57 | 1,446.57 |
| Current assets | 729.31 | 729.31 |
| Non-Current Liabilities | - | - |
| Non current liabilities | - | - |
| Current liabilities | (2,175.88) | (2,175.88) |
| **Net asset** | **-** | **-** |
| Loss for the year | (7,166.22) | (7,166.22) |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | (7,166.22) | (7,166.22) |
| **Group's share of profit for the year (restricted to carrying amount of investment)** | - | - |
| Net assets of the associate | - | - |
| Proportion of Group's ownership (%) | 50.00% | 50.00% |
| Proportion of Group's ownership | - | - |
| **Carrying amount of Group's interest** | **-** | **-** |
| Unrecognised share of loss for the year | - | (3,583.11) |
| Accumulated share of unrecognised losses | - | (3,583.11) |
| Capital commitment of joint venture | - | - |
| Contingent liability in joint venture | - | - |

## Notes forming part of the consolidated financial statements

Rs in lakhs

| Particulars | IHMS Hotels (SA) (Pty) Limited | |
|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 |
| **Current Assets** | | |
| Cash and cash equivalents | 219.80 | 448.03 |
| Other assets | 1,153.35 | 1,371.70 |
| **Total current assets** | **1,373.15** | **1,819.73** |
| **Non current assets** | **14,113.62** | **16,271.21** |
| **Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | 658.17 | 644.84 |
| Other liabilities (including trade payables) | 1,510.06 | 1,391.22 |
| **Total current liabilities** | **2,168.22** | **2,036.07** |
| **Non - Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | 36,956.44 | 33,096.78 |
| **Total non - current liabilities** | **36,956.44** | **33,096.78** |
| **Net Assets** | **(23,637.89)** | **(17,041.91)** |
| Revenue from operations | 6,582.47 | 7,207.66 |
| Interest income | 0.58 | 0.91 |
| Depreciation and amortisation | 658.79 | 665.71 |
| Interest expense | 1,369.91 | 1,578.99 |
| **Profit for the year attributable to owners of the company** | **(9,639.17)** | **(7,643.28)** |
| Other comprehensive income | - | - |
| **Total comprehensive income** | **(9,639.17)** | **(7,643.28)** |
| **Group's share of profit for the year (restricted to carrying amount of investment)** | **-** | **(130.28)** |
| **Net Assets of the joint venture** | **(23,637.89)** | **(17,041.91)** |
| Proportion of Group's ownership (%) | 50.00% | 50.00% |
| Proportion of Group's ownership | - | - |
| **Carrying amount of Group's interest** | **-** | **-** |
| Capital commitment of Joint Venture | - | - |
| Contingent liability of Joint Venture | - | - |
| Unrecognised Share of loss for the year | (4,819.59) | - |
| Accumulated share of unrecognised losses | (11,811.67) | (8,520.95) |

Rs in lakhs

| Particulars | Ferguson Place (Pty) Limited | |
|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 |
| **Current Assets** | | |
| Cash and cash equivalents | 428.44 | 171.61 |
| Other assets | 51.63 | 161.35 |
| **Total current assets** | **480.07** | **332.96** |
| **Non Current Assets** | **4,085.87** | **4,403.16** |
| **Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | - | - |
| Other liabilities (including trade payables) | 252.43 | 60.33 |
| **Total current liabilities** | **252.43** | **60.33** |

## Notes forming part of the consolidated financial statements

Rs in lakhs

| Particulars | Ferguson Place (Pty) Limited | |
|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 |
| **Non - Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | - | - |
| Other liabilities (including trade payables) | 346.77 | 341.76 |
| **Total non - current liabilities** | **346.77** | **341.76** |
| **Net Assets** | **3,966.74** | **4,334.03** |
| Revenue from operations | 653.66 | 614.55 |
| Interest income | 17.90 | 8.88 |
| Interest expense | 0.01 | 0.03 |
| Tax expense | 247.82 | 43.58 |
| Profit for the year attributable to owners of the company | 437.28 | (262.18) |
| Other comprehensive income | - | - |
| Total comprehensive income | 437.28 | (262.18) |
| **Group's share of profit for the year** | **218.64** | **(131.09)** |
| Net assets of the joint venture | 3,966.74 | 4,334.03 |
| Proportion of Group's ownership (%) | 50.00% | 50.00% |
| Proportion of Group's ownership | 1,983.37 | 2,167.02 |
| **Carrying amount of Group's interest** | **1,983.37** | **2,167.02** |
| Capital commitment of joint venture | - | - |
| Contingent liability in joint venture | - | - |

Rs in lakhs

| Particulars | Tata International DLT Private Limited | |
|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 |
| **Current Assets** | | |
| Cash and cash equivalents | 92.98 | 13.63 |
| Other assets | 6,585.22 | 7,461.39 |
| **Total current assets** | **6,678.20** | **7,475.02** |
| **Non Current Assets** | **4,669.42** | **3,614.29** |
| **Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | 1,626.04 | 1,206.68 |
| Other liabilities (including trade payables) | 3,404.39 | 3,405.84 |
| **Total current liabilities** | **5,030.43** | **4,612.52** |
| **Non - Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | 687.70 | 813.12 |
| Other liabilities (including trade payables) | 203.23 | 189.06 |
| **Total non - current liabilities** | **890.93** | **1,002.18** |
| **Net assets** | **5,426.26** | **5,474.61** |
| Revenue from operations | 25,670.39 | 50,489.10 |
| Depreciation and amortisation | 579.78 | 183.26 |
| Interest expense | 245.96 | 198.14 |
| Tax expense | 4.93 | 1,205.97 |
| Profit for the year attributable to owners of the company | 48.07 | 2,824.53 |
| Other comprehensive income | 0.43 | -2.96 |
| Total comprehensive income | 48.50 | 2,821.57 |
| **Group's share of profit for the year** | **24.25** | **1,128.63** |
| Net assets of the joint venture | 5,426.26 | 5,474.61 |
| Proportion of Group's ownership (%) | 50.00% | 50.00% |
| Proportion of Group's ownership | 2,713.13 | 2,737.31 |
| **Carrying amount of Group's interest** | **2,713.13** | **2,737.31** |
| Capital commitment of joint venture | 264.14 | - |
| Contingent liability in joint venture | - | 452.00 |

## Notes forming part of the consolidated financial statements

Rs in lakhs

| Particulars | Tata Precision Industries (India) Limited | |
|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 |
| **Current Assets** | | |
| Cash and cash equivalents | 0.28 | 0.30 |
| Other assets | 1,064.76 | 1,188.55 |
| **Total current assets** | **1,065.05** | **1,188.85** |
| **Non Current Assets** | **1,472.39** | **1,474.04** |
| **Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | 1,096.47 | 608.63 |
| Other liabilities (including trade payables) | 362.78 | 924.34 |
| **Total current liabilities** | **1,459.25** | **1,532.97** |
| **Non - Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | 50.91 | 161.69 |
| Other liabilities (including trade payables) | 588.12 | 550.53 |
| **Total non - current liabilities** | **639.03** | **712.22** |
| **Net assets** | **439.16** | **417.70** |
| Revenue from operations | 1,692.19 | 2,191.37 |
| Interest income | 0.66 | 0.64 |
| Depreciation and amortisation | 130.77 | 121.24 |
| Interest expense | 163.91 | 176.79 |
| Tax expense | 14.56 | 38.70 |
| Profit for the year attributable to owners of the company | 21.45 | 110.91 |
| Other comprehensive income | - | (10.72) |
| Total comprehensive income | 21.45 | 100.19 |
| **Group's share of profit for the year** | **10.73** | **50.09** |
| Net assets of the joint venture | 439.16 | 417.70 |
| Proportion of Group's ownership (%) | 50.00% | 50.00% |
| Proportion of Group's ownership | 219.58 | 208.85 |
| **Carrying amount of Group's interest** | **219.58** | **208.85** |
| Capital commitment of joint venture | - | - |
| Contingent liability in joint venture | - | 47.32 |

## Notes forming part of the consolidated financial statements

Rs in lakhs

| Particulars | Tata International GST AutoLeather Limited | |
|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 |
| **Current Assets** | | |
| Cash and cash equivalents | 69.01 | 4.68 |
| Other assets | 305.90 | 257.76 |
| **Total current assets** | **374.92** | **262.43** |
| **Non Current Assets** | **123.61** | **166.46** |
| **Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | - | - |
| Other liabilities (including trade payables) | 298.87 | 225.70 |
| **Total current liabilities** | **298.87** | **225.70** |
| **Non - Current Liabilities** | | |
| Financial liabilities (excluding trade payables) | - | - |
| Other liabilities (including trade payables) | - | - |
| **Total non - current liabilities** | **-** | **-** |
| **Net assets** | **199.65** | **203.19** |
| Revenue from operations | 1,145.65 | 1,323.65 |
| Depreciation and amortisation | 42.62 | 55.80 |
| Tax expense | - | 5.64 |
| Profit for the year attributable to owners of the company | (3.54) | 29.27 |
| Other comprehensive income | - | - |
| Total comprehensive income | (3.54) | 29.27 |
| **Group's share of profit for the year** | **(1.77)** | **14.63** |
| Net assets of the associate | 199.65 | 203.19 |
| Proportion of Group's ownership (%) | 50.00% | 50.00% |
| Proportion of Group's ownership | 99.83 | 101.59 |
| **Carrying amount of Group's interest** | **99.83** | **101.59** |
| Capital commitment of joint venture | - | - |
| Contingent liability in joint venture | - | - |

**(iii) Financial information in respect of individually not material joint ventures**

Aggregate financial information of joint ventures that are individually not material:

Rs in lakhs

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Aggregate carrying amount of Group's interest in these joint ventures | 84.33 | 35.50 |

## Notes forming part of the consolidated financial statements

### Note 05 (a). Non - current trade receivables

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Unsecured, considered good** | | |
| Trade receivables | 1,967.97 | - |
| **Total** | **1,967.97** | **-** |

**Breakup for security details**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Secured, considered good | 1,892.80 | - |
| Unsecured, considered good | 75.17 | - |
| **Total** | **1,967.97** | **-** |

### Note 05 (b). Current trade receivables

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Trade receivables | 257,510.56 | 272,420.09 |
| Receivables from related parties (refer note 42) | 8,808.24 | 13,840.28 |
| | **266,318.80** | **286,260.37** |
| Less: Allowance for doubtful debts | 17,150.66 | 9,590.60 |
| **Total** | **249,168.14** | **276,669.77** |

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Secured, considered good | 10,115.86 | 2,825.06 |
| Secured, considered good | 30,016.41 | 10,115.86 |
| Unsecured, considered good | 219,151.73 | 266,553.91 |
| Trade receivable which has significant increase in credit risk | 17,150.66 | 9,590.60 |
| | **266,318.80** | **286,260.37** |
| Less: Allowance for doubtful debts | 17,150.66 | 9,590.60 |
| **Total** | **249,168.14** | **276,669.77** |

**Note:**

i) Terms for current trade receivable - The credit period given to customers generally ranges from 0 to 60 days. Interest is generally not charged on overdue amounts. The credit period given to customers of distribution business extends for more than a year in some cases and are interest baring.The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

ii) The carrying amounts of the trade receivables include receivables which are subject to factoring arrangement. Under this arrangement, the group has transferred the relevant receivables to the factor in exchange for cash. However, the Group has retained credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount of trade receivables subject to factoring agreement is presented as borrowing.

## Notes forming part of the consolidated financial statements

The relevant carrying amounts are as follows:

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Total transferred trade receivables | 2,972.14 | 4,690.54 |
| Associated borrowings [refer Note 14(b)] | 2,972.14 | 4,690.54 |

iii) No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

**Note 06 (a). Non - current loans**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Unsecured, considered good** | | |
| Security deposits | 646.28 | 572.53 |
| **Total** | **646.28** | **572.53** |

**Note 06 (b). Current loans**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Unsecured, considered good** | | |
| Loan to others | - | 121.11 |
| Security deposits | 2,863.59 | 2,125.29 |
| **Total** | **2,863.59** | **2,246.40** |

## Notes forming part of the consolidated financial statements

### Note 07 (a). Other financial assets - non current

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Unsecured, considered good (unless otherwise stated)** | | |
| Finance lease receivable | - | 2,359.34 |
| Receivable on sale of subsidiary | | |
| Unsecured, considered good | - | 20,753.73 |
| Credit impaired (refer note 29) | 16,655.85 | - |
| | **16,655.85** | **20,753.73** |
| Less: Allowance for credit impaired | (16,655.85) | - |
| | - | **20,753.73** |
| **Total** | **-** | **23,113.07** |

### Note 07 (b). Other financial assets - current

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Finance lease receivable | 5,905.14 | - |
| Interest accrued on: | | |
| Non current investments | 205.55 | 205.50 |
| Deposits, loans and advances | 142.11 | 131.79 |
| Advances to employees | 800.30 | 749.83 |
| Receivable on sale of subsidiary / division | | |
| Unsecured, considered good (refer note 28 & 31(b)) | 3,305.92 | 8,298.00 |
| Credit impaired (refer note 29) | 15,133.00 | - |
| | **18,438.92** | **8,298.00** |
| Less: Allowance for credit impaired | (15,133.00) | - |
| | **3,305.92** | **8,298.00** |
| Insurance claim | 583.22 | - |
| Export incentive receivable | 1,476.66 | 980.20 |
| Other loans and advances* | 5,375.00 | 781.21 |
| **Total** | **17,793.90** | **11,146.53** |

* Other advances includes claim recovery, money kept with broker for derivative and receivable from group entities.

## Notes forming part of the consolidated financial statements

### Note 08 (a). Other non current assets

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Unsecured, considered good (unless otherwise stated)** | | |
| Capital advances | 14.15 | 5.27 |
| Premium on leasehold land | - | 2,776.38 |
| Prepaid expenses | 53.85 | 92.31 |
| VAT credit receivable | 190.48 | 231.58 |
| Excise duty receivable | 112.45 | - |
| | **370.93** | **3,105.54** |
| **Advances to suppliers** | | |
| Secured, considered good | - | 1,382.84 |
| Unsecured, considered good | 353.60 | 1,842.46 |
| Doubtful | 280.11 | 231.59 |
| | **633.71** | **3,456.89** |
| Less: Allowances for doubtful advances | 280.11 | 231.59 |
| | **353.60** | **3,225.30** |
| **Other advances** | | |
| Unsecured, considered good | 97.37 | 436.79 |
| Doubtful | 137.82 | 204.17 |
| | **235.19** | **640.96** |
| Less: Allowance for doubtful advances | 137.82 | 204.17 |
| | **97.37** | **436.79** |
| **Total** | **821.90** | **6,767.63** |

### Note 08 (b). Other current assets

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Unsecured, considered good (unless otherwise stated)** | | |
| Balances with government authorities | | |
| CENVAT credit receivable | 7.88 | 7.88 |
| GST receivable | 17,916.74 | 12,784.18 |
| VAT credit receivable | 2,523.89 | 2,098.46 |
| Export incentive receivable | 2,127.12 | 3,748.49 |
| | **22,575.63** | **18,639.01** |
| Advance against equity | 246.67 | - |
| Premium on leasehold land | - | 0.28 |
| Prepaid expenses | 2,371.30 | 2,139.88 |
| Deposits with port trust, customs etc. | 223.41 | 350.62 |
| **Advances to Suppliers** | | |
| Unsecured, considered good | 39,428.59 | 18,360.25 |
| Doubtful | 525.75 | 457.66 |
| | **39,954.34** | **18,817.91** |
| Less: Allowances for doubtful advances to suppliers | 525.75 | 457.66 |
| | **39,428.59** | **18,360.25** |
| **Other advances** | | |
| Unsecured, considered good | 3,958.52 | 6,452.03 |
| Doubtful | 82.29 | - |
| | **4,040.81** | **6,452.03** |
| Less: Allowance for doubtful amounts | 82.29 | - |
| | **3,958.52** | **6,452.03** |
| **Total** | **68,804.12** | **45,942.07** |

**Notes forming part of the consolidated financial statements**

**Note 09. Inventories**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Valued at lower of cost or net realisable value** | | |
| **Raw materials** | | |
| On hand | 21,994.18 | 23,593.04 |
| Goods-in-transit | 24.75 | 47.13 |
| | **22,018.93** | **23,640.17** |
| **Work-in-progress** | 4,779.87 | 4,268.10 |
| | **4,779.87** | **4,268.10** |
| **Finished goods** | | |
| On hand | 40,945.53 | 13,673.03 |
| Goods-in-transit | 277.07 | - |
| | **41,222.60** | **13,673.03** |
| **Stock-in-trade*** | | |
| On hand | 91,874.34 | 178,799.81 |
| Goods-in-transit | 11,670.64 | 19,292.84 |
| | **103,544.98** | **198,092.65** |
| **Stores and spares** | | |
| On hand | 18,505.41 | 2,592.80 |
| Goods-in-transit | 71.52 | 46.65 |
| | **18,576.93** | **2,639.45** |
| **Total** | **190,143.31** | **242,313.40** |

**Note :** Write down of inventory to net realisable value amounted to Rs. 11,593.34 lakhs (Rs. 1,760.59 lakhs) These were recognised as expense during the year (also refer note 26)

*Stock-in-trade includes goods held by the group on account of agency contracts amounting to Rs. 12,239.35 lakhs (Rs. 17,172.10 lakhs)

**Note 10. Current Investments**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Investment carried at fair value through Profit or Loss** | | |
| **Unquoted :** | | |
| **Mutual funds** | | |
| Tata Liquid Fund Direct Plan - Daily Dividend - 6,535 units (31st March, 2019 -56,429.02 units) | 65.45 | 565.15 |
| Tata Liquid Fund Direct Plan - Growth -111,792.50 units (31st March, 2019 - Nil ) | 4,501.32 | - |
| Tata Liquid Fund Direct Plan - Growth (TMONGZ)- (formerly Tata Money Market Fund)- 9,635.91 units (31st March, 2019 - Nil ) | 301.80 | - |
| **Total** | **4,868.57** | **565.15** |

| **Notes:** | | |
|---|---|---|
| Aggregate book value of quoted investments | - | - |
| Aggregate market value of quoted investments | - | - |
| Aggregate value of unquoted investments | 4,868.57 | 565.15 |
| Aggregate amount of impairment in value of investments | - | - |

## Notes forming part of the consolidated financial statements

### Note 11. Cash and cash equivalents

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash on hand | 115.52 | 460.67 |
| Cheques on hand | 797.02 | 68.89 |
| Balances with banks: | | |
| In current account | 58,991.82 | 40,210.96 |
| In EEFC account | 0.96 | 3.30 |
| In deposit account - original maturity of 3 months or less | 26,128.08 | 0.88 |
| Remittance in transit | 2.52 | 1,745.43 |
| | **86,035.92** | **42,490.13** |
| **Other bank balances** | | |
| Other deposits | 879.51 | 169.60 |
| Margin money | 398.84 | 80.65 |
| | **1,278.35** | **250.25** |
| **Total** | **87,314.27** | **42,740.38** |

For the purpose of statement of cash flow, cash and cash equivalent comprises of following:

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash on hand | 115.52 | 460.67 |
| Cheques on hand | 797.02 | 68.89 |
| Balances with banks: | | |
| In current account | 58,991.82 | 40,210.96 |
| In EEFC account | 0.96 | 3.30 |
| In deposit account - original maturity of 3 months or less | 26,128.08 | 0.88 |
| Remittance in transit | 2.52 | 1,745.43 |
| **Total** | **86,035.92** | **42,490.13** |

## Notes forming part of the consolidated financial statements

### Note 12 (a). Share capital

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Number of shares | Rs. in lakhs | Number of shares | Rs. in lakhs |
| **Authorised** | | | | |
| Equity shares of Rs. 1,000 each with voting rights | 501,000 | 5,010.00 | 501,000 | 5,010.00 |
| Preference Shares of Rs. 1,000 each | 200,000 | 2,000.00 | 200,000 | 2,000.00 |
| | | **7,010.00** | | **7,010.00** |
| **Issued, subscribed and fully paid up** | | | | |
| Equity shares of Rs. 1,000 each with voting rights | 401,000 | 4,010.00 | 401,000 | 4,010.00 |
| **Total** | **401,000** | **4,010.00** | **401,000** | **4,010.00** |

**Notes:**

**(i) Reconciliation of the number of shares:**

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Number of shares | Rs. in lakhs | Number of shares | Rs. in lakhs |
| **Authorised** | | | | |
| Equity shares of Rs. 1,000 each with voting rights Opening balance and closing balance | 501,000 | 5,010.00 | 501,000 | 5,010.00 |
| Preference Shares of Rs. 1000 each Opening balance and closing balance | 200,000 | 2,000.00 | 200,000 | 2,000.00 |
| **Issued, subscribed and fully paid up** | | | | |
| Equity shares of Rs. 1,000 each with voting rights Opening balance and closing balance | 401,000 | 4,010.00 | 401,000.00 | 4,010.00 |

**(ii) Details of shares held by the holding company, their subsidiaries and associates:**

| Particulars | As at 31 March, 2020 | As at 31 March, 2019 |
|---|---|---|
| | Number of shares | Number of shares |
| **Equity shares with voting rights** | | |
| Tata Sons Private Limited (TSPL), the holding company | 167,400 | 167,400 |
| Tata Motors Limited (associate of TSPL) | 50,000 | 50,000 |
| Tata Chemicals Limited (associate of TSPL) | 48,000 | 48,000 |
| Tata Steel Limited (associate of TSPL) | 28,616 | 28,616 |
| Ewart Investments Limited (subsidiary of TSPL) | 25,000 | 25,000 |
| Af-Taab Investment Company Limited (subsidiary of associate of TSPL) | 20,500 | 20,500 |
| Tata Motors Finance Limited (subsidiary of associate of TSPL) | 19,350 | 19,350 |
| Tata Industries Limited (subsidiary of TSPL) | 17,122 | 17,122 |
| Voltas Limited (associate of TSPL) | 10,000 | 10,000 |
| The Indian Hotels Company Ltd. (associate of TSPL) | 8,000 | 8,000 |
| Tata Power Limited (associate of TSPL) | 3,500 | 3,500 |
| Fiora Services Limited (subsidiary of associate of TSPL) | 3,000 | 3,000 |

**(iii)** The Group has issued only one class of equity shares having a par value of Rupees 1,000 /- per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian Rupees. The dividend proposed by board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Group, the holder of equity shares will be entitled to receive remaining assets of the Group after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

## Notes forming part of the consolidated financial statements

**(iv) Details of shares held by each shareholder holding more than 5%**

| Name of shareholder | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Number of shares held | % holding | Number of shares held | % holding |
| **Equity shares with voting rights** | | | | |
| Tata Sons Private Limited | 167,400 | 41.75% | 167,400 | 41.75% |
| Tata Motors Limited | 50,000 | 12.47% | 50,000 | 12.47% |
| Tata Chemicals Limited | 48,000 | 11.97% | 48,000 | 11.97% |
| Tata Steel Limited | 28,616 | 7.14% | 28,616 | 7.14% |
| Ewart Investments Limited | 25,000 | 6.23% | 25,000 | 6.23% |
| Af-Taab Investment Company Limited | 20,500 | 5.11% | 20,500 | 5.11% |

**Note 12(b). Unsecured perpetual securities**

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| 9.30% Unsecured non-convertible perpetual securities issued by Tata International Limited | - | 120,000.00 |
| 9.85% Unsecured non-convertible perpetual securities issued by Tata International Limited | 80,000.00 | - |
| 6.65% Unsecured non-convertible perpetual securities issued by Tata International Singapore Pte Limited | - | 24,793.75 |
| **Total** | **80,000.00** | **144,793.75** |

**Note 1. Details of bondholders of Unsecured perpetual securities:**

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Number of debentures held | % holding | Number of debentures held | % holding |
| **Unsecured perpetual securities issued by Tata International Limited** | | | | |
| HDFC Trustee Company Ltd A/C HDFC Credit Risk Debt Fund | - | - | 6,950 | 57.92% |
| ICICI Prudential Balanced Advantage Fund | - | - | 1,500 | 12.50% |
| HDFC Trustee Co Ltd A/C HDFC Banking and PSU Debt Fund | - | - | 1,250 | 10.42% |
| Voltas Limited | - | - | 1,000 | 8.33% |
| HDFC Trustee Company Ltd. A/C HDFC Hybrid Debt Fund | - | - | 600 | 5.00% |
| Trent Limited | - | - | 500 | 4.17% |
| Tata Investment Corporation Limited | - | - | 200 | 1.67% |
| HDFC Trustee Company Ltd. A/C HDFC Multi-Asset Fund | 50 | 0.63% | - | - |
| HDFC Trustee Company Limited A/C HDFC Medium Term Debt Fund | 250 | 3.13% | - | - |
| SBI Equity Hybrid Fund | 2,350 | 29.38% | - | - |
| SBI Magnum Medium Duration Fund | 500 | 6.25% | - | - |
| SBI Credit Risk Fund | 1,500 | 18.75% | - | - |
| ICICI Prudential Credit Risk Fund | 3,350 | 41.88% | - | - |
| | **8,000** | **100.00%** | **12,000** | **100.00%** |

## Notes forming part of the consolidated financial statements

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Number of debentures held | % holding | Number of debentures held | % holding |
| **Unsecured perpetual securities issued by Tata International Singapore Pte Limited** | | | | |
| HSBC (Singapore) Nominees Pte Ltd | - | - | 20,000,000 | 39.41% |
| DBS Nominees Pte Ltd | - | - | 17,000,000 | 33.50% |
| Citibank Noms Spore Pte Ltd | - | - | 9,500,000 | 18.72% |
| DBSN Services Pte Ltd | - | - | 1,500,000 | 2.96% |
| Raffles Nominees(Pte) Limited | - | - | 1,250,000 | 2.46% |
| BNP Paribas Noms Spore Pl | - | - | 500,000 | 0.99% |
| DB Nominees (Singapore) Pte Ltd | - | - | 250,000 | 0.49% |
| DBS Vickers Securities (S) Pte Ltd | - | - | 250,000 | 0.49% |
| Morgan Stanley Asia (S) Sec Pte Ltd | - | - | 250,000 | 0.49% |
| Ramaswamy Visalakshi Or Meyyappan Valli | - | - | 250,000 | 0.49% |
| | **-** | **-** | **50,750,000** | **100.00%** |

**Note 2 :**

During the year 2019-20, the Holding Company retired Rs.120,000 lakh perpetual Non-convertible debentures and raised fresh issuance of Rs. 80,000 lakh Senior Perpetual Hybrid Securities in the form of Non-convertible debentures ("the Securities"). The fresh Securities are listed on The BSE Limited and are perpetual in nature issued at a coupon of 9.85 % p.a with a call option at the end of 3 years only at the sole discretion of the Holding Company failing which a one-time interest stepup event of 3 percent will be applicable for the life of the debentures. The Holding Company, in its sole and absolute discretion, on any day which is not less than 15 (Fifteen) Business Days prior to any Coupon Payment Date, by notice in writing issued to the Trustee elect to defer payment of all or some of the Coupon which would otherwise be payable on that Coupon Payment Date if, during the 12 (Twelve) months period ending on the day before that scheduled Coupon Payment Notice:

(i) no dividend or interest has been declared in respect of the Holding Company's ordinary shares nor any junior securities of the Holding Company; or

(ii) none of the Holding Company's ordinary shares nor any Parity Securities (except in relation to the parity securities of the Holding Company which had been redeemed, purchased, cancelled, bought-back or otherwise acquired for any consideration by the Holding Company or any Subsidiary on a pro rata basis) nor any Junior Securities of the Holding Company were redeemed, purchased, cancelled, bought-back or otherwise acquired for any consideration by the Holding Company or any subsidiary of the Holding Company.

These securities are considered to be in the nature of equity instruments and are not classified as "Debt" and the distribution on such securities is not considered under "Interest".

**Note 3 :**

During the year 2014-15, Tata International Singapore Pte Limited (TISPL), a wholly owned subsidiary of the Company issued S$ 1500 lakhs Guaranteed Senior Perpetual Capital Securities (the "Securities").These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Group. The distribution on the said Securities, which may be deferred at the option of the Group under certain circumstances, is set at 6.65% p.a., with a step up provision if the Securities are called after 5 years. As these securities are perpetual in nature and rank and will rank at all times pari passu without any preference among themselves and at least equally with all other present and future outstanding direct, unconditional, unsecured and unsubordinated obligations of TISPL, these are considered to be in the nature of equity instruments and are not classified as "Debt" and the distribution on such securities is not considered under "Interest". Unless all arrears of distribution are fully paid to these Securities, TISPL and the Parent shall not declare or pay any dividends or distributions or make any other payment on, or will procure that no dividend, distribution or other payment is made on any securities of TISPL and the Parent Company ranking pari passu with, or junior to, the securities, or redeem, reduce, cancel, buy-back or acquire for any consideration any security of the TISPL and the parent company ranking pari passu with, or junior to, the Securities.

These outstanding Securities are redeemed during the year.

## Notes forming part of the consolidated financial statements

### Note 13. Other equity

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| General reserve | 11,033.28 | 11,033.28 |
| Securities premium | 18,090.00 | 18,090.00 |
| Contingency reserve | 1,020.33 | 1,020.33 |
| Foreign projects reserve | 35.00 | 35.00 |
| Foreign currency translation reserve | (35,406.52) | (17,598.92) |
| Legal reserve | 21.59 | 21.59 |
| Capital reserve on consolidation | 245.61 | 245.61 |
| Retained earnings | (88,263.60) | (21,334.07) |
| Other reserves | 58.16 | 21.67 |
| **Total** | **(93,166.15)** | **(8,465.51)** |

### Note 14 (a). Borrowings - non current

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| **Secured** | | |
| Term loans from banks | 909.29 | 30,116.21 |
| | **909.29** | **30,116.21** |
| **Unsecured** | | |
| Term loans from banks | 150,683.64 | - |
| | **150,683.64** | - |
| **Total** | **151,592.93** | **30,116.21** |

### Details of unutilised sanctioned borrowing limits

| Particulars | Amount of borrowing sanctioned by the bank | Utilisation | Amount of borrowing undrawn |
|---|---|---|---|
| | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs |
| Term loan | 155,707.34 | 151,592.93 | 4,114.41 |

## Notes forming part of the consolidated financial statements

### Note 14(a) Non current borrowings

#### (i) Terms of repayment for secured borrowings

| Particulars | Amount of Borrowing (Rs. in lakhs) | Start date | Maturity Date | Rate of Interest | Repayment of Installments | Number of Installments |
|---|---|---|---|---|---|---|
| First National Bank | 909.29 | July, 2019 | On demand | 3 month average rolling 182 day T-bill rate + 5.45% interest margin | On demand | - |
| **Total** | **909.29** | | | | | |

#### (ii) Terms of repayment for un - secured borrowings

| Particulars | Amount of Borrowing (Rs. in lakhs) | Start date | Maturity Date | Rate of Interest | Repayment of Installments | Number of Installments |
|---|---|---|---|---|---|---|
| Term loan from ANZ Bank Loan | 75,020.12 | November 2019 | November 2020 | 3.31% | End of tenure | End of tenure |
| Term loan from HSBC Loan | 75,414.88 | February 2020 | February 2023 | 4.10% | End of tenure | End of tenure |
| Term loan from National Bank of Commerce | 248.64 | August 2019 | August 2021 | 365 days Treasury bill+4.5% but with a minimum floor rate of 11.5%. | Principal repaid in 6 equal installmets over the period of 36 months. | 6 |
| **Total** | **150,683.64** | | | | | |

#### (iii) Details of security provided in respect of secured non current borrowings (includes current maturities of long term borrowings):

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs | Details of security |
|---|---|---|---|
| **Secured Term Loans from Banks** | | | |
| State Bank of India | - | 1,683.57 | Charge of 2x fixed properties in Johannesburg, RSA |
| Exim Bank of India | 6,242.36 | 11,324.10 | Corporate guarantee issued by Tata International Limited as a guarantee for term loan raised by Exim bank |
| Exim Bank of India | 21,713.18 | 19,874.03 | Corporate guarantee issued by Tata International Limited as a guarantee for term loan raised by Exim bank |
| National Bank of Commerce | - | 1,141.02 | Letter of credit |
| First National Bank | 1,727.47 | - | Secured against trade receivables |
| Exim Bank of India | 4,138.50 | 3,883.12 | Corporate guarantee issued by Tata International Limited as a guarantee for term loan raised by Exim bank |
| **Total** | **33,821.51** | **37,905.84** | |

## Notes forming part of the consolidated financial statements

### Note 14 (b). Borrowings - current

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Secured** | | |
| **Loans from banks** | | |
| Term loans | 9,372.86 | 2,025.14 |
| Export packing credit | 22,179.37 | 16,376.99 |
| Buyers credit | - | 2,038.33 |
| Debtors bill discounting | 2,972.14 | 4,002.18 |
| Cash credit accounts | - | 3,221.11 |
| Working capital demand loan | 22,372.27 | 5,400.00 |
| | **56,896.64** | **33,063.75** |
| **Unsecured** | | |
| **Loans from banks** | | |
| Term loans | 60,031.75 | 20,745.00 |
| Export packing credit | 25,797.41 | 13,061.01 |
| Buyers credit | 32,742.13 | 133,574.01 |
| Cash credit accounts | 3,356.46 | 68,768.67 |
| Debtors bill discounting | - | 688.36 |
| Working capital demand loan | 27,890.86 | 18,321.57 |
| Bank overdraft facility | 8,239.88 | - |
| **Commercial paper** | 8,350.21 | 7,851.41 |
| | **166,408.70** | **263,010.03** |
| **Total** | **223,305.34** | **296,073.78** |

**Note:**

**Details of security in respect of secured loans:**

They are secured by way of first pari passu charge on the company's current assets, namely stock of Raw Materials, Semi Finished and Finished Goods, Stores and Spares not relating to Plant and Machinery (Consumables stores and spares), Bills receivables and Book Debts including the proceeds thereof on realization and all other movables, both present and future.

**Details of security in respect of working capital demand loans:**

Loan amounting to Rs. 921.95 lakhs in case of one subsidiary is secured by hypothecation of Inventory, Receivables ranking pari-passu with other secured loans and by equitable mortgage of Factory Land and Building, Plant and Machinery as collateral cover for the exposure.

Loan amounting to Rs. 820 lakhs in case of one subsidiary is secured by General Notorial Bond on all Movable assets including Inventory.

Loan amounting to Rs. 1.47 lakhs in case of one subsidiary is secured by commercial property building, stock and receivables.

**Details of security in respect of term loan:**

Loan amounting to Rs. 9,372.86 lakhs in case of one subsidiary is secured by way of Book Debts.

**Details of unutilised sanctioned borrowing limits**

| Particulars | Amount of borrowing sanctioned by the bank | Utilisation | Amount of borrowing undrawn |
|---|---|---|---|
| | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs |
| Working capital | 644,103.80 | 214,955.13 | 429,148.37 |

**Notes forming part of the consolidated financial statements**

**Note 14 (c). Changes in liabilities arising from financing activities**

| Particulars | April 1, 2019 | Accrual | Cash flows (net) | Foreign exchange / Adjustments | Reclassifications | March 31, 2020 |
|---|---|---|---|---|---|---|
| | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs |
| Current borrowings | 296,073.77 | - | (72,768.43) | - | - | 223,305.34 |
| Non current borrowings | 30,116.21 | - | 154,368.74 | - | (32,892.02) | 151,592.93 |
| Current maturity of long term debts | 7,789.63 | (7,272.15) | - | 32,892.02 | 33,409.50 | |
| Lease liabilities (refer note 35) | 8,578.85 | 9,534.81 | (2,011.40) | 595.52 | - | 16,697.78 |
| Interest on borrowings | 2,136.28 | 28,325.32 | (26,040.03) | - | - | 4,421.57 |
| Unsecured perpetual securities | 144,793.75 | - | (67,415.86) | 2,622.11 | - | 80,000.00 |
| Distribution on unsecured perpetual securities | - | 12,779.82 | (12,779.82) | - | - | - |
| Dividend (including dividend tax thereon) | - | 604.28 | (604.28) | - | - | - |
| **Total liabilities from financing activities** | **489,488.49** | **51,244.23** | **(34,523.23)** | **3,217.63** | **-** | **509,427.12** |

| Particulars | April 1, 2018 | Accrual | Cash flows (net) | Foreign exchange / Adjustments | Reclassifications | March 31, 2019 |
|---|---|---|---|---|---|---|
| | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs |
| Current borrowings | 236,481.56 | - | 46,489.20 | - | 13,103.01 | 296,073.77 |
| Non current borrowings | 54,621.71 | - | (13,031.74) | (4,141.20) | (7,332.56) | 30,116.21 |
| Current maturity of long term debts | 13,560.08 | - | - | - | (5,770.45) | 7,789.63 |
| Interest on borrowings | 713.19 | - | 1,423.09 | - | - | 2,136.28 |
| Unsecured perpetual securities | 144,378.72 | - | - | 415.03 | - | 144,793.75 |
| Dividend (including dividend tax thereon) | - | 543.67 | (543.67) | - | - | - |
| **Total liabilities from financing activities** | **449,755.26** | **543.67** | **34,336.88** | **(3,726.17)** | **-** | **480,909.64** |

## Notes forming part of the consolidated financial statements

### Note 15 (a). Other financial liabilities - non current

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Payable on acquisition of additional stake in subsidiary | 204.44 | 395.26 |
| Others | 130.11 | 119.57 |
| **Total** | **334.55** | **514.83** |

### Note 15 (b). Other financial liabilities - current

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Current maturities of long-term debt (refer note 14(a)) | 33,409.50 | 7,789.63 |
| Current maturities of finance lease obligations | - | 286.76 |
| Interest accrued but not due on borrowings | 4,421.57 | 2,002.72 |
| Interest accrued and due on borrowings | - | 133.56 |
| Payables on purchase of property, plant and equipment | 349.30 | 118.06 |
| Book overdraft | 31.62 | 187.76 |
| Payable on acquisition of additional stake in subsidiary | 311.92 | 307.98 |
| Other payables | 3,414.76 | 6,245.99 |
| **Total** | **41,938.67** | **17,072.46** |

### Note 16 (a). Non current provisions

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Provision for employee benefits:** | | |
| Provision for compensated absences | 315.42 | 216.05 |
| Provision for gratuity | 269.50 | 288.73 |
| Provision for pension | 401.00 | 384.09 |
| **Total** | **985.92** | **888.87** |

## Notes forming part of the consolidated financial statements

### Note 16 (b). Provisions - current

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Provision for employee benefits:** | | |
| Provision for compensated absences | 1,313.54 | 1,319.84 |
| Provision for gratuity | 613.79 | 200.80 |
| Provision for other employee benefits | 77.63 | 86.27 |
| Provision for pension | 415.43 | 447.65 |
| | **2,420.39** | **2,054.56** |
| **Provision - others:** | | |
| Provision for disputed tax liabilities | 1.14 | 1.14 |
| Provision for warranty (refer note 1) | 20.41 | 12.69 |
| Provision for onerous contract (refer note 2) | 386.28 | - |
| | **407.83** | **13.83** |
| **Total** | **2,828.22** | **2,068.39** |

**Note 1**

| Particulars | As at 31st March, 2020 |
|---|---|
| **Provision at the beginning of the year** | 12.69 |
| Add: Additional provision made during the year | 20.41 |
| Less: Amount utilised during the year | (12.69) |
| **Provision at the end of the year** | **20.41** |

Nature: The same represents the warranty costs in respect of products sold to customers which are still under warranty and there could be a possible outflow of cash.

**Note 2**

| Particulars | As at 31st March, 2020 |
|---|---|
| **Provision at the beginning of the year** | - |
| Add: Additional provision made during the year | 386.28 |
| Less: Amount utilised during the year | - |
| **Provision at the end of the year** | **386.28** |

Nature: The Group has recognised provision for loss in case of onerous contracts.

## Notes forming part of the consolidated financial statements

### Note 17. Other non-financial liabilities

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Non Current** | | |
| Deferred income | 519.48 | 653.95 |
| Other payables | 1,171.36 | 155.60 |
| **Total** | **1,690.84** | **809.55** |
| **Current** | | |
| Advances received from customers | 30,666.49 | 10,483.14 |
| Statutory dues (GST, TDS and other statutory dues etc.) | 1,867.88 | 998.05 |
| Deferred income | 694.09 | 1.05 |
| Other payables | 188.63 | 1,101.82 |
| **Total** | **33,417.09** | **12,584.06** |

### Note 18. Trade payables

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Micro and small enterprises (refer note 34) | 1,358.37 | 375.63 |
| Others | | |
| - Related party (refer note 42) | 32,301.51 | 28,857.15 |
| - Other than related party | 128,184.68 | 152,294.13 |
| - Acceptances* | 108,708.77 | 71,943.28 |
| **Total** | **270,553.33** | **253,470.19** |

* includes credit availed by the group entities from banks for payment to suppliers for goods purchased. The arrangements are interest bearing and are payable within one year.

## Notes forming part of the consolidated financial statements

### Note 19. Revenue from operations

| Particulars | For the year ended 31st March, 2020 Rs. in lakhs | For the year ended 31st March, 2019 Rs. in lakhs |
|---|---|---|
| **Sale of products** | | |
| Leather and leather products | 91,957.66 | 106,973.55 |
| Minerals | 372,424.90 | 456,044.60 |
| Metals | 709,795.39 | 838,973.90 |
| Distribution | 185,174.98 | 124,842.88 |
| Agricultural commodities and products | 139,892.61 | 144,513.08 |
| Others | 14,074.78 | 30,133.36 |
| **Sale of services** | | |
| Leather | 143.59 | 214.23 |
| Workshop | 3,032.08 | 3,308.73 |
| Information technology | 4,388.38 | 4,101.70 |
| Engineering consultancy | 17,060.23 | 15,781.16 |
| Hospitality | 2,127.58 | 6,144.22 |
| Others | 9,030.81 | 1,337.52 |
| **Other operating revenue** | | |
| Sale of scrap | 326.89 | 340.10 |
| Duty drawback and other export incentives | 6,537.62 | 7,006.75 |
| Cargo handling and storage charges | 2,554.00 | 2,300.13 |
| Service charges | 62,596.38 | 59,675.05 |
| Commission from agency contract | 805.95 | 2,123.55 |
| Others | 2,821.36 | 4,442.56 |
| **Total** | **1,624,745.19** | **1,808,257.07** |

**Note 1:** Refer Note 41 for details of segment revenue.

**Note 2: Breakup of Contract assets and Contract liabilities**

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Trade receivables | 251,136.11 | 276,669.77 |
| Contract liabilities | 31,880.06 | 11,138.14 |

Trade receivables has decreased in line with decrease in sales during the year. For terms of trade receivables refer note 5 (a) and 5 (b).

Contract liabilities include advance received from customers. Increase in outstanding balance is attributable to advance received from one of the customer for one time order.

**Note 3:**

There is no significant difference between contract price and revenue recognised.

**Note 4:**

Out of total revenue from operations as at March 31, 2020, there are no customers who represent more than 10% of the total revenue earned during the year.

## Notes forming part of the consolidated financial statements

### Note 20. Other Income

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| **Interest income from** | | |
| Bank deposit | 1,199.63 | 958.76 |
| Loans and advances | 337.93 | 370.49 |
| Non - current investments | 1,015.10 | 1,040.42 |
| Others | 63.23 | 0.83 |
| | **2,615.89** | **2,370.50** |
| **Dividend income from** | | |
| From mutual funds | 8.30 | 8.49 |
| Current investments | 0.21 | 1.11 |
| Non-current investments | 147.70 | 118.69 |
| | **156.21** | **128.29** |
| Profit on sale of mutual funds | 404.06 | 132.89 |
| Net gain on sale of property, plant and equipments | 148.84 | 241.54 |
| Unrealised gain on swap contract | 1,254.17 | 4,784.57 |
| Fair value changes on derivative | - | 421.50 |
| Rental income from operating leases | 1,184.82 | 570.37 |
| Cash discount received | 43.55 | 112.92 |
| Liabilities / provisions no longer required written back | 538.84 | 1,768.74 |
| Insurance claim | 546.05 | - |
| Miscellaneous income | 5,037.92 | 7,912.96 |
| **Total** | **11,930.35** | **18,444.28** |

## Notes forming part of the consolidated financial statements

### Note 21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Inventories at the beginning of the year: | | |
| Stock-in-trade | 198,092.65 | 157,895.82 |
| Finished goods | 13,673.03 | 15,147.37 |
| Work-in-progress | 4,268.37 | 4,469.64 |
| Discontinued operation | - | (169.02) |
| | **216,034.05** | **177,343.81** |
| Inventories at the end of the year: | | |
| Stock-in-trade | 103,544.98 | 198,092.65 |
| Finished goods | 41,222.60 | 13,673.03 |
| Work-in-progress | 4,779.87 | 4,268.37 |
| | **149,547.45** | **216,034.05** |
| **Total** | **66,486.60** | **(38,690.24)** |

### Note 22. Employee benefit expense

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Salaries and wages | 46,759.28 | 44,900.08 |
| Contribution to provident and other funds (refer note 37) | 2,974.08 | 2,314.00 |
| Staff welfare expenses | 2,374.40 | 2,143.00 |
| **Total** | **52,107.76** | **49,357.08** |

### Note 23. Finance costs

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Interest expense on: | | |
| Borrowings | 24,122.88 | 21,636.31 |
| Bill discounting | 789.08 | 1,187.14 |
| Lease liabilities | 1,300.73 | - |
| Other borrowing costs | 3,413.36 | 2,765.93 |
| **Total** | **29,626.05** | **25,589.38** |

### Note 24. Depreciation and amortisation expense

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Property, plant and equipment | 3,603.38 | 4,438.30 |
| Intangible assets | 224.96 | 343.72 |
| Investment property | 11.76 | 17.33 |
| Right-of-use asset | 2,410.65 | - |
| **Total** | **6,250.75** | **4,799.35** |

**Notes forming part of the consolidated financial statements**

**Note 25. Other expenses**

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Consumption of stores and spare parts | 4,607.55 | 5,166.20 |
| Consumption of packing materials | 984.81 | 1,021.34 |
| Processing charges | 12,043.67 | 11,606.82 |
| Duty, clearing, forwarding and other charges | 76,848.68 | 69,063.65 |
| Service charges | 6,459.04 | 6,562.70 |
| Power and fuel | 2,892.00 | 2,753.44 |
| Rent including lease rentals | 1,538.77 | 4,217.37 |
| Repairs and maintenance - buildings | 551.01 | 652.30 |
| Repairs and maintenance - machinery | 528.49 | 663.83 |
| Repairs and maintenance - others | 1,936.16 | 1,845.42 |
| Insurance | 2,244.21 | 2,965.87 |
| Rates and taxes | 955.05 | 687.68 |
| Travelling and conveyance | 4,891.26 | 5,132.23 |
| Warehousing charges | 361.89 | 548.60 |
| Selling expense | 8,888.17 | 11,542.51 |
| Legal and professional fees | 11,102.13 | 8,485.94 |
| Loss on derecognition of financial asset | - | 279.53 |
| Allowance for doubtful debts | 3,665.53 | 3,877.63 |
| Allowance for doubtful advances | 23.38 | 99.30 |
| Fair value changes on derivative | 3,260.33 | 5,797.67 |
| Fair value changes on commodity swap | 2,051.97 | 1,217.39 |
| Corporate social responsibility expense (refer note 47) | 78.90 | 76.52 |
| Trade, other receivables and advances written off | 1,084.87 | 219.07 |
| Loss on foreign exchange re instatement | 1,391.68 | 1,876.25 |
| Management fees | 376.96 | 565.52 |
| Miscellaneous expenses | 9,411.20 | 11,263.60 |
| **Total** | **158,177.71** | **158,188.38** |

**Note 26. Exceptional items**

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| Net gain/(loss) on: | | |
| Sale of subsidiary (refer note 28 and 30) | 4,690.55 | (32.88) |
| Property plant and equipment (refer note 2 below) | - | 3,364.40 |
| Impairment of goodwill (refer note 31(a)) | - | (2,136.35) |
| Allowance for other receivables (refer note 29) | (29,763.27) | - |
| Loss on measuring inventory at net realisable value (refer note 1 below) | (8,890.78) | - |
| **Total** | **(33,963.50)** | **1,195.17** |

**Note 1**

In respect of inventories of coal carried as at 31st March, 2020, the Group has recorded a reduction of Rs 8,890.78 lakhs from the cost of such inventories, to reflect the net realizable value thereof. Market prices of coal recorded a sharp reduction, which is attributable to the Covid-19 pandemic; the sharp reduction in these prices in a short period of time is highly unusual and accordingly, is disclosed as an exceptional item.

**Note 2**

During the year 2018-19, the Group has sold guest house and land situated at Dewas and Mocambique respectively. The sale consideration of guest house sale was Rs. 795.86 lakhs as against carrying value of Rs. 2.19 lakhs resulted in profit of Rs. 793.67 lakhs and of land was Rs. 2,583.78 lakhs as against carrying value of Rs. 13.06 lakhs resulted in profit of Rs. 2570.73 lakhs. Total profit of Rs. 3,364.40 lakhs on sale of these property, plant and equipment is recognised as exceptional items.

**Notes forming part of the consolidated financial statements**

**27** During the financial year 2015-16, as per the Share Purchase Agreement ("SPA") dated 22nd May, 2015 entered into between the Selling Shareholders (Tata Industries Limited ("TIL") and Tata International Limited (the Company)), Drive India Enterprise Solutions Limited ("DIESL") and TVS Logistics Services Limited ("TLSL"), the Selling Shareholders have jointly sold their entire shareholding in DIESL to TLSL for a total consideration of Rs. 8,581.00 lakhs (Group's share Rs. 4,290 lakhs).

As per the SPA, the Selling Shareholders have severally provided certain general and specific indemnities to TLSL. General indemnities up to 100% of total consideration received for breach of Representations and Warranties (R&W) relating to title of sale shares and demand, if any, raised on TLSL/DIESL under Section 281 of the Income tax Act, 1961. Specific indemnity up to Rs. 3,003.00 lakhs on account of liabilities in respect of demands from statutory authorities presently pending against DIESL and claims that may arise in future in respect of certain matters identified in SPA. Specific indemnities up to 20% of total consideration received in respect of claims arising from breaches of R&W relating to tax compliances, no pending investigations and inquiries (10%) and other general representations (10%).

However, within the sub limits applicable to general and specific indemnities as specified above, the maximum aggregate liability of each Selling Shareholder under this agreement shall not exceed the aggregate amounts received by it from TLSL under the SPA and/or DIESL under the Preference Share Agreement entered into on 19th May, 2015 and the liability of each Selling Shareholder to indemnify TLSL/DIESL shall be proportionate to their respective pre closing equity shareholding percentage. The claims can be made before expiration of eight years from the closing date which is 31st August, 2015.

The Selling Shareholders are also liable to indemnify, without limit, TLSL/DIESL in respect of two legal proceedings identified in the SPA for which there are no claims on DIESL presently. The potential future impact of such indemnities provided, if any, cannot be ascertained presently.

**28** During the year, COMETAL, S.A.R.L. subsidiary of the group was disposed-off. The present value of consideration for such sale was Rs. 4,161.57 lakhs (USD 55 Lakhs). Consideration receivable as on 31st March, 2020 is Rs. 2,099.23 lakhs.The Group has recognised gain of Rs. 4,690.55 lakhs (net of foreign currency translation reserve on such subsidiary accumulated as an item of other comprehensive income) on such disposal as an exceptional item.

**29** During the earlier years, TAHL (Mauritius) Mining Projects Limited & its subsidiary Mpumalanga Mining Recourses SA, subsidiaries of the group were disposed-off. The present value of consideration for such sale was Rs. 31,788.85 lakhs (USD 420 Lakhs) which was to be received from the buyer, in instalments over four years from the date of sale. Buyer could not make the payments on the due dates and considering that efforts to secure recovery have not yielded results, and considering further deterioration on account of Covid-19, the Group has recognised a provision in respect of total amount due.

**30** During the previous year, TAH Pharmaceuticals Limited, subsidiary of group, was disposed-off at the consideration of Rs. 345.75 lakhs. The Group has recognised loss of Rs. 32.88 lakhs (net of foreign currency translation reserve on such subsidiary accumulated as an item of other comprehensive income) on such disposal as an exceptional item.

**31** (a) During the previous, the goodwill arising out of Move On Components e calcado,S.A has been impaired for Rs. 2,136.35 lakhs.

(b) During the year, pursuant to an asset transfer agreement with Rohini Industrial Electricals Ltd., the Group has transferred its assets pertaining to solar business, with effect from 30th June, 2019 for a total consideration of Rs. 1,090.50 lakhs. Consideration receivable as on 31st March, 2020 is Rs 684.60 lakhs.

(c) The Group was in the advanced stage of finalising the contract for sale of its shareholding in Tata International DLT Pvt Ltd, a joint venture which was classified as Assets held for sale in the previous year. However, the sale purchase agreement did not go through due to the prevailing market conditions. Considering the above and since there is no active plan to sell, the same has been reclassified to Long Term Investments in the current year.

**32 Contingent Liability**

(a) Claims against the Parent Company & its subsidiaries not acknowledged as debts comprise of :

(i) **Sales tax / Entry Tax**

Demand notices aggregating to Rs. 1,433.51 lakhs (31st March, 2019- Rs. 1,422.44 lakhs) have been issued by various State Sales Tax Authorities relating to issue of applicability and classification.

**Notes forming part of the consolidated financial statements**

(ii) **Service tax**

The Service Tax department, Mumbai has issued demand and recovery notices aggregating to Rs. 19.32 lakhs (31st March, 2019 - Rs. 19.32 lakhs) including interest, towards service tax allegedly payable by the Parent Company for the period 2005 to 2009. The Service Tax Authorities contend that the Parent was rendering services as "Clearing & Forwarding Agents" during the said period and was, therefore chargeable to service tax in respect of those services.

The Service Tax department, Dewas has raised demands of Rs. 18.77 lakhs (31 March 2019- Rs. 18.77 lakhs) for import of services during the period 2004 to 2009. The matter is under appeal.

(iii) **Taxation matters**

Demand against the Parent and its subsidiaries not acknowledged as debts and not provided for relating to issues of transfer pricing, deductibility and taxability in respect of which the Parent and its subsidiaries are in appeal :-

Income Tax: Rs. 7,508.39 lakhs (31st March, 2019- Rs. 7,361.45 lakhs)

(iv) **DEPB / Drawback claims**

DEPB / Drawback claims rejected by Commissioner of Customs (Appeals) disputed by the Parent Company relating to issue of inadmissibility aggregating to Rs. 3,350.18 lakhs (31st March, 2019 - Rs. 3,205.11 lakhs).

(v) **Excise Duty**

The Excise Department at Dewas has raised a demand of Rs.426.63 lakhs (31st March, 2019 – Rs. 359.43 lakhs) alleging that the Company alleging that the activity of mixing of chemicals amounts to manufacturing and hence eligible to excise duty. The Parent company is contesting the claim before Commissioner of Central Excise.

(vi) **Other Matters Rs. 867.90 lakhs (31st March, 2019 – Rs. 1,131.93 lakhs).**

Future cash outflows in respect of above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

(vii) Other Contingent Liabilities Rs. 484.15 lakhs (31st March, 2019 – Rs. 325.42 lakhs).

(viii) The State Government of Madhya Pradesh had issued a Permanent Eligibility Certificate recognizing the Company as an "Exporting Industrial Unit", thus exempting it from payment of Sales Tax and Entry Tax, till 24th January, 2007. In accordance there with the Parent company has lodged claims for refund of Rs. 215.08 lakhs (31st March, 2019 - Rs. 215.08 lakhs), being Entry Tax paid by the Parent Company during the period 1994-1995 to 2006-2007. The said amount has been included in Note 07 (a) - 'Other non current assets' under the heading Other advances.

All the amounts stated above from note (i) to (viii) does not include interests & penalties.

(ix) During the previous year, the Holding Company had given counter-corporate guarantee to Indian Hotels Company Limited (IHCL) to the extent of 50% against Corporate guarantee they had issued to Standard Chartered Bank, UK and Standard Chartered Bank, Johanessburg for a facility of USD 38 million and ZAR 11 million respectively, equivalent to Rs. 29,218.40 lakhs in respect of borrowing by IHMS Hotels (SA) (Pty) Limited, South Africa (a joint venture between the company's subsidiary Tata Africa Holdings (SA) Pty Ltd and IHCL). The proceeds were used for refinancing the loan taken from ICICI bank PLC, UK. Subsequent to the year end, the corporate guarantee issued by Tata International Limited (TIL) is cancelled and a non-binding letter of comfort is issued in favour IHCL.

(x) There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The impact is not expected to be material as per the assessment made by the company.

**Notes forming part of the consolidated financial statements**

**33 Capital Commitment :**

Estimated amount of contracts remaining to be executed on capital account in respect of the Group and not provided for as at 31st March, 2020 is Rs 428.55 lakhs (31st March 2019 : Rs 933.07 lakhs).

**34 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Rs. in lakhs

| | Particulars | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| (a) | Dues remaining unpaid as on 31st March | | |
| | Principal | 1360.01 | 1281.39 |
| | Interest | - | 2.90 |
| (b) | (i) Amounts paid to suppliers beyond the appointed day | 1151.29 | 1147.65 |
| | (ii) Interest paid in terms of Sec.16 of the Act | - | - |
| (c) | Interest due and payable for the period of delay in payments made beyond the appointed day during the year | 9.54 | 26.49 |
| (d) | Interest accrued and remaining unpaid as on 31st March | 5.05 | 7.69 |
| (e) | Interest due and payable | 14.29 | 12.11 |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**35 Leases**

**35 (i) (a) As Lessor**

The Group has given on lease various items of machinery, vehicles and premises. These leases are generally for a period of 1 year. The Group has earned income of Rs. 1,184.82 lakhs (31st March, 2019: 570.37 lakhs) by way of lease rentals.

**35 (ii) As Lessee**

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options which are based on mutual agreement of terms and conditions.The Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.The Group has considered hindsight information in order to determine the lease term for recognition of ROU asset and lease liabilities as at 1st April, 2019.

**35 (ii) (a) For Right of Use Asset**

Rs. in lakhs

| Nature of ROU | Lease term in years | Opening balance as on 1st April, 2019 | Addition during the year (FY 19-20) | Translation Difference | Depreciation expense for the year | Closing balance as on 31st March, 2020 |
|---|---|---|---|---|---|---|
| Building (including factory building) | 1.2 to 15 years | 7509.69 | 7720.43 | (798.53) | 2379.52 | 13649.14 |
| Plant and Machinery | 4 years | 33.69 | - | 0.55 | 20.12 | 13.02 |
| Vehicles | 4 years | 15.97 | 14.86 | 0.54 | 10.48 | 19.81 |
| Office Equipments | 5 years | 2.38 | - | 0.03 | 0.53 | 1.82 |
| Leasehold land | 1 - 45 years | 2553.00 | | - | - | 2553.00 |
| | | **10114.73** | **7735.30** | **(797.41)** | **2410.65** | **16236.79** |

**Notes forming part of the consolidated financial statements**

**35 (ii) (b) For Lease liabilities**

**A) Movement of Lease liabilities**

| Particulars | Rs. in lakhs |
|---|---|
| Discount rate used- % | 2% - 22% |
| Opening balance as on 1st April, 2019 | 8578.85 |
| Add: Finance Lease Obligation | 515.05 |
| Add: Addition during the year | 7718.53 |
| Add: Interest expense | 1300.73 |
| Add: Translation Difference | 595.52 |
| Less: Cash outflow | (2011.40) |
| Closing balance as on 31st March, 2020 | 16697.28 |
| Bifurcation of above | |
| Current Lease liabilities | 8860.25 |
| Non current Lease liabilities | 7837.53 |

**B) Maturity Analysis** **Rs. in lakhs**

| Particulars | Less than 1 year | Between 1 to 5 years | More than 5 years | Total- as on 31st March, 2020 |
|---|---|---|---|---|
| Lease liabilities (Current+Non current) | 8860.25 | 7520.74 | 316.78 | 16697.78 |

**C) Impact on Retained earnings**

| Particulars | Rs. in lakhs |
|---|---|
| Right of Use asset on 1st April, 2019 * | 7561.73 |
| Lease Liability as on 1st April, 2019 | 8578.85 |
| Deferred tax asset | 35.19 |
| Impact on Retained earnings | (981.93) |

* Reclassification- from Financial asset to ROU (Leasehold land) Rs. 2,553 lakhs is not considered for computing Impact on Retained Earnings

**35 (ii) (c) Rent including lease rentals bifurcation as in Schedule 25. Other expenses as below:**

| Particulars | Rs. in lakhs |
|---|---|
| Expense relating to short-term leases | 1290.09 |
| Expense relating to leases of low-value assets | 267.89 |
| **Total** | **1557.98** |
| As per Schedule 25-Other expenses (Rent including lease rentals) | 1557.98 |
| Less: Discontinued operations | (19.21) |
| As per schedule 25 of the consolidated financial statements | 1538.77 |

**35 (ii) (d) Other expense breakup**

| Particulars | Rs. in lakhs |
|---|---|
| Depreciation expense of right-of-use assets | 2410.65 |
| Interest expense on lease liabilities | 1300.73 |

**Notes forming part of the consolidated financial statements**

**36 (a) Income Tax Expense**

Rs in lakhs

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Current tax: | | |
| Current tax | 4344.57 | 9645.88 |
| Adjustments relating to earlier years | (2730.55) | (298.64) |
| Deferred tax | | |
| Deferred tax (credit) / charge | 6970.78 | (7041.13) |
| Adjustments relating to earlier years | 370.37 | |
| **Total tax expense recognised in statement of profit and loss account** | **8955.17** | **2306.11** |

**36 (b) The reconciliation of estimated income tax expenses at Indian statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:**

Rs. in lakhs

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Loss before income tax | (43238.61) | (1297.53) |
| Indian statutory income tax rate | 34.944% | 34.608% |
| Income tax using the Group's domestic tax rate | (15109.30) | (449.05) |
| Tax effect of: | | |
| Effect of different tax rate of subsidiaries - as per local financial | 9677.28 | 367.60 |
| Effect of income that is exempt from taxation | 29.46 | (1653.20) |
| Effect of expenses that are not deductible in determining taxable profit | 589.64 | 4861.02 |
| Effect of expenses that are deductible in determining taxable profit not considered in profit | 22.90 | (4672.52) |
| Effect of concessions (capital gains on sale of long term investment and PPE) | - | 1654.70 |
| Effect of unused tax losses and tax offsets not recognised as deferred tax assets (MAT credit not recognised) (net of MAT written off) | - | 762.07 |
| Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets | (57.81) | (6056.03) |
| Effect of previously recognised and unused tax losses and deductible temporary differences now reversed | 5936.01 | - |
| Under provision in prior years | (2662.00) | (744.23) |
| Effect on account of interest on income tax | - | - |
| Minimum taxes to be paid | 4854.43 | 346.67 |
| Loss in respect of which deferred tax assets not recognized | 5525.36 | 4004.07 |
| Effect on account of reclassification of tax on interest on perpetual bonds | - | 3899.75 |
| Others | 149.22 | (14.74) |
| **Total income tax expense** | **8955.17** | **2306.11** |

**Notes forming part of the consolidated financial statements**

**36 (c) Income Tax on Other Comprehensive Income:**

**Rs. in lakhs**

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|---|---|
| Net fair value in gain on investments in equity shares at FVTOCI | - | (94.94) |
| Remeasurement of defined benefit obligation | - | (34.76) |
| **Total** | - | **(129.70)** |

**36 (d) Amounts on which deferred tax asset has not been created:**

**Rs. in lakhs**

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|---|---|
| Deductible temporary differences | 18175.00 | - |
| Unused tax losses | 15448.47 | 46577.84 |
| Unused tax Credits (MAT) | 7204.00 | 1684.92 |
| **Total** | **40827.47** | **48262.76** |

Note: The Group has not recognised deferred tax liability on undistributed reserves of subsidiaries and joint ventures as the Group has control over these entities and no distribution is expected in forseable future.

Under the Indian Income Tax Act, 1961, unabsorbed business losses expire 8 years after the year in which they originate. In respect of certain foreign subsidiaries, business losses can be carry forward indefinitely unless there is a substantial change in the ownership. Unrecognised Deferred Tax assets relate primarily to business losses and tax credit entitlement. This unexpired business losses will expire based on the year of origination as follows :

**Rs in lakhs**

| Particulars | Unused tax losses | Unused tax credits | Deductible Temporary differences |
|---|---|---|---|
| 31st March, 2021 | 2469.15 | - | - |
| 31st March, 2022 | 923.04 | - | - |
| 31st March, 2023 | 370.13 | - | - |
| 31st March, 2024 | 144.17 | - | - |
| thereafter | 11541.98 | 7204.00 | 18175.00 |

**36 (e) Movement of Deferred Tax** **Rs in lakhs**

| Particulars | For the Year ended 31 March 2020 | | | |
|---|---|---|---|---|
| | Opening Balance | Recognised in profit and Loss | Recognised in OCI | Closing Balance |
| Tax effect of items constituting deferred tax liabilities | | | | |
| Depreciation | (1022.51) | 17.03 | - | (1005.48) |
| Others | (122.78) | (1247.27) | - | (1370.05) |
| | (1145.29) | (1230.24) | - | (2375.53) |
| Tax effect of items constituting deferred tax assets | | | | |
| Provision for doubtful debts | 1309.31 | (1014.22) | - | 295.10 |
| Other provision (provision for obsolete inventory, provision for warranty, accrual of expenses) | 2864.66 | (2283.31) | - | 581.35 |
| Effects of unused tax losses | 5029.78 | (1768.30) | - | 3261.47 |
| Unrealised exchange losses | 399.56 | 669.91 | - | 1069.48 |
| MAT credit | 3779.99 | (3779.99) | - | - |
| Others | 1438.31 | 2241.83 | 34.76 | 3714.90 |
| | 14821.61 | (5934.07) | 34.76 | 8922.30 |
| Tax Asset (Liabilities) | 13676.33 | (7164.32) | 34.76 | 6546.77 |
| Effect of foreign currency exchange differences | (97.87) | - | - | (97.87) |
| Net Tax Asset (Liabilities) | 13578.45 | (7164.32) | 34.76 | 6448.89 |

**Notes forming part of the consolidated financial statements**

**Rs in lakhs**

| Particulars | For the Year ended 31 March 2019 | | | |
|---|---|---|---|---|
| | Opening Balance | Recognised in profit and Loss | Recognised in OCI | Closing Balance |
| Tax effect of items constituting deferred tax liabilities | | | | |
| Depreciation | (354.75) | (667.77) | - | (1022.51) |
| Others | (487.70) | 364.92 | - | (122.78) |
| | (842.44) | (302.85) | - | (1145.29) |
| Tax effect of items constituting deferred tax assets | | | | |
| Provision for doubtful debts | 1391.49 | (82.17) | - | 1309.31 |
| Other Provision (Provision for Obsolete Inventory, provision for warranty, Accrual of expenses) | 733.53 | 2131.13 | - | 2864.66 |
| Effects of unused tax losses | 668.84 | 4360.94 | - | 5029.78 |
| Unrealised exchange losses | 647.03 | (247.46) | - | 399.56 |
| MAT credit | 3570.45 | 209.54 | - | 3779.99 |
| Others | 431.52 | 971.99 | 34.76 | 1438.31 |
| | 7442.85 | 7343.97 | 34.76 | 14821.62 |
| Effect of foreign currency exchange differences | - | (97.87) | - | (97.87) |
| Net Tax Asset (Liabilities) | 6600.40 | 6943.25 | 34.76 | 13578.46 |

**36 (f) Gross deferred tax assets and labilities are as follows**

**Rs in lakhs**

| Particulars | As at 31 March 2020 | | |
|---|---|---|---|
| | Assets | Liabilities | Total |
| Depreciation | - | 1005.48 | (1005.48) |
| Provision for doubtful debts | 295.10 | - | 295.10 |
| Other provision (provision for obsolete inventory, provision for warranty, accrual of expenses) | 581.35 | - | 581.35 |
| Effects of unused tax losses | 3261.47 | - | 3261.47 |
| Unrealised exchange losses | 1069.48 | - | 1069.48 |
| MAT credit | - | - | - |
| Others | 3714.90 | 1370.05 | 2344.85 |
| Net deferred tax assets / (liabilities) | 8922.30 | 2375.53 | 6546.77 |

**Rs in lakhs**

| Particulars | As at 31st March 2019 | | |
|---|---|---|---|
| | Assets | Liabilities | Total |
| Depreciation | - | 1022.51 | (1022.51) |
| Provision for doubtful debts | 1309.31 | - | 1309.31 |
| Other provision (provision for obsolete inventory, provision for warranty, accrual of expenses) | 2864.66 | - | 2864.66 |
| Effects of unused tax losses | 5029.78 | - | 5029.78 |
| Unrealised exchange losses | 399.56 | - | 399.56 |
| MAT credit | 3779.99 | - | 3779.99 |
| Others | 1340.44 | 122.78 | 1217.66 |
| Net deferred tax assets / (liabilities) | 14723.75 | 1145.29 | 13578.46 |

**Notes forming part of the consolidated financial statements**

**37 (a) Defined Contribution Plan**

The Group makes contributions to Family Pension Fund, Superannuation Fund, ESIC contribution to Defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

Group's contribution paid / payable during the year to Family Pension Fund and ESIC are recognized in Statement of profit and loss. These amounts are recognized as an expense and included in Note 22 'Employee Benefit Expenses' under the heading 'Contribution to Provident and other funds'.

The Group has recognized the following amounts in the Statement of profit and loss for the year:

**Rs. in lakhs**

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Contribution to Employees' Family Pension Fund | 213.33 | 228.72 |
| Contribution to Employees' Superannuation Fund | 19.28 | 359.09 |
| Employees' State Insurance Scheme | 298.22 | 47.82 |
| Provident Fund | 672.61 | 1166.19 |
| EDLI Fund | 24.51 | 177.80 |

**(b) Defined Benefit Plans:**

**Provident Fund**

The Holding Comapny makes monthly contributions to Provident Fund managed by Tata International Limited Provident Fund Trust (the "Trust") for qualifying employees. Under the Scheme, the Holding Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year the Holding Company has contributed Rs. 163.87 lakhs (31st March, 2019: Rs 268 lakhs) to the Provident Fund Trust.

In accordance with Indian law, employer established provident fund trusts are treated as Defined Benefit Plans, since the Holding Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the actuarial valuation, the Defined Benefit Obligation of Interest rate Guarantee on exempted Provident Fund in respect of employees of the Holding Company as at 31st March, 2020 works out to Rs. 9.10 lakhs and hence provision is made in the books of accounts (31st March, 2019 - Rs. 31.23 lakhs ) towards the guarantee given for notified interest rates. Further, during the year Holding Company has provided Rs. 386.79 lakhs on account of mark to market reduction in value of investments of the Trust.

In carrying out an actuarial valuation of interest rate guarantee on exempt provident fund liability, expected investment return is compared with the guaranteed rate of interest and the expected shortfall is determined for a projection period of 3 year. This is further applied to accumulated value of the provident fund to arrive at the Defined Benefit Obligation.

The above process is carried out for 3 scenarios, one based on the prevailing rate of return, and the other two with 100 Basis Points upward and downward shifts in the expected rate of return and Defined Benefit Obligation of the interest rate guarantee is determined under these three scenarios. Defined Benefit Obligation of the interest rate guarantee is equal to the average of the Defined Benefit Obligation determined under all three scenarios above. The actuarial valuation is carried out using the projected accrued benefit method.

The major categories of plan assets in which the contributions are invested by Tata International Limited Provident Fund Trust are as under:

**Rs. in lakhs**

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Bonds and Securities of Central Government | 466.91 | 227.38 |
| Bonds and Securities of State Government | 1666.65 | 2043.96 |
| Corporate Bonds | 2354.51 | 2208.26 |
| Special Deposits with Banks | 1230.32 | 1230.31 |
| Equity Fund | 269.49 | 223.80 |
| Other Investments | 163.23 | 166.43 |
| **Total Assets** | **6151.12** | **6100.15** |

**Notes forming part of the consolidated financial statements**

Actuarial assumptions made to determine Interest Rate Guarantee on Exempt Provident Fund Liabilities are as follows:

Rs in lakhs

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Discount Rate for the term of the Obligation | 6.24% | 7.07% |
| Remaining term to Maturity (years) of plan assets | 5.82 | 5.08 |
| Weighted Average YTM | 8.48% | 8.61% |
| Attrition rate | 15.00% | 15.00% |
| Guaranteed Rate of Return | 8.50% | 8.65% |

**Gratuity and Pension Plan**

The Group Companies provides Gratuity benefit to all employees. The Group Companies also provides post retirement pension for retired whole-time directors. The assets of the gratuity plans are held separately from those of the Group Companies in funds under the control of the trustees of the independent trusts or with the life insurance companies. The board of trustees of the gratuity fund composed of an equal number of representatives from both employees and employers. The board of the Fund is required by law and by the trust deed to act in the interest of the Fund and of all relevant stakeholders in the scheme. The board of trustee of the fund and management of life insurance company is responsible for the investment policy with regard to the assets of the Fund. Post retirement pension plan is not funded.

Under the gratuity plan, the employees with minimum five years of continous service are entitled to lumpsum payment at the time of separation calculated based on the last drawn salary and number of years of service rendered with the company. Under the post retirement pension, the Company pays monthly pension to retired whole-time directors as decided by the board of directors.

These plans expose the Group Companies to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk

Investment Risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefits plans, the discount rate is determined by reference to bonds when there is deep market for such bonds. Currently, for the plan in India, it has relatively balanced mix of investments in government securities and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan particpants will increase the plan's liability.

**Notes forming part of the consolidated financial statements**

Rs in lakhs

| | Particulars | Funded Plan Gratuity | | Unfunded Plan Pension Scheme | |
|---|---|---|---|---|---|
| | | 2020 | 2019 | 2020 | 2019 |
| I. | **Expenses Recognised in Profit and Loss Account for Current Period** | | | | |
| 1. | Current Service Cost | 248.25 | 226.41 | - | - |
| 2. | Net Interest Cost | 6.78 | 16.35 | 34.36 | 36.37 |
| 3. | Past Service Cost | - | - | - | - |
| 4. | (Expected Contribution by the Employees) | - | - | - | - |
| 5. | (Gain)/Losses on Curtailment And Settlements | - | - | - | - |
| 6. | Net Effect of Changes in Foreign Exchange Rates | - | - | - | - |
| 7. | **Expenses Recognised** | **255.03** | **242.77** | **34.36** | **36.37** |
| II. | **Expenses Recognised in Other Comprehensive Income (OCI) for Current Period** | | | | |
| 1. | Actuarial (Gain)/ Losses on Obligation For the Period | 175.71 | (60.58) | 70.37 | 31.82 |
| 2. | Return on Plan Assets, Excluding Interest Income | (43.55) | 13.87 | - | - |
| 3. | Change in Asset Ceiling | - | - | - | - |
| 4. | **Net (Income)/Expense for the Period Recognised in OCI** | **132.16** | **(46.70)** | **70.37** | **31.82** |
| III. | **Net Asset/(Liability) recognised in the Balance Sheet as at 31st March** | | | | |
| 1. | Present value of defined benefit obligation as at 31st March | (2779.06) | (2566.42) | (478.80) | (459.30) |
| 2. | Fair value of plan assets as at 31st March | 2352.82 | 2446.50 | - | - |
| 3. | Surplus/(Deficit) | (426.24) | (119.92) | (478.80) | (459.30) |
| 4. | Current portion of the above | (199.61) | 60.96 | (77.80) | (75.22) |
| 5. | **Non current portion of the above** | **(188.01)** | **(69.27)** | **(401.00)** | **(384.08)** |
| IV. | **Change in the obligation during the year ended 31st March** | | | | |
| 1. | Present value of defined benefit obligation at the beginning of the year | 2593.80 | 2702.29 | 459.30 | 473.58 |
| 2. | Add/(Less) Liability transfer in/acquisition | (62.29) | 4.49 | - | - |
| | Transfer | - | - | - | - |
| 3. | Current Service Cost | 248.25 | 226.41 | - | - |
| 4. | Past Service Cost | - | - | - | - |
| 5. | Interest Expense (Income) | 179.59 | 203.12 | 34.36 | 36.37 |
| 6. | Actuarial (Gain) Loss arising from: | - | - | - | - |
| i. | Demographic Assumptions | - | - | - | - |
| ii. | Financial Assumptions | 54.84 | (20.12) | 17.06 | 3.21 |
| iii. | Experience Adjustments | 120.87 | (50.36) | 53.31 | 28.61 |
| 7. | Benefit payments | (356.00) | (499.00) | (85.23) | (82.47) |
| 8. | Others (Specify) | - | - | - | - |
| 9. | **Present value of defined benefit obligation at the end of the year** | **2779.06** | **2576.73** | **478.80** | **459.30** |
| V. | **Change in fair value of assets during the year ended 31st March** | | | | |
| 1. | Fair value of plan assets at the beginning of the year | 2446.50 | 2460.33 | - | - |
| 2. | Add/(Less) Liability transfer in/acquisition | (45.24) | 4.49 | - | - |
| 3. | Expected return on plan assets | 172.81 | 186.77 | - | - |
| 4. | Actual Return on plan assets in excess of the expected return | 43.54 | (13.87) | - | - |
| 5. | Contributions by employer (including benefit payments recoverable) | 91.19 | (307.79) | - | - |
| 6. | Benefit payments | (356.00) | (499.00) | - | - |
| 7. | **Fair value of plan assets at the end of the year** | **2352.82** | **2446.51** | - | - |

**Notes forming part of the consolidated financial statements** Rs in lakhs

| | Particulars | Funded Plan Gratuity | | Unfunded Plan Pension Scheme | |
|---|---|---|---|---|---|
| | | 2020 | 2019 | 2020 | 2019 |
| VI. | **The Major categories of plan assets** | | | | |
| | Government of India assets | 307.44 | 466.22 | - | - |
| | State Government Securities | 182.84 | 268.06 | - | - |
| | Special Deposit Scheme | 279.04 | 279.04 | - | - |
| | Debt Instruments | 79.47 | 79.47 | - | - |
| | Corporate Bonds | 456.86 | 490.63 | - | - |
| | Cash & Cash equivalents | 23.10 | 9.95 | - | - |
| | Insurance Fund | 865.42 | 823.71 | - | - |
| | Asset - backed securities | - | - | - | - |
| | Structured debt | - | - | - | - |
| | Other | 80.69 | 90.33 | - | - |
| | Amount (payable) to Company | (35.97) | (147.60) | - | - |
| | **Total** | **2238.90** | **2359.82** | - | - |
| VII. | Actuarial assumptions | | | | |
| 1. | Discount rate | 6.24%/6.66% | 7.68%/7.00% | 6.43% | 7.48% |
| 2. | Expected rate of return on plan assets | 6.24%/7% | 7.68%/7.60% | NA | NA |
| 3. | Attrition rate | 15.00% | 15.00% | NA | NA |
| 4. | Medical premium inflation | 0.05 | 5.00%/7.00% | NA | NA |

**Sensitivity analysis for each significant actuarial assumption is shown in table below:**

| Particulars | Funded Plan Gratuity | | Unfunded Plans Post retirement Benefits | |
|---|---|---|---|---|
| Effect of one percentage point change | 2020 | 2019 | 2020 | 2019 |
| Projected Benefit Obligation on Current Assumptions | 2569.44 | 2416.30 | 478.79 | 459.30 |
| Delta Effect of +0.5% Change in Rate of Discounting | (76.75) | (51.41) | (8.29) | (7.94) |
| Delta Effect of -0.5% Change in Rate of Discounting | 86.04 | 55.94 | 8.62 | 8.25 |
| Delta Effect of +0.5% Change in Rate of Salary Increase | 87.21 | 56.69 | - | - |
| Delta Effect of -0.5% Change in Rate of Salary Increase | (78.66) | (52.80) | - | - |
| Delta Effect of +0.5% Change in Rate of Employee Turnover | 6.59 | 4.90 | - | - |
| Delta Effect of -0.5% Change in Rate of Employee Turnover | (7.88) | (5.61) | - | - |
| Delta Effect of +10.0% Change in Rate of Employee Turnover | 5.30 | - | - | - |
| Delta Effect of -10.0% Change in Rate of Employee Turnover | (43.15) | - | - | - |
| Delta Effect of +10.0% Change in Rate of Mortality Rate | - | - | (22.36) | (20.10) |
| Delta Effect of -10.0% Change in Rate of Mortality Rate | - | - | 25.19 | 22.50 |

**VIII. Experience Adjustments :** **Rs in lakhs**

| | | For the Period Ended | | | | |
|---|---|---|---|---|---|---|
| | | 2020 | 2019 | 2018 | 2017 | 2016 |
| | | Gratuity | | | | |
| 1. | Defined Benefit Obligation | (2340.50) | (2255.86) | (2579.34) | (2642.60) | (2325.00) |
| 2. | Fair value of plan assets | 2352.82 | 2446.50 | 2307.00 | 2254.09 | 2020.70 |
| 3. | Surplus/(Deficit) | (406.93) | (130.23) | (272.34) | (388.51) | (304.30) |
| 4. | Experience adjustment on plan liabilities [(Gain)/Loss] | (86.07) | 67.70 | 33.41 | (57.45) | 166.66 |
| 5. | Experience adjustment on plan assets [Gain/(Loss)] | 43.54 | (9.12) | 19.10 | 3.89 | (6.16) |
| | | Post retirement benefits | | | | |
| 1. | Defined Benefit Obligation | (478.80) | (459.30) | (473.58) | (460.70) | (438.83) |
| 2. | Plan assets | - | - | - | - | - |
| 3. | Surplus/(Deficit) | - | - | - | - | - |
| 4. | Experience adjustment on plan liabilities [(Gain)/Loss] | (53.31) | (28.61) | 53.20 | 20.80 | - |

**Notes forming part of the consolidated financial statements**

**38 Discontinued operations**

**Results for discontinued operations as below:**

**Rs in lakhs**

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Revenue | 5372.74 | 47314.46 |
| Other income | 1129.96 | 359.69 |
| Expenses | 7671.37 | 58148.96 |
| Finance cost | 1098.66 | - |
| Loss before tax from discontinued operations | (2267.33) | (10474.81) |
| Current tax | 45.35 | 215.56 |
| Loss from discontinued operation, net of tax | (2312.68) | (10690.37) |

**Rs in lakhs**

| Particulars | As at 31st March, 2020 | As at 31st March, 2020 |
|---|---|---|
| **ASSETS** | | |
| Total non-current assets | - | 3230.01 |
| Total current assets | 857.15 | 6765.57 |
| Assets classified as held for sale | 857.15 | 9995.58 |
| **LIABILITIES** | | |
| Total non-current liabilities | - | 29.48 |
| Total current liabilities | - | 6160.74 |
| Liabilities directly associated with assets classified as held for sale | - | 6190.22 |
| **Net assets directly associated with disposal group** | **857.15** | **3805.36** |

**Cash flows from (used in) discontinued operations** **Rs in lakhs**

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Net cash generated / (used in) operating activities | 6708.45 | (11.03) |
| Net cash generated / (used in) investing activities | - | 17.00 |
| Net cash generated / (used in) financing activities | 419.78 | (4758.91) |
| **Net cash flows for the year** | **7128.23** | **(4752.94)** |

**Earnings per share from discontinued operation:** **Rs in lakhs**

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Basic | (576.73) | (2665.93) |
| Diluted | (576.73) | (2665.93) |

**Other details:** **Rs in lakhs**

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Total consideration received | 2114.35 | 775.83 |
| Portion of consideration consisting of cash and cash equivalents | 2114.35 | 775.83 |

There is no change in cash and cash equivalents due to sale of subsidiaries at the end of the year

There were no income or expenses recognised through OCI pertaining to the discontinued operations in the current year as well as the previous year.

Note: There are no amount of adjustments that are made in the current period to amounts previously presented in discontinued operations that are directly related to the disposal of a discontinued operation in a prior period.

**Notes forming part of the consolidated financial statements**

**39 Fair Value Measurement**

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 as disclosed in significant accounting policies of consolidated financial statements.

**(a) Financial Assets and Liabilities :**

There are no financial assets or financial liabilities not measured at fair value, whose carrying amount is not a reasonable approximation of fair value.

**(b) Fair Value hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:• Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.• Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).• Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.The investments included in Level 2 of Fair value Hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range. The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

Rs. in lakhs

| Particulars | As at 31st March, 2020 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Derivative financial assets | - | 1303.64 | - | 1303.64 |
| Other investments classified as fair value through OCI | 9417.33 | - | 17864.24 | 27281.57 |
| Current investments classified as fair value through PL | 4868.57 | - | - | 4868.57 |
| **Total** | **14285.9** | **1303.64** | **17864.24** | **33453.78** |
| **Financial liability:** | | | | |
| Derivative financial liability | - | 10896.42 | - | 10896.42 |
| **Total** | **-** | **10896.42** | **-** | **10896.42** |

Rs. in lakhs

| Particulars | As at 31st March, 2019 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Derivative financial assets | - | 709.35 | - | 709.35 |
| Other investments classified as fair value through OCI | 9380.84 | - | 17893.87 | 27274.71 |
| Current investments classified as fair value through PL | 565.15 | - | - | 565.15 |
| **Total** | **9945.99** | **709.35** | **17893.87** | **28549.21** |
| **Financial liability:** | | | | |
| Derivative financial liability | - | 3849.99 | - | 3849.99 |
| **Total** | **-** | **3849.99** | **-** | **3849.99** |

**Notes forming part of the consolidated financial statements**

**Reconciliation of Level 3 fair value measurement is as follows:**

**Rs in lakhs**

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Balance at the beginning of the year | 17893.87 | 17894.97 |
| Disposals during the year | - | - |
| Impairment in value of investments | - | - |
| Translation exchange difference | (29.63) | (1.10) |
| | 17864.24 | 17893.87 |

**40 Financial instruments**

**40.01 Capital management**

The Group manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Group consists of net debt (borrowings as detailed in notes 14(a), 14(b) and 15(b) offset by cash and bank balances) and the total equity of the Group.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, long term-term borrowings, short-term borrowings and interest accrued thereon less cash and cash equivalent.

**Gearing Ratio**

The gearing ratio at end of the reporting period was as follows

| Particulars | As at 31st March, 2020 Rs. in lakhs | As at 31st March, 2019 Rs. in lakhs |
|---|---|---|
| Debt | | |
| Long term borrowings | 151,592.93 | 30,116.21 |
| Short term borrowings | 223,305.34 | 296,073.78 |
| Current maturities of long-term debt | 33,409.50 | 7,789.63 |
| Interest accrued | 4,421.57 | 2,136.28 |
| Cash and bank balances | (87,314.27) | (42,740.38) |
| Net debt | 325,415.07 | 293,375.52 |
| Total equity | (9,156.15) | 140,338.24 |
| Equity share capital | 4,010.00 | 4,010.00 |
| Unsecured perpetual securities | 80,000.00 | 144,793.75 |
| Other equity | (93,166.15) | (8,465.51) |
| **Net debt to equity ratio** | **(35.54)** | **2.09** |

**40.02 Financial risk management objectives and policies**

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payableslease liability etc. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions. The Group is exposed to market risk( including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

**Notes forming part of the consolidated financial statements**

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Group does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

**40.02.1 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

**40.02.2 Commodity Price Risk**

Commodity price risk arises due to fluctuation in prices of metals, leather, minerals and agricultural products. The Group has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Group's commodity risk is managed centrally through well-established trading operations and control processes. The Group also enters into derivatives contracts to hedge its commodity and freight exposure.

**40.02.3 Foreign currency risk management**

i) The Group enter into sale and purchase transactions and borrowings denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Monetary Assets | As at 31st March 2020 | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2019 |
|---|---|---|---|---|
| | FC in lakhs | Rs. in lakhs | FC in lakhs | Rs. in lakhs |
| US Dollar | 2906.76 | 219940.13 | 2516.45 | 174012.30 |
| Euro | 228.98 | 18952.78 | 166.48 | 12929.40 |
| Others * | - | 2374.50 | - | 17126.29 |

| Monetary Liabilities | As at 31st March 2020 | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2019 |
|---|---|---|---|---|
| | FC in lakhs | Rs. in lakhs | FC in lakhs | Rs. in lakhs |
| US Dollar | 3221.60 | 243762.47 | 3712.77 | 256738.36 |
| Euro | 293.94 | 24329.78 | 341.47 | 26519.37 |
| Others * | - | 6589.14 | - | 10011.57 |

**Foreign currency sensitivity analysis**

| Particulars | Net exposure Rs. in lakhs | Increase/ (decrease) in Profit (Rs. in lakhs) | Net exposure Rs. in lakhs | Increase/ (decrease) in Profit (Rs. in lakhs) |
|---|---|---|---|---|
| | As at 31st March 2020 | | As at 31st March 2019 | |
| USD/INR Increase by 10% | (23822.34) | (2382.23) | (82726.07) | (8272.61) |
| USD/INR Decrease by 10% | - | 2382.23 | - | 8272.61 |
| EUR/INR Increase by 10% | (5377.00) | (537.70) | (13589.97) | (1359.00) |
| EUR/INR Decrease by 10% | - | 537.70 | - | 1359.00 |

* Other currencies includes GBP, ZAR, VND, HKD, BIRR, Taka, THB etc

**Notes forming part of the consolidated financial statements**

**ii) Outstanding Derivative Contracts**

| Fair value hedges | Average Exchange rates | | Amount in Rs. lakhs | | Nominal Value in respective currency | | Fair value | |
|---|---|---|---|---|---|---|---|---|
| | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2020 | As at 31st March 2019 |
| | Rs | Rs | Rs. in lakhs | Rs. in lakhs | Lakhs | Lakhs | Rs. in lakhs | Rs. in lakhs |
| **Export** | | | | | | | | |
| USD | 73.11 | 72.01 | 60976.25 | 57582.13 | 833.98 | 799.68 | (1754.08) | 1762.45 |
| EUR | 82.87 | 79.60 | 57490.19 | 10890.48 | 693.70 | 136.81 | 123.48 | 627.98 |
| AUD | - | 49.34 | - | 94.24 | - | 1.91 | - | 0.05 |
| GBP | - | 77.94 | - | 1460.51 | - | 18.74 | - | 20.25 |
| **Cross currency Swap** | | | | | | | | |
| USD | 76.90 | 72.45 | 86896.82 | 123437.30 | 1129.94 | 1792.18 | (6898.09) | (3437.30) |
| **Import** | | | | | | | | |
| USD | 73.21 | 70.27 | 11041.03 | 23608.66 | 150.81 | 335.97 | 337.88 | (363.91) |
| EUR | 85.21 | 82.20 | 9565.09 | 10309.13 | 112.26 | 125.41 | (160.34) | (527.48) |
| CAD | - | - | - | - | - | - | - | - |
| ZAR | 4.96 | 4.77 | 11023.94 | 2251.50 | 2220.94 | 472.20 | (1059.54) | (21.04) |

**Commodity Contracts**

| Nature | No. of contracts | Commodity name | Contract cash flows As at 31st March, 2020 | Fair value (gain) / loss As at 31st March, 2020 | Contract cash flows As at 31st March, 2019 | Fair value (gain)/ loss As at 31st March, 2019 |
|---|---|---|---|---|---|---|
| | | | INR | INR | INR | INR |
| Asset | 1 | Lead | 426.75 | (31.32) | - | - |
| Liability | 2 | TIN | 623.45 | 69.55 | - | - |
| Asset | 5 | Zinc | 702.26 | (95.73) | - | - |
| Liability | 8 | Zinc | 894.93 | 44.53 | - | - |
| Asset | 5 | Sugar | 4715.36 | (686.40) | - | - |
| Liability | 1 | Sugar | 1025.47 | 167.61 | - | - |
| Asset | 52 | COAL | 2669.46 | (290.55) | 13160.66 | 827.76 |
| | | | **11057.68** | **(822.32)** | **13160.66** | **827.76** |

**40.02.4 Interest Rate Risk**

i) The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward interest rate contract. Hedging activities are evaluated regularly to align with Interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's:profit for the year ended 31st March, 2020 would decrease/increase by Rs 7,791.54 lakhs (31st March, 2019: decrease/increase by Rs. 1,213.91 lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

**Notes forming part of the consolidated financial statements**

**ii) Interest rate swap contracts**

The Group enters into interest rate swaps to hedge interest rate risks. Under the interest rate swaps contracts, the Group exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of fixed rate debt and cash flow exposures on variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and credit risk inherent in the contract.

The following table details the nominal amounts and remaining terms of interest rate swap contracts at the end of the reporting period.

| Particulars | Average Contracted fixed interest rate | | Nominal Value | | Fair Value asset / (liabilities) | |
|---|---|---|---|---|---|---|
| | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2020 | As at 31st March 2019 |
| | % | % | USD Lakhs | USD Lakhs | Rs. lakhs | Rs. lakhs |
| Outstanding - receive floating pay fixed contracts | 2.86 | 2.86 | 287.50 | 287.50 | (201.19) | 99.99 |
| Outstanding - receive floating pay fixed contracts | 2.82 | 2.82 | 165.00 | 165.00 | (89.74) | 44.02 |
| Outstanding - receive floating pay fixed contracts | - | 4.86 | - | 300.00 | - | 20.80 |
| Outstanding - receive floating pay fixed contracts | - | 4.99 | - | 1344.29 | - | 2594.97 |
| Outstanding - receive floating pay fixed contracts | - | 4.94 | - | 447.89 | - | 842.33 |
| Outstanding - receive floating pay fixed contracts | 3.38 | | 1400.00 | | (913.12) | |

The interest rate swap contracts are settled on cash basis. The Group settles the difference between the fixed and floating interest rate on a net basis. The fair value of these interest rate swap contracts are included in line items "Derivative liabilities/assets".

**Interest rate Options Contracts**

| Particulars | Average Contracted fixed interest rate | | Nominal Value | | Fair Value asset / (liabilities) | |
|---|---|---|---|---|---|---|
| | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2020 | As at 31st March 2019 |
| | % | % | USD Lakhs | USD Lakhs | Rs. lakhs | Rs. lakhs |
| Outstanding - receive floating pay fixed contracts | 3.38 | - | 1400.00 | - | 199.64 | - |

**40.02.5 Credit risk management**

Credit risks refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publically available financial information and its own trading records to rate its major customers.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. On going credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The Group does not have significant credit risk exposure to any single counter party. Concentration of credit risk related to Group did not exceed 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counter party did not exceed 5% of gross monetary assets at any time during the year.

**Notes forming part of the consolidated financial statements**

The credit risk on bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

The Group has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk is actively managed through Letters of Credit, Bank Guarantees, advance payments and factoring.

**40 Financial instruments**

**40.02.6 Liquidity risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore,the Group has access to funds from debt markets through commercial paper programs and other debt instruments. The Group invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below provides details regarding the contractual maturities of financial liabilities as at 31st March, 2020:

**Rs. in lakhs**

| Particulars | Less than 1 year | Between 1 to 5 years | More than 5 years | Total | Carrying amount |
|---|---|---|---|---|---|
| Short term borrowings | 223305.34 | - | - | 223305.34 | 223305.34 |
| Long term borrowings | 33409.50 | 151592.93 | - | 185002.43 | 185002.43 |
| Interest | 4421.57 | - | - | 4421.57 | 4421.57 |
| Borrowings (including interest) | 261136.41 | 151592.93 | - | 412729.34 | 412729.34 |
| Derivative liabilities | 3998.33 | 6898.09 | - | 10896.42 | 10896.42 |
| Trade payables | 270553.33 | - | - | 270553.33 | 270553.33 |
| Other financial liabilities | 4107.60 | 334.55 | - | 4442.15 | 4442.15 |
| Lease Liabilities | 8860.25 | 7520.74 | 316.7813136 | 16697.78 | 16697.78 |
| **Total** | **287519.51** | **14753.38** | **316.7813136** | **715319.02** | **715319.02** |

The table below provides details regarding the contractual maturities of financial liabilities as at 31st March, 2019:

**Rs. in lakhs**

| Particulars | Less than 1 year | Between 1 to 5 years | More than 5 years | Total | Carrying amount |
|---|---|---|---|---|---|
| Short term borrowings | 296073.78 | - | - | 296073.78 | 296073.78 |
| Long term borrowings | 7789.63 | 30116.21 | - | 37905.84 | 37905.84 |
| Interest | 2136.28 | - | - | 2136.28 | 2136.28 |
| Borrowings (including interest) | 305999.69 | 30116.21 | - | 336115.90 | 336115.90 |
| Derivative liabilities | 3849.99 | - | - | 3849.99 | 3849.99 |
| Trade payables | 253470.19 | - | - | 253470.19 | 253470.19 |
| Other financial liabilities | 7146.55 | 514.83 | - | 7661.38 | 7661.38 |
| **Total** | **570466.42** | **30631.04** | **-** | **601097.46** | **601097.46** |

## Notes forming part of the consolidated financial statements

### 41. Segment Information

#### (i) Primary Segment Information

Rs. In lakhs

| | Leather and leather products | Metals | Minerals | Distribution | Agricultural commodities and products | Others | Total |
|---|---|---|---|---|---|---|---|
| **1. Segment Revenue** | | | | | | | |
| Sale of Products | 92101.25<br>107187.78 | 709795.39<br>838973.90 | 372424.90<br>456044.61 | 185174.98<br>154324.83 | 139892.61<br>147203.18 | 49713.86<br>31324.73 | 1549102.99<br>1735059.03 |
| **2. Segment Result** | | | | | | | |
| Segment Result before Interest and Taxes (From Continuing operations) | -1875.44<br>3961.00 | 7821.52<br>22461.64 | 478.07<br>5656.52 | 12522.18<br>19405.83 | 5915.03<br>(748.23) | 1984.21<br>(6155.71) | 26845.58<br>44581.05 |
| Segment Result before Interest and Taxes (From Discontinued operations) | -<br>- | -<br>- | -<br>- | (2018.51)<br>(10996.16) | -<br>- | (294.17)<br>521.35 | (2312.68)<br>(10474.81) |
| Less: Interest Expense | | | | | | | 29626.05<br>24579.15 |
| Add: Interest Income | | | | | | | 2615.89<br>3062.15 |
| Less: Unallocable Expenses Net of income | | | | | | | 6843.20<br>15081.73 |
| Add: Exceptional items | | | | | | | (33963.50)<br>1195.17 |
| Less: Tax expense | | | | | | | 8909.82<br>2306.11 |
| Profit/(Loss) for the year attributable to Owners of the Company and Non-Controlling Interest | | | | | | | (52193.78)<br>(3603.43) |
| **3. Other Information** | | | | | | | |
| Segment Assets | 62141.07<br>65247.38 | 163100.94<br>212364.87 | 101392.11<br>120442.97 | 179730.89<br>138412.35 | 42222.14<br>77462.32 | 25080.20<br>22625.61 | 573667.35<br>636555.50 |
| Unallocated Assets | | | | | | | 177798.88<br>133129.70 |
| **Total Assets** | | | | | | | 751466.23<br>769685.20 |
| Segment Liabilities | 78459.59<br>63862.54 | 135571.58<br>111040.42 | 112402.23<br>103973.86 | 119551.51<br>50906.99 | 25650.78<br>63377.77 | 28471.14<br>17516.10 | 500106.84<br>410677.67 |
| Unallocated Liabilities | | | | | | | 259087.17<br>217238.53 |
| **Total Liabilities** | | | | | | | 759194.01<br>627916.20 |
| **Equity and reserves** | | | | | | | (7727.78)<br>141769.00 |

(ii) As per Indian Accounting Standard 108 - operating segments, the company has reported segment information on consolidated basis including business conducted through its subsidiaries.

(iii) Depreciation, amortisation cost and capital expenditure cannot be allocated to respective segment as property, plant and equipment are interchangably used within segments and no specific allocation is done to segment for all the property, plants and equipments.

**Notes forming part of the consolidated financial statements**

**(iv) Secondary Segment Information** **Rs. in lakhs**

| Continent | Segment Revenue | | Asset | | Capital Expenditure | |
|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| India | 231589.47 | 222826.73 | 123270.85 | 175921.50 | 2273.95 | 1875.78 |
| Asia ( excluding India) | 904524.63 | 906906.52 | 181954.27 | 155961.76 | 2.23 | 60.00 |
| Africa | 225550.98 | 216564.73 | 224645.58 | 189017.63 | 1080.11 | 1202.82 |
| Europe | 32193.01 | 119229.50 | 10573.08 | 17422.85 | 217.08 | 380.58 |
| North America | 155244.90 | 269531.56 | 33223.56 | 98231.76 | - | - |
| **Total** | **1549102.99** | **1735059.04** | **573667.35** | **636555.50** | **3573.36** | **3519.17** |

**42 (a) Related Party Disclosures**

**Joint Ventures**

1 Tata International DLT Private Limited

2 Ferguson Place (Proprietary) Limited (formerly known as Newshelf 919 (Proprietary) Limited)

3 IHMS Hotels (SA) (Pty) Limited

4 Women in Transport

5 Consilience Technologies (Pty) Limited

6 Tata Precision Industries (India) Limited

7 Tata International GST AutoLeather Limited

8 T/A Tata International Cape Town

**Associates**

1 Tata Motors (SA) (Proprietary) Limited

2 Imbanita Consulting And Engineering Services (Pty) Ltd

3 Accordian Investments (Proprietary) Limited (sold w.e.f 18th July, 2019)

4 Tata Ceramics Limited (sold w.e.f 4th January, 2020)

**Other related parties where transactions have taken place during the year**

**(a) Fellow Subsidiaries**

1 Tata Autocomp Systems Limited

2 Infiniti Retail Limited

3 Taj Air Limited

4 Tata Communications Limited

5 Tata Capital Limited

6 Tata Consultancy Services Limited

7 Tata Teleservices Limited

8 Tata Teleservices (Maharashtra) Limited

9 Tata SIA Airlines Limited

**Notes forming part of the consolidated financial statements**

10 Tata AIG General Insurance Company Limited

11 Tata Investment Corporation Limited

12 Tata Capital Limited

13 Tata International AG, Zug

14 Tata Consulting Engineers Limited

15 Tata Asset Management Limited

16 Trent Hypermarket Limited

17 Ewart Investments Limited

**(b ) Subsidiaries of Associates**

1 Good Hope Palace Hotels (Pty) Limited

**(c ) Associates of Holding Company**

1 Tata Motors Limited

2 Tata Steel Limited

3 Voltas Limited

4 Titan Company Limited

5 Conneqt Business Solutions Limited

6 Trent Limited

7 The Indian Hotels Company Limited

8 The Tata Power Company Limited

9 Tata Chemicals Limited

10 Tata Elxsi Limited

11 Tata Consumer Products Limited

**(d) Joint Venture of Holding company**

1 Tata Industries Limited

**(e) Key Management Personnel**

1 Managing Director - Mr Noel Tata

2 Company Secretary & CFO - Mr Ajay M Ponkshe

3 Director - Ms Sandhya S Kudtarkar

4 Director - Mr Deepak I Premnarayan

5 Director - Mr Ramakrishnan Mukundan

6 Director - Mr Gopal K Pillai

7 Executive Director - Mr Anand Sen

## Notes forming part of the consolidated financial statements

### 42 (b) Related Party Transactions

| Transactions | Associates | | Associates of Holding Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Accordian Investments (Proprietary) Limited | | Tata Motors (SA) (Proprietary) Limited | | Imbanita Consulting and Engineering Services (Pty) Ltd | | Conneqt Business Solutions Limited | | Tata Chemicals Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | 6507.57 | - | - | - | - | 1.74 | 110.5 | 0.07 |
| Amount Receivable | - | 520.93 | 108.38 | 217.97 | 15.49 | - | - | - | - | - |
| Brand Equity Expense | - | - | - | - | - | - | - | - | - | - |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Insurance Claim received | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | 21.32 | 23.25 | 7.49 | - | - | - | - | - |
| Interest/ Dividend Expense | - | - | 0.62 | - | - | - | - | - | 60.00 | 60.00 |
| Long term Borrowings-unsecured | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | - | - | - | - | - | - | - | - | - | 0.07 |
| Other Income | - | - | - | - | - | - | - | - | - | - |
| Receiving of Services | - | - | - | - | - | - | 16.59 | 20.6 | - | - |
| Recovery of Expenses | - | 0.81 | 17.89 | 3.66 | 6.75 | - | - | 7.65 | - | - |
| Reimbursement of expenses | - | 739.47 | 43.33 | 5.82 | - | - | - | - | 0.36 | 5.40 |
| Rendering of Services | - | - | - | - | - | - | - | - | - | - |
| Rent paid | - | - | 127.32 | 124.96 | 2.16 | - | - | - | - | - |
| Rental Income | - | - | - | 32.97 | - | - | - | - | 1866.16 | - |
| Sale of goods | - | - | 17115.05 | 17074.01 | - | - | - | - | 182.57 | - |
| Purchase of goods | - | - | - | - | - | - | - | - | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |
| Accrued interest (Income) | - | - | 116.25 | - | - | - | - | - | - | - |
| Short term loan given | - | - | - | - | - | - | - | - | - | - |
| Sale of assets | - | - | - | - | 0.72 | - | - | - | - | - |

## Notes forming part of the consolidated financial statements

### 42 (b) Related Party Transactions

| Transaction | Associates of Holding Company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Tata Elxsi Limited | | Tata Motors Limited | | Tata Steel Limited | | The Indian Hotels Company Limited | | The Tata Power Company Limited | | Titan Company Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | 15595.93 | 21486.87 | 2984.95 | 4111.53 | 54.01 | 308.15 | 3.07 | 0.17 | 1.50 | - |
| Amount Receivable | 13.93 | - | 1808.57 | 2814.85 | 844.24 | 8422.93 | 2.62 | 1.25 | 7.87 | 84.16 | 3.58 | 3.58 |
| Brand Equity Expense | - | - | - | - | - | - | - | - | - | - | - | - |
| Claims Income | - | - | 272.9 | 153.83 | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | 0.52 | 1.16 | - | - |
| Insurance Claim received | - | - | - | 70.06 | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | 876.08 | 877.50 | - | - | 171.00 | 171.00 | - | - |
| Interest/ Dividend Expense | - | - | 149.64 | 86.69 | 35.77 | 35.77 | 10.00 | 10.00 | 30.01 | 30.00 | - | - |
| Long term Borrowings-unsecured | - | - | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | - | - | - | - | 2.54 | 73.09 | 234.45 | 346.68 | - | - | 0.74 | - |
| Other Income | - | - | - | - | 47.85 | - | 0.41 | 0.27 | - | - | - | - |
| Receiving of Services | - | - | 54.87 | 0.06 | 897.64 | - | 9.77 | 14.34 | 6.14 | 5.87 | 4.49 | - |
| Recovery of Expenses | 57.75 | - | 2053.26 | 1824.66 | - | - | - | - | 2.35 | 6.58 | - | 0.12 |
| Reimbursement of expenses | - | - | 8844 | 1874.43 | 784.92 | 817.01 | - | - | 5.43 | - | - | - |
| Rendering of Services | - | - | - | - | - | - | - | - | - | - | - | - |
| Rent paid | - | - | - | - | - | - | - | - | 18.46 | 18.34 | - | - |
| Rental Income | - | - | 163.33 | 32.42 | 32001.01 | 73614.89 | 7.94 | 10.15 | 6.51 | - | - | - |
| Sale of goods | - | - | 55278.80 | 80670.03 | 70362.73 | 83360.06 | - | - | - | - | 32.02 | 98.08 |
| Purchase of goods | - | - | - | - | - | - | - | - | - | - | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | 133.69 | - | - | - | 71.21 | - | - | - |
| Accrued interest (Income) | - | - | - | - | - | - | - | - | - | - | - | - |
| Short term loan given | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of assets | 12.93 | - | 386.04 | 1374.26 | - | 6.57 | - | - | 1.55 | 1.50 | - | - |

## Notes forming part of the consolidated financial statements

### 42 (b) Related Party Transactions

| Transactions | Associates of Holding Company | | | | Fellow Subsidiaries | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Trent Limited | | Voltas Limited | | Tata Consumer Products Limited | | Ewart Investments Limited | | Infiniti Retail Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | 2.67 | 65.65 | 4636.73 | 1984.84 | - | - | - | - | - | - |
| Amount Receivable | 457.67 | 451.62 | 702.61 | - | 10.84 | - | - | - | 28.46 | 12.82 |
| Brand Equity Expense | - | - | - | - | - | - | - | - | - | - |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | 274.95 | 1.65 | 1.65 | - | - | - | - | - | - |
| Insurance Claim received | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | 468.75 | 468.75 | 942.5 | 711.91 | - | - | 31.25 | 31.25 | - | - |
| Long term Borrowings-unsecured | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | - |
| Receiving of Services | 142.55 | 825.31 | 7501.44 | 7.70 | - | - | - | - | - | - |
| Recovery of Expenses | 325.14 | - | - | 96.10 | - | - | - | - | - | - |
| Reimbursement of expenses | - | - | 44.37 | - | - | - | - | - | - | - |
| Rendering of Services | - | - | 4.34 | 4.34 | - | - | - | - | - | - |
| Rent paid | - | - | - | - | - | - | - | - | - | - |
| Rental Income | 62.36 | 3.56 | 1227.37 | - | - | - | - | - | 54.90 | 56.98 |
| Sale of goods | - | 121.03 | 91.24 | 1.81 | - | - | - | - | - | 5.49 |
| Purchase of goods | - | 5000.00 | - | 10000.00 | - | - | - | - | - | - |
| Instruments entirely equity in nature | 0.22 | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |
| Accrued interest (Income) | - | - | - | - | - | - | - | - | - | - |
| Short term loan given | 45.63 | - | 1.25 | - | - | - | - | - | - | - |
| Sale of assets | - | 456.40 | - | - | - | - | - | - | - | - |

## Notes forming part of the consolidated financial statements

### 42 (b) Related Party Transactions

| Transactions | Fellow Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tata AIG General Insurance Company Limited | | Tata Asset Management Limited | | Tata Autocomp Systems Limited | | Tata Capital Limited | | Tata Communications Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | - | - | - | - | 17.45 | - | 157.41 | 44.19 |
| Amount Receivable | 9.33 | - | 6.22 | 0.48 | 1.98 | 6.44 | 1.21 | 10.28 | 196.98 | 102.44 |
| Brand Equity Expense | - | - | - | - | - | - | - | - | - | - |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | | | | | | | | | | |
| Insurance Claim received | | | | | | | | | | |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | - | - | - | - | - | - | - | 109.70 | - | - |
| Long term Borrowings-unsecured | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 442.05 | - | - | - | - | - | - | - | 15.32 | 17.91 |
| Other Income | - | - | - | - | - | - | - | 0.25 | - | - |
| Receiving of Services | 50.05 | - | - | - | - | - | 174.22 | 236.78 | 81.13 | 96.42 |
| Recovery of Expenses | - | - | 51.00 | 90.19 | - | - | - | - | 218.08 | 455.42 |
| Reimbursement of expenses | - | - | - | - | - | - | 27.68 | - | 151.57 | 140.69 |
| Rendering of Services | - | - | - | - | - | - | - | - | - | - |
| Rent paid | - | - | - | - | - | - | - | - | - | - |
| Rental Income | - | - | - | - | 3.05 | 6.13 | 14.91 | 94.20 | - | - |
| Sale of goods | - | - | - | - | - | - | - | - | - | - |
| Purchase of goods | - | - | - | - | - | - | - | - | - | - |
| Instruments entirely equity in nature | | | | | | | | | | |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |
| Accrued interest (Income) | - | - | - | - | - | - | - | - | - | - |
| Short term loan given | - | - | - | - | - | - | - | - | - | - |
| Sale of assets | - | - | 17.00 | - | - | - | 2.88 | 3.05 | 11.65 | 29.17 |

## Notes forming part of the consolidated financial statements

### 42 (b) Related Party Transactions

| Transactions | Fellow Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tata Consultancy Services Limited | | Tata Consulting Engineers Limited | | Tata Elxsi Limited | | Tata Industries Limited | | Tata Investment Corporation Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | 1978.50 | 533.05 | - | 233.92 | - | - | - | - | - | - |
| Amount Receivable | 7.69 | 6.60 | - | - | - | 26.91 | - | 171.04 | - | - |
| Brand Equity Expense | - | - | - | - | - | - | - | - | - | - |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Insurance Claim received | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | - | - | - | - | - | - | - | 21.40 | 186.00 | 186.00 |
| Long term Borrowings-unsecured | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | - | 92.37 | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | - |
| Receiving of Services | 7540.35 | 8351.86 | - | 89.09 | - | - | - | - | - | - |
| Recovery of Expenses | 69.29 | 78.08 | - | - | - | - | - | 223.30 | - | - |
| Reimbursement of expenses | 1342.38 | 173.91 | - | - | - | - | - | - | - | - |
| Rendering of Services | - | - | - | - | - | - | - | - | - | - |
| Rent paid | 167.46 | 161.68 | - | - | - | - | - | - | - | - |
| Rental Income | - | 7.71 | - | - | - | - | - | - | - | - |
| Sale of goods | - | 3607.54 | - | - | - | - | - | - | - | - |
| Purchase of goods | - | - | - | - | - | - | - | - | - | 2000.00 |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |
| Accrued interest (Income) | - | - | - | - | - | - | - | - | - | - |
| Short term loan given | - | - | - | - | - | - | - | - | - | - |
| Sale of assets | - | - | - | 3.52 | - | 201.89 | - | - | - | - |

## Notes forming part of the consolidated financial statements

### 42 (b) Related Party Transactions

| Transactions | Fellow Subsidiaries | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tata SIA Airlines Limited | | Tata Teleservices (Maharashtra) Limited | | Tata Teleservices Limited* | | Taj Air Limited | | Tata International AG, Zug | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | 0.21 | 0.39 | 3.33 | 0.65 | - | - | - | 4.45 |
| Amount Receivable | - | - | - | - | - | 1.70 | - | - | 1.47 | - |
| Brand Equity Expense | - | - | - | - | - | - | - | - | - | - |
| Claims Income | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - |
| Insurance Claim received | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | - | - | - | - | - | - | - | - |
| Interest/ Dividend Expense | - | - | - | - | - | - | - | - | - | - |
| Long term Borrowings-unsecured | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | - | - | - | - | - | - | - | - | - | 27.99 |
| Other Income | - | - | - | - | - | - | - | 0.01 | - | - |
| Receiving of Services | - | - | 12.12 | 18.93 | 8.32 | 5.20 | - | - | 11.40 | - |
| Recovery of Expenses | - | - | - | - | - | - | - | - | - | - |
| Reimbursement of expenses | - | - | - | - | - | 4.19 | - | - | - | - |
| Rendering of Services | - | - | - | - | - | - | - | - | - | - |
| Rent paid | - | - | - | - | - | 8.88 | - | - | - | - |
| Rental Income | 20.78 | 5.84 | - | - | - | - | - | 0.19 | - | - |
| Sale of goods | | | | | | | | | | |
| Purchase of goods | - | - | - | - | - | - | - | - | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - |
| Accrued interest (Income) | - | - | - | - | - | - | - | - | - | - |
| Short term loan given | - | - | - | - | - | - | - | - | - | - |
| Sale of assets | - | - | - | - | 5.47 | - | - | - | - | - |

## Notes forming part of the consolidated financial statements

### 42 (b) Related Party Transactions

| Transactions | Fellow Subsidiaries | | Holding Company | | Joint Venture of Holding Company | | | |
|---|---|---|---|---|---|---|---|---|
| | Trent Hypermarket Private Limited | | Tata Sons Private Limited | | Tata AIG General Insurance Company Limited | | Tata Industries Limited | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | - | - | 97.22 | 81.48 | - | - | - | - |
| Amount Receivable | 0.07 | - | 142.59 | 113.86 | - | 0.83 | 16.68 | - |
| Brand Equity Expense | - | - | 217.71 | 1427.44 | - | - | - | - |
| Claims Income | - | - | - | - | - | 0.08 | - | - |
| Deposit Given | - | - | - | - | - | - | - | - |
| Insurance Claim received | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | - | - | 147.70 | 118.16 | - | - | - | - |
| Interest/ Dividend Expense | - | - | 209.25 | 209.25 | - | - | 21.40 | - |
| Long term Borrowings-unsecured | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - |
| Other Expenses | - | - | - | - | - | 376.37 | - | - |
| Other Income | - | - | - | - | - | - | - | - |
| Receiving of Services | - | - | 18.58 | 6.14 | - | - | - | - |
| Recovery of Expenses | - | - | 320.00 | 203.81 | - | - | 115.06 | - |
| Reimbursement of expenses | - | - | - | 0.35 | - | - | - | - |
| Rendering of Services | - | - | - | - | - | - | - | - |
| Rent paid | - | - | - | - | - | - | - | - |
| Rental Income | 21.20 | - | - | - | - | - | - | - |
| Sale of goods | - | - | - | - | - | - | - | - |
| Purchase of goods | - | - | - | - | - | - | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - |
| Accrued interest (Income) | - | - | - | - | - | - | - | - |
| Short term loan given | - | - | - | - | - | - | - | - |
| Sale of assets | - | - | 39.78 | - | - | - | - | - |

## Notes forming part of the consolidated financial statements

### 42 (b) Related Party Transactions

Rs. in lakhs

| Transaction | Joint Ventures | | | | | | | | | | Key Management Personnel | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Ferguson Place (Proprietary) Limited | | IHMS Hotels (SA) (Pty) Limited | | Tata International DLT Private Limited | | Tata International GST AutoLeather Limited | | Consilience Technologies (Pty) Limited | | Key Management Personnel | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Amount Payable | 150.46 | - | - | - | - | - | - | - | - | - | - | - |
| Amount Receivable | 4277.3 | - | - | 613.57 | - | - | 142.46 | 208.34 | - | 47.68 | - | - |
| Brand Equity Expense | - | - | - | - | - | - | - | - | - | - | - | - |
| Claims Income | - | - | - | - | - | - | - | 8.51 | - | - | - | - |
| Deposit Given | - | - | - | - | - | - | - | - | - | - | - | - |
| Insurance Claim received | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest / Dividend Income | 151.5 | 86.99 | - | - | - | 448.35 | - | - | - | - | - | - |
| Interest/ Dividend Expense | 1.66 | 0.08 | - | - | - | - | - | - | - | - | - | - |
| Long term Borrowings-unsecured | - | - | - | - | - | - | - | - | - | - | - | - |
| Managerial Remuneration | - | - | - | - | - | - | - | - | - | - | 861.69 | 703.90 |
| Other Expenses | - | 75.35 | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | - | - | - |
| Receiving of Services | - | - | - | - | - | - | - | - | - | - | - | - |
| Recovery of Expenses | - | - | - | - | 11.41 | 51.77 | 12.87 | 12.65 | - | - | - | - |
| Reimbursement of expenses | 79.38 | 21.71 | - | - | - | - | 0.98 | - | - | - | - | - |
| Rendering of Services | 383.15 | 372.43 | - | - | - | - | - | - | - | - | - | - |
| Rent paid | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental Income | - | - | - | - | - | - | 991.85 | 1207.05 | - | - | - | - |
| Sale of goods | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of goods | - | - | - | - | - | - | - | - | - | - | - | - |
| Instruments entirely equity in nature | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Asset | - | - | - | - | - | - | 0.82 | - | - | - | - | - |
| Claims Expense | - | - | - | - | - | - | - | - | - | - | - | - |
| Accrued interest (Income) | - | - | 936.61 | - | - | - | - | - | 42.34 | - | - | - |
| Short term loan given | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of assets | - | - | - | - | - | - | - | - | - | - | - | - |

**Notes forming part of the consolidated financial statements**

**42 (c) Related Party Transactions**

**Note:** **Rs. in lakhs**

| Particulars | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Managerial remuneration | 840.19 | 682.90 |
| Post-employment benefit (Gratuity and medical benefits) | 21.50 | 21.00 |
| **Total** | **861.69** | **703.90** |

The sitting fees paid to non executive directors is Rs. 30.80 lakhs (31st March, 2019 Rs. 29.10 lakhs)

As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Group as a whole, the amounts pertaining to the directors are not separately identifiable and hence not included in the said disclosure.

**Notes forming part of the consolidated financial statements**

(Rs. in lakhs)

| Transaction | Year | Associates | Associates of Holding Company | Fellow Subsidiaries | Holding Company | Joint Venture of Holding Company | Joint Ventures | Key Management Personnel |
|---|---|---|---|---|---|---|---|---|
| Amount Payable | 2018-19 | - | 27959.02 | 816.65 | 81.48 | - | - | - |
| | 2019-20 | 6507.57 | 23389.36 | 2156.90 | 97.22 | - | 150.46 | - |
| Amount Receivable | 2018-19 | 738.9 | 11778.39 | 338.71 | 113.86 | 0.83 | 869.59 | - |
| | 2019-20 | 123.87 | 3851.93 | 253.41 | 142.59 | 16.68 | 4419.76 | - |
| Brand Equity Expense | 2018-19 | - | - | - | 1427.44 | - | - | - |
| | 2019-20 | - | - | - | 217.71 | - | - | - |
| Claims Income | 2018-19 | - | 153.83 | - | - | 0.08 | 8.51 | - |
| | 2019-20 | - | 272.9 | - | - | - | - | - |
| Deposit Given | 2018-19 | - | 277.76 | - | - | - | - | - |
| | 2019-20 | - | 2.17 | - | - | - | - | - |
| Insurance Claim received | 2018-19 | - | 70.06 | - | - | - | - | - |
| Interest / Dividend Income | 2018-19 | 23.25 | 1048.5 | - | 118.16 | - | 535.34 | - |
| | 2019-20 | 28.81 | 1047.08 | - | 147.7 | - | 151.5 | - |
| Interest/ Dividend Expense | 2018-19 | - | 1403.12 | 348.35 | 209.25 | - | 0.08 | - |
| | 2019-20 | 0.62 | 1696.67 | 217.25 | 209.25 | 21.40 | 1.66 | - |
| Long term Borrowings-unsecured | 2018-19 | - | - | - | - | - | - | - |
| Managerial Remuneration | 2018-19 | - | - | - | - | - | - | 703.90 |
| | 2019-20 | - | - | - | - | - | - | 861.69 |
| Other Expenses | 2018-19 | - | 419.84 | 138.27 | - | 376.37 | 75.35 | - |
| | 2019-20 | - | 237.73 | 457.37 | - | - | - | - |
| Other Income | 2018-19 | - | 0.27 | 0.26 | - | - | - | - |
| | 2019-20 | - | 48.26 | - | - | - | - | - |
| Receiving of Services | 2018-19 | - | 873.88 | 8798.28 | 6.14 | - | - | - |
| | 2019-20 | - | 8633.49 | 7877.59 | 18.58 | - | - | - |
| Recovery of Expenses | 2018-19 | 4.47 | 1935.11 | 846.99 | 203.81 | - | 64.42 | - |
| | 2019-20 | 24.64 | 2438.5 | 338.37 | 320 | 115.06 | 24.28 | - |
| Reimbursement of expenses | 2018-19 | 745.29 | 2696.84 | 318.79 | 0.35 | - | 21.71 | - |
| | 2019-20 | 43.33 | 9679.08 | 1521.63 | - | - | 80.36 | - |
| Rendering of Services | 2018-19 | - | 1838.73 | 237.63 | - | - | - | - |
| | 2019-20 | 0.72 | 400.52 | 37 | 39.78 | - | - | - |
| Rent paid | 2018-19 | - | 4.34 | - | - | - | 372.43 | - |
| | 2019-20 | - | 4.34 | - | - | - | 383.15 | - |
| Rental Income | 2018-19 | 124.96 | 18.34 | 170.56 | - | - | - | - |
| | 2019-20 | 129.48 | 18.46 | 167.46 | - | - | - | - |
| Sale of goods | 2018-19 | 32.97 | 73661.02 | 171.05 | - | - | 1207.05 | - |
| | 2019-20 | - | 35334.68 | 114.84 | - | - | 991.85 | - |
| Purchase of goods | 2018-19 | 17074.01 | 164251.01 | 3613.03 | - | - | - | - |
| | 2019-20 | 17115.05 | 125947.36 | - | - | - | - | - |
| Instruments entirely equity in nature | 2018-19 | - | 15000.00 | 2000.00 | - | - | - | - |
| Purchase of Asset | 2019-20 | - | 0.22 | - | - | - | - | - |
| Claims Expense | 2019-20 | - | - | - | - | - | 0.82 | - |
| Accrued interest (Income) | 2019-20 | - | 204.9 | - | - | - | - | - |
| Short term loan given | 2019-20 | 116.25 | - | - | - | - | 978.95 | - |
| Sale of assets | 2019-20 | - | 46.88 | - | - | - | - | - |

**Notes forming part of the consolidated financial statements**

**43 Subsidiaries**

Details of Group's subsidiaries at the end of the reporting period are as follows:

| Sr. No. | Name of the Subsidiary Company | Principal Activity | Place of incorporation and operation | Proportion of Ownership Interest and voting power held by the Group | |
|---|---|---|---|---|---|
| | | | | As at 31/03/2020 | As at 31/03/2019 |
| | **Foreign Subsidiaries** | | | | |
| 1 | Tata Africa Holdings (SA) (Pty) Limited (TAHPL) (a 100% subsidiary of TISPL) | Holding Company for investments in Africa and also involved in distribution business. | South Africa | 100% | 100% |
| 2 | Tata South-East Asia Limited (TSEA) (a 100% subsidiary of TISPL) | Trading in Leather and Leather Products, Metals, Minerals and distribution of auto / non auto products. | Hong Kong | 100% | 100% |
| 3 | Tata South East Asia (Cambodia) Limited (A 100% subsidiary of TSEA) | Distribution of auto and non auto products | Cambodia | 100% | 100% |
| 4 | Tata West Asia FZE (TWA) (a 100% subsidiary of TIL) | Trading in metals | UAE | 100% | 100% |
| 5 | Tata Africa Holdings (Ghana) Limited (TAHGL) (93.70% shares held by TISPL and 6.30% shares held by TAHPL) | Distribution of auto and non auto products | Ghana | 100% | 100% |
| 6 | Alliance Motors Ghana Limited (a 1.71 % subsidiary of TAHGL & 98.29 of TISPL) | Distribution of auto and non auto products | Ghana | 100% | 100% |
| 7 | Tata Africa Holdings (Kenya) Limited (TAHKL) (58.15 % shares held by TISPL and 41.85 % shares held by TAHPL) | Distribution of auto and non auto products | Kenya | 100% | 100% |
| 8 | Tata Africa Holdings (Tanzania) Limited (TAHTL) (a 100% subsidiary of TAHPL) | Distribution of auto and non auto products | Tanzania | 100% | 100% |
| 9 | Tata Africa Services (Nigeria) Limited (TASNL) (88.94 % shares held by TISPL and 11.06 % shares held by TAHPL) | Distribution of auto and non auto products | Nigeria | 100% | 100% |
| 10 | TAH Pharmaceuticals Ltd (98.75% shares held by TISPL and 1.25% shares held by TASNL) (ceased w.e.f 11 March 2019) | Sale and distribution of pharmaceutical products | Nigeria | - | - |
| 11 | Tata Africa Steel Processors (Proprietary) Limited (TASPL) (a 100% subsidiary of TAHPL) | Trading in metals | South Africa | 100% | 100% |
| 12 | Tata Automobile Corporation (SA) (Proprietary) Limited (TACPL) (a 100% subsidiary of TAHPL) | Distribution of auto products | South Africa | 100% | 100% |
| 13 | Tata Holdings Mocambique, Limitada (THML)(a 100% subsidiary of TAHPL) | Holding Company for the Mocambique operations | Mocambique | 100% | 100% |
| 14 | Tata Uganda Limited (TUL) (a 100% subsidiary of TAHPL) | Distribution of auto and non auto products | Uganda | 100% | 100% |
| 15 | Tata Zambia Limited (TZL) (54.79 % shares held by TISPL and 45.21% shares held by TAHPL) | Distribution of auto and non auto products | Zambia | 100% | 100% |
| 16 | Tata Zimbabwe (Private) Limited (TZPL) (a 100% subsidiary of TAHPL) | Dormant | Zimbabwe | 100% | 100% |
| 17 | Tata International Unitech (Senegal) SARL (57% shares held by TISPL and 13% shares held by TAHPL) | Distribution of auto and non auto products | Senegal | 70% | 70% |

**Notes forming part of the consolidated financial statements**

| Sr. No. | Name of the Subsidiary Company | Principal Activity | Place of incorporation and operation | Proportion of Ownership Interest and voting power held by the Group | |
|---|---|---|---|---|---|
| | | | | As at 31/03/2020 | As at 31/03/2019 |
| | **Foreign Subsidiaries** | | | | |
| 18 | Blackwood Hodge Zimbabwe (Private) Limited (BHZPL) (a 100% subsidiary of TAHPL) | Distribution of auto and non auto products | Zimbabwe | 100% | 100% |
| 19 | Tata Africa (Cote D'Ivorie) SARL (79.50% shares held by TISPL and 20.50% shares held by TAHPL) | Distribution of auto and non auto products | Ivory Coast | 100% | 100% |
| 20 | Tata De Mocambique, Limitada (TDML) (a 65% subsidiary of THML) | Distribution of auto and non auto products | Mocambique | 65% | 65% |
| 21 | Cometal S.A.R.L (CSARL) (a 71% subsidiary of THML) (sold w.e.f 18th March, 2020) | Distribution of non auto products | Mocambique | - | 71% |
| 22 | Pamodzi Hotels Plc (PHP) (90% shares held by TISPL) | Hospitality business | Zambia | 90% | 90% |
| 23 | TIL Leather (Mauritius) Limited (TLML) (99.99 % of TISPL, 0.01% of TIL) | Holding company for outbound investments | Mauritius | 100% | 100% |
| 24 | Move On Componentes E Calcado S A (MOVE ON) (a 100% subsidiary of TLML) | Manufacture and sale of footwear | Portugal | 100% | 100% |
| 25 | Monroa Portugal, Comercio E Servicos, Unipessoal LDA (MONROA) (a 100% subsidiary of TLML) | Footwear retail | Portugal | 100% | 100% |
| 26 | Move On Retail Spain S L (a 100% subsidiary of MONROA) | Footwear retail | Spain | 100% | 100% |
| 27 | Tata International Singapore Pte Ltd (TISPL) (a 100% subsidiary of TIL) | Trading in minerals and agriculture products and holding company for all future outbound investments | Singapore | 100% | 100% |
| 28 | Tata International Metals ( Americas) Limited (TIMACL) (a 100% subsidiary of TISPL) | Trading in metals | United States of America | 100% | 100% |
| 29 | Tata International Metals (Asia) Limited (TIMAL) (a 100% subsidiary of TISPL) | Trading in metals | Hongkong | 100% | 100% |
| 30 | Tata International Metals ( UK) Limited (a 100% subsidiary of TISPL) | Trading in metals | United Kingdom | 100% | 100% |
| 31 | Tata International West Asia DMCC (a 100% subsidiary of TISPL) | Trading in metals | United Arab Emirates | 100% | 100% |
| 32 | Motor Hub East Africa Limited (a 100% subsidiary of TISPL) | Distribution of auto and non auto products | Tanzania | 100% | 100% |
| 33 | Tata International Vietnam Company Limited (a 100% subsidiary of TISPL) | Trading in metals | Vietnam | 100% | 100% |
| 34 | Tata International Canada Limited (a 100% subsidiary of TISPL) | Trading in agriculture products | Canada | 100% | 100% |
| 35 | Newshelf 1369 Pty Ltd (a 100% subsidiary of TACPL) | Distribution of auto products | South Africa | 100% | 100% |
| 36 | Alliance Finance Corporation Limited (100% TISPL) | Providing finance to individuals and entities for the purpose of buying motor vehicles and other equipments | Tanzania | 100% | 100% |

## Notes forming part of the consolidated financial statements

| Sr. No. | Name of the Subsidiary Company | Principal Activity | Place of incorporation and operation | Proportion of Ownership Interest and voting power held by the Group | |
|---|---|---|---|---|---|
| | | | | As at 31/03/2020 | As at 31/03/2019 |
| | **Foreign Subsidiaries** | | | | |
| 37 | Tata International Metals (South Africa) (Pty) Ltd (100% of TAHL) | Trading in metals | South Africa | 100% | 100% |
| 38 | Tata International Metals (Guangzhou) Limited (100% TIMAL w.e.f 17th May, 2019) | Trading in metals | China | 100% | - |
| 39 | AFCL Ghana Limited (100% TISPL) (100% TISPL w.e.f 12th March, 2019) | Providing finance to individuals and entities for the purpose of buying motor vehicles and other equipments | Ghana | 100% | 100% |
| 40 | AFCL Zambia Limited (100% TISPL w.e.f 26th April, 2019) | Providing finance to individuals and entities for the purpose of buying motor vehicles and other equipments | Zambia | 100% | - |
| 41 | Alliance Leasing Limited (100% TISPL w.e.f 17th April, 2019) | Providing finance to individuals and entities for the purpose of buying motor vehicles and other equipments | Kenya | 100% | - |
| 42 | AFCL Premium Services Limited (100% TISPL w.e.f 27th May, 2019) | Providing finance to individuals and entities for the purpose of buying motor vehicles and other equipments | Nigeria | 100% | - |
| 43 | AFCL RSA (Pty) Limited (100% TISPL w.e.f 14th October, 2019) | Providing finance to individuals and entities for the purpose of buying motor vehicles and other equipments | South Africa | 100% | - |
| 44 | TISPL Trading Company Limited (100% TISPL w.e.f 17th November, 2019) | Trading in agriculture products | Myanmar | 100% | - |
| 45 | Société Financière Décentralisé Alliance Finance Corporation Senegal (100% TISPL w.e.f 17th March, 2020) | Providing finance to individuals and entities for the purpose of buying motor vehicles and other equipments | Senegal | 100% | - |
| | **Indian Subsidiaries** | | | | |
| 1 | Euro Shoes Components Limited (ESCPL) (merged with Calsea Footwear Private Limited w.e.f 15th November, 2019) (100% subsidiary of TIL 31st March, 2019) | Manufacture and sale of footwear components | India | - | 100% |
| 2 | Calsea Footwear Private Limited (a 100% subsidiary of Tata International Limited) | Manufacture and sale of footwear | India | 100% | 100% |
| 3 | Stryder Cycle Private Limited (w.e.f 20th April, 2019) (100% TIL) | Manufacturing and Trading of Bicycle and Bicycle parts | India | 100% | |

## Notes forming part of the consolidated financial statements

### 44 Statement of Net Assets and Profit or Loss attributable to Owners and Minority Interest

| | Name of the Company | 2019-20 | | 2018-19 | | 2019-20 | | 2018-19 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Net Assets, i.e. total assets minus total liabilities | | Net Assets, i.e. total assets minus total liabilities | | Share in profit or loss | | Share in profit or loss | |
| | | As % of consolidated net assets | Rs. in lakhs | As % of consolidated net assets | Rs. in lakhs | As % of consolidated profit or loss | Rs. in lakhs | As % of consolidated profit or loss | Rs. in lakhs |
| | **Parent** | | | | | | | | |
| 1 | Tata International Limited | -1496% | 137002.71 | 142% | 198820.61 | 17% | (8795.09) | -75% | 7967.79 |
| | **Indian** | | | | | | | | |
| 1 | Calsea Footwear Private Limited | -23% | 2093.69 | 1% | 1610.95 | - | 117.15 | 2% | (210.63) |
| 2 | Euro Shoe Components Limited | - | - | 2% | 2906.84 | - | - | -6% | 663.45 |
| 3 | Stryder Cycle Private Limited | -6% | 573.82 | - | - | - | 104.88 | - | - |
| | **Foreign** | | | | | | | | |
| 1 | Tata Africa Holdings (SA) (Proprietary) Limited | -59% | 5444.54 | 6% | 8870.23 | 4% | (2245.27) | 37% | (3941.86) |
| 2 | Pamodzi Hotels Plc | -13% | 1208.32 | 1% | 1988.50 | - | (228.94) | -1% | 156.05 |
| 3 | Tata Zambia Limited | -45% | 4144.93 | 4% | 6227.00 | 2% | (1047.37) | 9% | (1006.47) |
| 4 | Tata Africa Holdings (Ghana) Limited | -17% | 1526.81 | 1% | 1640.17 | - | (250.82) | 4% | (473.34) |
| 5 | Alliance Motors Ghana Limited | -17%% | 1585.00 | 1% | 1544.77 | - | (98.59) | -2% | 211.48 |
| 6 | Tata Automobile Corporation (SA) (Proprietary) Limited | -84% | 7678.22 | 6% | 8554.70 | -1% | 403.97 | -9% | 984.54 |
| 7 | Tata Holdings Mocambique Limitada | -17% | 1528.38 | - | 655.63 | -3% | 1730.67 | -1% | 53.66 |
| 8 | Tata De Mocambique, Limitada | -55% | 5081.30 | 3% | 3982.08 | -2% | 1227.78 | -38% | 4053.53 |
| 9 | Cometal, S.A.R.L. | - | - | - | (332.30) | - | - | 4% | (402.43) |
| 10 | Tata Uganda Limited | -85% | 7791.76 | 4% | 6143.32 | -3% | 1346.88 | -6% | 617.09 |
| 11 | Tata Africa Holdings (Tanzania) Limited | -52% | 4788.48 | 3% | 3785.04 | -1% | 620.35 | 10% | (1112.09) |
| 12 | Tata Africa Services (Nigeria) Limited | -120% | 10956.86 | 5% | 7332.99 | -5% | 2721.28 | 15% | (1630.75) |
| 13 | TAH Pharmaceuticals Limited | - | - | -1% | -1394.27 | - | - | 10% | (1051.19) |
| 14 | TATA Africa Holdings (Kenya) Limited | -34% | 3124.84 | 3% | 4659.14 | 3% | (1611.44) | 38% | (4076.23) |
| 15 | Blackwood Hodge Zimbabwe (Private) Limited | -2% | 186.63 | 1% | 1523.80 | 0% | (87.61) | -1% | 97.17 |
| 16 | Tata Africa Steel Processors (Proprietary) Limited | - | (20.45) | - | -660.60 | -1% | 643.90 | 6% | (644.87) |
| 17 | Tata International Unitech (Senegal) SARL | -33% | 2981.19 | 2% | 2978.61 | - | (196.26) | -8% | 826.52 |
| 18 | Newshelf 1369 Pty Ltd | -6% | 547.61 | - | 377.08 | - | 25.29 | - | 14.99 |
| 19 | Tata Africa Cote D'Ivorie SARL | -28% | 2571.65 | 1% | 737.89 | 1% | (306.04) | -2% | 175.67 |
| 20 | Tata Zimbabwe (Private) Limited | - | - | - | - | - | - | - | - |
| 21 | Tata International Singapore Pte Limited | 595% | (54436.44) | 18% | 25673.90 | 124% | (64664.57) | 102% | (10917.04) |
| 22 | Tata International Metals (Americas) Limited | -266% | 24331.41 | 16% | 22657.47 | 1% | (665.50) | -12% | 1244.12 |
| 23 | Tata International Metals (UK) Limited | -105% | 9592.408 | 6% | 8573.72 | - | 206.84 | -4% | 471.18 |
| 24 | Tata International Vietnam Company Limited | 9% | (810.23) | - | (506.62) | - | (251.63) | 2% | (233.96) |
| 25 | Tata International Canada Limited | - | (3.28) | - | - | - | (3.81) | - | - |
| 26 | Tata International West Asia DMCC | -47% | 4342.77 | 2% | 2965.29 | -3% | 1736.22 | -9% | 968.81 |
| 27 | Tata International Metals (Asia) Limited | -117% | 10724.29 | - | 10288.04 | 1% | (499.51) | 14% | (1511.94) |
| 28 | Tata West Asia FZE | -11% | 1035.30 | 1% | 955.57 | - | (9.84) | - | (13.10) |
| 29 | TIL Leather Mauritius Limited | 13% | (1164.00) | 13% | 17675.75 | 38% | (19797.06) | 1% | (110.86) |

## Notes forming part of the consolidated financial statements

| | Name of the Company | 2019-20 | | 2018-19 | | 2019-20 | | 2018-19 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Net Assets, i.e. total assets minus total liabilities | | Net Assets, i.e. total assets minus total liabilities | | Share in profit or loss | | Share in profit or loss | |
| | | As % of consolidated net assets | Rs. in lakhs | As % of consolidated net assets | Rs. in lakhs | As % of consolidated profit or loss | Rs. in lakhs | As % of consolidated profit or loss | Rs. in lakhs |
| 30 | Move On Componentes E calcado, S.A. | -9% | 846.10 | 1% | 971.61 | 2% | (956.74) | 25% | (2623.55) |
| 31 | Monroa Portugal, Comercio E Servicos, Unipessoal LDA | -31% | 2843.75 | 2% | 2677.22 | - | (9.07) | 2% | (166.28) |
| 32 | Move On Retail Spain, S.L. | - | 5.12 | - | 11.26 | - | (6.54) | - | (3.99) |
| 33 | Tata South-East Asia Limited | -8% | 742.57 | 1% | 816.11 | - | (93.56) | 3% | (354.91) |
| 34 | Tata South East Asia (Cambodia) Limited | 7% | (599.47) | - | (582.81) | - | (2.37) | 1% | (151.31) |
| 35 | Motor - Hub East Africa Limited | -27% | 2457.92 | 2% | 2425.72 | - | (183.82) | -1% | 152.93 |
| 36 | Alliance Finance Corporation Limited | -44% | 4062.65 | 2% | 3159.17 | -1% | 585.22 | -5% | 493.71 |
| 37 | Tata International Metal (South Africa) (Pty) Ltd. | - | 21.31 | - | (470.28) | -1% | 497.35 | 12% | (1264.47) |
| 38 | Alliance Leasing Limited | -16% | 1466.03 | - | - | - | (7.23) | - | - |
| 39 | AFCL Zambia Limited | -25% | 2332.75 | - | - | -1% | 353.51 | - | - |
| 40 | AFCL Premium Services Limited | -16% | 1481.91 | - | - | - | (9.63) | - | - |
| 41 | AFCL Ghana Limited | -32% | 2893.13 | - | - | - | 27.92 | - | - |
| 42 | Société Financière Décentralisé Alliance Finance Corporation Senegal | -2% | 210.67 | - | - | - | - | - | - |
| 43 | Tata International Metals (Guangzhou) Limited | - | - | - | - | - | - | - | - |
| 44 | AFCL RSA (Pty) Limited | - | - | - | - | - | - | - | - |
| 45 | TISPL Trading Company Limited | - | - | - | - | - | - | - | - |
| | Minority Interests in all subsidiaries | -16% | 1428.37 | 1% | 1430.76 | - | 46.25 | -15% | 1565.59 |
| | **Associates** | | | | | | | | |
| 1 | Tata Motors (SA) (Pty) Limited (Foreign) | - | - | - | - | - | 80.82 | - | 62.99 |
| 2 | Accordian Investments (Propreitary) Limited | - | - | - | - | - | - | - | - |
| 3 | Imbanita Consulting And Engineering Services (Pty) Ltd | - | - | - | - | - | 2.07 | - | - |
| 4 | Tata Ceramics Limited | - | - | - | - | - | - | - | - |
| | **Joint Ventures** | | | | | | | | |
| 1 | Tata International DLT Private Limited | - | - | - | - | - | 24.25 | -13% | 1411.27 |
| 2 | Tata Precision Industries (India) Limited | - | - | - | - | - | 10.73 | -1% | 56.46 |
| 3 | Tata International GST AutoLeather Limited | - | - | - | - | - | (1.77) | - | 18.46 |
| 4 | Ferguson Place (Proprietary) Limited | - | - | - | - | - | 218.64 | 1% | (131.09) |
| 5 | Consilience Technologies (Pty) Limited (Foreign) | - | - | - | - | - | - | - | - |
| 6 | IHMS Hotels (SA) (Pty) Limited (Foreign) | - | - | - | - | -1% | 321.10 | -1% | 130.00 |
| 7 | Women in Transport | - | - | - | - | - | 25.38 | - | - |
| 8 | T/A Tata International Cape Town | - | - | - | - | - | (12.19) | - | - |
| | Adjustments arising out of consolidation | 24.44% | (223757.45) | -157% | (220335.84) | -70% | 36723.80 | 10% | (1055.45) |
| | **TOTAL** | **100%** | **(9156.15)** | **100%** | **140338.24** | **100%** | **(52240.03)** | **100%** | **(10690.37)** |

## Notes forming part of the consolidated financial statements

### 44 Statement of Net Assets and Profit or Loss attributable to Owners and Minority Interest

| | Name of the Company | 2019-20 | | 2018-19 | | 2019-20 | | 2018-19 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Share in Other Comprehensive Income | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | | Share in Total Comprehensive Income | |
| | | As % of consolidated net assets | Rs. in lakhs | As % of consolidated net assets | Rs. in lakhs | As % of consolidated profit or loss | Rs. in lakhs | As % of consolidated profit or loss | Rs. in lakhs |
| | **Parent** | | | | | | | | |
| 1 | Tata International Limited | 1% | (150.91) | 2% | (141.89) | 12% | (8946.00) | -69 | 7825.90 |
| | **Indian** | | | | | | | | |
| 1 | Calsea Footwear Private Limited | - | (10.95) | - | (21.94) | - | 106.20 | 2% | (232.56) |
| 2 | Euro Shoe Components Limited | - | | - | 2.36 | - | | -6% | 665.81 |
| 3 | Stryder Cycle Private Limited | - | (0.24) | | - | - | 104.63 | | - |
| | **Foreign** | | | | | | | | |
| 1 | Tata Africa Holdings (SA) (Proprietary) Limited | - | - | - | - | 3% | (2245.27) | 35% | (3941.86) |
| 2 | Pamodzi Hotels Plc | - | - | - | - | - | (228.94) | -1% | 156.05 |
| 3 | Tata Zambia Limited | - | - | - | - | 1% | (1047.37) | 9% | (1006.47) |
| 4 | Tata Africa Holdings (Ghana) Limited | - | - | - | - | - | (250.82) | 4% | (473.34) |
| 5 | Alliance Motors Ghana Limited | - | - | - | - | - | (98.59) | -2% | 211.48 |
| 6 | Tata Automobile Corporation (SA) (Proprietary) Limited | - | - | - | - | -1% | 403.97 | -9% | 984.5366 |
| 7 | Tata Holdings Mocambique Limitada | 5% | (878.81) | - | - | -1% | 851.86 | - | 53.66 |
| 8 | Tata De Mocambique, Limitada | - | - | - | - | -2% | 1227.78 | -36% | 4053.53 |
| 9 | Cometal, S.A.R.L. | - | - | - | - | - | - | 4% | (402.43) |
| 10 | Tata Uganda Limited | - | - | - | - | -2% | 1346.88 | -5% | 617.09 |
| 11 | Tata Africa Holdings (Tanzania) Limited | - | - | - | - | -1% | 620.35 | 10% | (1112.09) |
| 12 | Tata Africa Services (Nigeria) Limited | - | - | - | - | -1% | 2721.28 | 14% | (1630.75) |
| 13 | TAH Pharmaceuticals Limited | - | - | - | - | - | - | 9% | (1051.19) |
| 14 | TATA Africa Holdings (Kenya) Limited | - | - | - | - | 2% | (1611.44) | 36% | (4076.23) |
| 15 | Blackwood Hodge Zimbabwe (Private) Limited | - | - | - | - | - | (87.61) | -1% | 97.17 |
| 16 | Tata Africa Steel Processors (Proprietary) Limited | - | - | - | - | -1% | 643.90 | 6% | (644.87) |
| 17 | Tata International Unitech (Senegal) SARL | - | - | - | - | - | (196.26) | -7% | 826.52 |
| 18 | Newshelf 1369 Pty Ltd | - | - | - | - | - | 25.29 | - | 14.99 |
| 19 | Tata Africa Cote D'Ivorie SARL | - | - | - | - | - | (306.04) | -2% | 175.67 |
| 20 | Tata Zimbabwe (Private) Limited | - | - | - | - | - | - | - | - |
| 21 | Tata International Singapore Pte Limited | - | - | - | - | 92% | (64664.57) | 96% | (10917.04) |
| 22 | Tata International Metals (Americas) Limited | - | - | - | - | 1% | (665.50) | -11% | 1244.12 |
| 23 | Tata International Metals (UK) Limited | - | - | - | - | - | 206.84 | -4% | 471.18 |
| 24 | Tata International Vietnam Company Limited | - | - | - | - | - | (251.63) | 2% | (233.96) |
| 25 | Tata International Canada Limited | - | - | - | - | - | (3.81) | - | - |
| 26 | Tata International West Asia DMCC | - | - | - | - | -2% | 1736.22 | -9% | 968.81 |
| 27 | Tata International Metals (Asia) Limited | - | - | - | - | 1% | (499.51) | 13% | (1511.94) |
| 28 | Tata West Asia FZE | - | - | - | - | - | (9.84) | - | (13.10) |
| 29 | TIL Leather Mauritius Limited | - | - | - | - | 28% | (19797.06) | 1% | (110.86) |

## Notes forming part of the consolidated financial statements

| | Name of the Company | 2019-20 | | 2018-19 | | 2019-20 | | 2018-19 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Share in Other Comprehensive Income | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | | Share in Total Comprehensive Income | |
| | | As % of consolidated net assets | Rs. in lakhs | As % of consolidated net assets | Rs. in lakhs | As % of consolidated profit or loss | Rs. in lakhs | As % of consolidated profit or loss | Rs. in lakhs |
| 30 | Move On Componentes E calcado, S.A. | - | - | - | - | 1% | (956.74) | 23% | (2623.55) |
| 31 | Monroa Portugal, Comercio E Servicos, Unipessoal LDA | - | - | - | - | - | (9.07) | 1% | (166.28) |
| 32 | Move On Retail Spain, S.L. | - | - | - | - | - | (6.54) | - | (3.99) |
| 33 | Tata South-East Asia Limited | - | - | - | - | - | (93.56) | 3% | (354.91) |
| 34 | Tata South East Asia (Cambodia) Limited | - | - | - | - | - | (2.37) | 1% | (151.31) |
| 35 | Motor - Hub East Africa Limited | - | - | - | - | - | (183.82) | -1% | 152.93 |
| 36 | Alliance Finance Corporation Limited | - | - | - | - | -1% | 585.22 | -1% | 493.71 |
| 37 | Tata International Metal (South Africa) (Pty) Ltd. | - | - | - | - | -1% | 497.35 | 11% | (1264.47) |
| 38 | Alliance Leasing Limited | - | - | - | - | - | (7.23) | - | - |
| 39 | AFCL Zambia Limited | - | - | - | - | -1% | 353.51 | - | - |
| 40 | AFCL Premium Services Limited | - | - | - | - | - | (9.63) | - | - |
| 41 | AFCL Ghana Limited | - | - | - | - | - | 27.92 | - | - |
| 42 | Société Financière Décentralisé Alliance Finance Corporation Senegal | - | - | - | - | - | - | - | - |
| 43 | Tata International Metals (Guangzhou) Limited | - | - | - | - | - | - | - | - |
| 44 | AFCL RSA (Pty) Limited | - | - | - | - | - | - | - | - |
| 45 | TISPL Trading Company Limited | - | - | - | - | - | - | - | - |
| | **Minority Interests in all subsidiaries** | **-** | | **-** | | **-** | **46.25** | **-14%** | **1565.59** |
| | **Associates** | | | | | | | | |
| 1 | Tata Motors (SA) (Pty) Limited (Foreign) | - | - | - | - | - | 80.82 | -1% | 62.99 |
| 2 | Accordian Investments (Propreitary) Limited | - | - | - | - | - | - | - | - |
| 3 | Imbanita Consulting And Engineering Services (Pty) Ltd | - | - | - | - | - | 2.07 | - | - |
| 4 | Tata Ceramics Limited | - | - | - | - | - | - | - | - |
| | **Joint Ventures** | | | | | | | | |
| 1 | Tata International DLT Private Limited | - | - | - | (2.00) | - | 24.25 | -12% | 1409.27 |
| 2 | Tata Precision Industries (India) Limited | - | - | - | (6.00) | - | 10.73 | - | 50.46 |
| 3 | Tata International GST AutoLeather Limited | - | - | - | - | - | (1.77) | - | 18.46 |
| 4 | Ferguson Place (Proprietary) Limited | - | - | - | - | - | 218.64 | 1% | (131.09) |
| 5 | Consilience Technologies (Pty) Limited (Foreign) | - | - | - | - | - | - | - | - |
| 6 | IHMS Hotels (SA) (Pty) Limited (Foreign) | - | - | - | - | - | 321.10 | -1% | 130 |
| 7 | Women in Transport | - | - | - | - | - | 25.38 | - | - |
| 8 | T/A Tata International Cape Town | - | - | - | - | - | (12.19) | - | - |
| | Adjustments arising out of consolidation | 94% | (16932.67) | 98% | (7565.20) | -28% | 19791.14 | 14% | (1533.72) |
| | **TOTAL** | **100%** | **(17973.58)** | **100%** | **(7734.67)** | **100%** | **(70213.61)** | **100%** | **(11338.10)** |

**Notes forming part of the consolidated financial statements**

**45 Earnings per Share**

**Rs. in lakhs**

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|---|---|
| Loss for the year attributable to owners of the Company | (52240.03) | (5169.02) |
| Less: Distribution on unsecured perpetual securities | (13033.94) | (9010.39) |
| Add: Gain on unsecured perpetual securities | 1094.08 | - |
| Less: Expense relating to issue of unsecured perpetual securities | (839.96) | - |
| Adjusted loss for the year | (65019.85) | (14179.41) |
| Loss for the year from discontinued operations attributable to owners of the Company | (2312.68) | (10690.37) |
| Loss for the year used in the calculation of basic/diluted earning per share fron continuing operations | (62707.17) | (3489.04) |
| Weighted Average number of equity shares | 401000.00 | 401000.00 |
| Earning per share basic and diluted from continuing operations (Rs.) | (15637.70) | (870.08) |
| Earning per share basic and diluted from discontinued operations (Rs.) | (576.73) | (2665.93) |
| Total earning per share basic and diluted (Rs.) | (16214.43) | (3536.01) |
| Face value per equity share (Rs.) | 1000.00 | 1000.00 |

**46** During the year ended March 31, 2020, the Group paid the final dividend of Rs. 125 per equity share for the year ended March 31, 2019 amounting to Rs. 501.1 lakhs and dividend distribution tax of Rs. 103. 03 lakhs.

**47** As per Section 135 of Companies Act, 2013, the Group is required to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy i.e.,Rs. 68.7 Lakhs. However, the Group incurred Rs. 78.90 lakhs in FY 2019-20 (Rs. 76.52 lakhs in PY 2018-19) towards CSR expenditure for the purposes other than construction/acquisition of any asset.

**48** The Covid-19 pandemic spread throughout the world. Consequent to the mandatory lockdowns and / or restrictions, the Group's operations had to be temporarily closed / were limited, including for a period after the year-end. In preparation of these financial statements, Management has taken into account the events arising from Covid-19 pandemic and the resultant impact, including but not limited to its assessment of the Group's liquidity and going concern, cash flow forecasts, the recoverable values of investments, goodwill and property, plant and equipment, and the net realisable values of inventories and other assets. However, considering the evolving nature of the pandemic, its actual impacts in future could differ from those estimated as at the date of approval of these financial statements. The Group will continue to monitor any material changes to future economic conditions.

**49 Going Concern**

The Group incurred a loss during the year, which was primarily attributable to the exceptional item of a write-down to realisable value of certain inventories and allowance for receivables on sale of subsidiary (refer note 26); further, the Group has negative net-worth as of the balance sheet date. Management has made an assessment of the Group's ability to continue as a going concern as required by IndAS 1 'Presentation of Financial Statements', considering all available information and has concluded that the going concern assumption is appropriate. Management considered business plans relevant for the next 12 months, basis which it concludes that the Group has sufficient liquidity over and beyond such period, and expects to realise its assets and meet its obligations in the normal course of business. The Group is also in the process of rationalization of certain activities, which is expected to have a positive impact on profitability. During the year, the Group raised Rs. 800 crores through issue of perpetual securities, with a first optional redemption date of January 2023 (refer note 12(b)). The Group also has sufficient undrawn sanctioned borrowings to meet its business requirements and major portion of the long-terms borrowing is maturing after period of 12 months.

**Notes forming part of the consolidated financial statements**

In addition, the Group is also seeking an additional infusion of capital from its shareholders. Having regard to these factors, these financial statements are prepared on a going concern basis.

**50** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**
Partner
Membership No: 101143

Place : Mumbai
Date : 24th June, 2020

**For and on behalf of the Board of Directors**

**G. K. Pillai**
Chairman
DIN : 02340756

Place : Delhi
Date : 24th June, 2020

**N N Tata**
Managing Director
DIN : 00024713

Place : Mumbai
Date : 23rd June, 2020

**A M Ponkshe**
Chief Financial Officer &
Company Secretary

Place : Mumbai
Date : 23rd June, 2020

TATA

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