

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Af-taab Investment Company Limited

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

#### **Qualified Opinion**

We have audited the accompanying Ind AS financial statements of Af-taab Investment Company Limited ("the Company"), which comprise the Balance Sheet as at March 31 2021, 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, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid 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, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Qualified Opinion**

As described in Note 9 to the financial statements, the Company is unable to determine the fair value of Company's investment in equity shares of Tata Capital Limited ('TCL') as at March 31, 2021. In the absence of sufficient and appropriate evidence, we are unable to comment on the carrying value of investment in TCL amounting to Rs. 12,03,86,412 and the consequent impact thereof on Other Comprehensive Income. Our audit report for the previous year ended March 31, 2020 was also qualified in respect of this matter.

We conducted our audit of the 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 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 qualified audit opinion on the Ind AS financial statements.

#### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report as per section 134 of the Act but does not include the Ind AS financial statements and our auditor's report thereon.



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Our opinion on the 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Board report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

### **Responsibility of Management for the 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 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 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 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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



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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 with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 Ind AS financial statements, including the disclosures, and whether the 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.

## 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 except for the matter described in the Basis for Qualified Opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) Except for the matter described in the Basis for Qualified Opinion, 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;



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- (d) Except for the matter described in the Basis for Qualified Opinion, in our opinion, the aforesaid 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration, if any, for the year ended March 31, 2021 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;
- (i) 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 does not have any pending litigation which would impact it's financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Vishal Bansal  
Partner  
Membership Number: 097546

UDIN: 21097546AAAACF5764

Place of Signature: Mumbai  
Date: April 29, 2021



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**Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

- (i) As at March 31, 2021, the Company does not have any property, plant and equipment and accordingly, the requirements under paragraph 3 (i)(a), (i)(b) and (i)(c) are not applicable.
- (ii) The Company's business does not involve inventories and accordingly, the requirements under the paragraph 3(ii) are not applicable to the Company.
- (iii)
  - a. The Company has granted loans to one company 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 Company has granted loans to one company covered in the register maintained under section 189 of the Companies Act, 2013. The Schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment 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, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii)
  - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to excise duty, value added tax, provident fund, employees' state insurance and duty of custom, are not applicable to the Company.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to excise duty, value added tax, provident fund, employees' state insurance and duty of custom, are not applicable to the Company.



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c. According to the information and explanations given to us, the dues of income tax on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	Amount	Period	Forum where the dispute is pending
Income Tax Act, 1961	Tax, Interest and penalty	10,74,930	FY 1997-98 FY 2001-02	Income Tax Appellate
		78,63,870	FY 2013-14	Commissioner of Income Tax Appeals
		2,71,43,870	FY 2006-07 FY 2008-09 FY 2010-11 FY 2011-12 FY 2012-13 FY 2014-15 FY 2015-16 FY 2018-19	Assessing Officer, Income Tax

- (viii) The Company did not have any outstanding loans or borrowings dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (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 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.



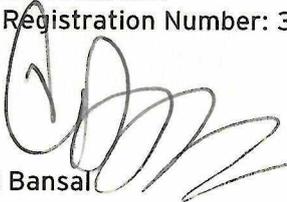
# **S R B C & CO LLP**

Chartered Accountants

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- (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 review 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 with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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

  
per Vishal Bansal  
Partner  
Membership No.: 097546



UDIN: 21097546AAAACF5764

Place of signature: Mumbai  
Date: April 29,2021

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## **Annexure 2 to the Independent Auditor's Report of even date on the Ind AS financial statements of Af-taab Investment Company Limited**

### **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 Af-taab Investment Company Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS 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 (as amended).

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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 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 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 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 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.



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

A Company's internal financial control over financial reporting with reference to these 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 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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, and as described in Note 9, as the Company is unable to determine fair value of its investment in Tata Capital Limited as at March 31, 2021, a material weakness has been identified relating to inadequate internal financial controls over financial reporting in respect of the assessment of appropriateness of carrying amount of this investment.

In our opinion, except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as of March 31, 2021, 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.

Our audit report for the previous year ended March 31, 2020 was also qualified in respect of the above matter.



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## **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 Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2021, 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, 2021 Ind AS financial statements of the Company and this report affect our report dated April 29, 2021, which expressed a qualified opinion on those financial statements.

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

per Vishal Bansal  
Partner  
Membership Number: 097546



UDIN: 21097546AAAACF5764

Place of Signature: Mumbai  
Date: April 29, 2021

**Auditors' Report under the Non-Banking Financial Corporation (NBFCs) Auditor's Report  
(Reserve Bank) Direction, 2016**

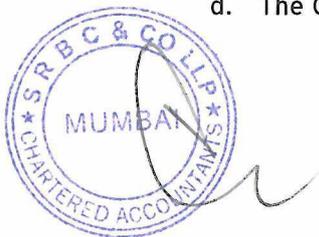
To  
Af-Taab Investment Company Limited  
Corporate Centre, B Block,  
34, Sant Tukaram Road,  
Carnac Bunder,  
Mumbai 400 009

1. We have audited the attached Ind AS financial statements of Af-taab Investment Company Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, 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, on which we issued a modified audit opinion vide our report dated April 29, 2021 basis of which as given in the audit report is as follows:

"As described in Note 9 to the financial statements, the Company is unable to determine the fair value of Company's investment in equity shares of Tata Capital Limited ('TCL') as at March 31, 2021. In absence of sufficient and appropriate evidence, we are unable to comment on the carrying value of investment in TCL amounting to Rs. 12,03,86,412 and the consequent impact thereof on Other Comprehensive Income."

These Ind AS financial statements are the responsibility of the Company's management. Our responsibility was to express an opinion on these Ind AS financial statements based on our audit. Our audit was conducted in the manner specified in paragraph 2 of the audit report on these Ind AS financial statements.

2. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008, issued by the Reserve Bank of India ('the Bank') and amended from time to time ('the Directions'), based on our audit referred to in paragraph 1 above and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraphs 3 and 4 of the Directions:
  - a. The Company is engaged in the business of a Non-Banking Financial Institution ('NBFI') as defined in section 45-I(a) of the Reserve Bank of India Act, 1934 ('the Act') during the year ended March 31, 2021. The Company is registered with the Bank as an NBFI without accepting public deposits vide Certificate of Registration ('CoR') number 13.00267 dated 6 March, 1998 from the Bank;
  - b. Based on the asset/income pattern as on March 31, 2021 determined by the Management in accordance with the audited Ind AS financial statements for the year ended as on that date, and with reference to paragraph 15 of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the company is entitled to continue to hold such CoR;
  - c. The Board of Directors has passed a resolution on April 25, 2020 for non- acceptance of any public deposits;
  - d. The Company has not accepted any public deposits during the year ended March 31, 2021;



# **S R B C & CO LLP**

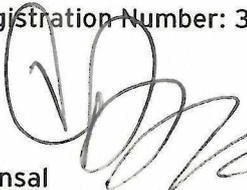
Chartered Accountants

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- e. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 during the year ended March 31, 2021.
3. This report is issued solely for reporting on the matters specified in paragraphs 3 of the Directions, to the Board of Directors and is not to be used or distributed for any other purpose.

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

per Vishal Bansal  
Partner  
Membership Number: 097546



UDIN: 21097546AAAACE8199

Place of Signature: Mumbai  
Date: April 29, 2021

**AF-TAAB INVESTMENT COMPANY LIMITED**  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021**

Particulars	Notes	As at 31st March, 2021 Rupees	As at 31st March, 2020 Rupees
<b>ASSETS</b>			
<b>(1) Financial assets</b>			
(a) Cash and cash equivalents	5	6,34,651	4,11,833
(b) Loans	6	1,45,32,45,219	-
(c) Investments	9	1,83,12,50,430	2,63,45,11,572
<b>Total financial assets</b>		<b>3,28,51,30,300</b>	<b>2,63,49,23,405</b>
<b>(2) Non-financial assets</b>			
(a) Current tax assets (net)	7	92,24,214	1,80,01,210
<b>(3) Assets held for sale</b>			
	8	-	-
<b>Total non-financial assets</b>		<b>92,24,214</b>	<b>1,80,01,210</b>
<b>TOTAL ASSETS</b>		<b>3,29,43,54,514</b>	<b>2,65,29,24,615</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Trade Payables			
- Total outstanding of dues micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,61,791	3,66,390
(b) Other financial liabilities	10	1,09,607	85,375
<b>Total financial liabilities</b>		<b>4,71,398</b>	<b>4,51,765</b>
<b>(2) Non-financial liabilities</b>			
(a) Provisions	11A	36,25,000	-
(b) Other liabilities	11B	-	41,698
(c) Deferred tax liabilities (net)	12	6,83,027	93,53,000
<b>Total non-financial liabilities</b>		<b>43,08,027</b>	<b>93,94,698</b>
<b>TOTAL LIABILITIES</b>		<b>47,79,425</b>	<b>98,46,463</b>
<b>(3) EQUITY</b>			
(a) Equity share capital	13	10,73,00,000	10,73,00,000
(b) Other equity	14	3,18,22,75,089	2,53,57,78,152
<b>TOTAL EQUITY</b>		<b>3,28,95,75,089</b>	<b>2,64,30,78,152</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,29,43,54,514</b>	<b>2,65,29,24,615</b>

See accompanying notes to the 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 Vishal Bansal  
Membership No : 097546



Place : Mumbai  
Date : 29th April, 2021

For and on behalf of the Board of Directors

  
Kasturi Soundararajan  
Director  
DIN: 03481637

  
Jinendra V Patil  
Director  
DIN: 07335106

  
Preeti Singh  
Company Secretary

  
Pawan Malpani  
Chief Financial Officer

Place : Mumbai  
Date : 29th April, 2021

**AF-TAAB INVESTMENT COMPANY LIMITED**

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	Notes	For the year ended	For the year ended
		31st March, 2021	31st March, 2020
		Rupees	Rupees
I Revenue from operations			
i) Dividend income	15	1,46,81,640	1,89,28,510
ii) Interest income	15	3,82,40,960	5,38,45,601
iii) Profit on sale of investments	15	-	19,61,700
iv) Net gain on fair value changes	15	2,51,37,758	4,53,82,439
<b>Total revenue from operations</b>		<b>7,80,60,358</b>	<b>12,01,18,250</b>
II Other income	16	-	31,25,000
III <b>Total income (I+II)</b>		<b>7,80,60,358</b>	<b>12,32,43,250</b>
IV <b>Expenses</b>			
Other expenses	17	1,00,25,279	64,03,827
<b>Total expenses</b>		<b>1,00,25,279</b>	<b>64,03,827</b>
V <b>Profit before tax (III- IV)</b>		<b>6,80,35,079</b>	<b>11,68,39,423</b>
VI <b>Tax expense:</b>			
Current tax	18	1,28,00,000	89,00,000
Income tax in respect of earlier years	18	1,57,840	(60,89,369)
Deferred tax		(86,69,973)	93,12,000
<b>Total tax expense</b>		<b>42,87,867</b>	<b>1,21,22,631</b>
VII <b>Profit for the year (V- VI)</b>		<b>6,37,47,212</b>	<b>10,47,16,792</b>
VIII <b>Other comprehensive income</b>			
Add/(Less):			
Net gain on fair value changes on equity Instruments FVTOCI		58,27,49,725	(21,50,26,406)
<b>Other Comprehensive Income for the year</b>		<b>58,27,49,725</b>	<b>(21,50,26,406)</b>
IX <b>Total Comprehensive Income for the year (VII + VIII)</b>		<b>64,64,96,937</b>	<b>(11,03,09,614)</b>
X <b>Earnings per equity share (Nominal value per share of Rs. 10 each (31st March, 2020 of Rs. 10 each))</b>			
Basic (Rs.)	20	59.41	97.59
Diluted (Rs.)	20	59.41	97.59

See accompanying notes to the 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 Vishal Bansal  
Membership No : 097546

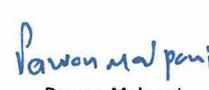


For and on behalf of the Board of Directors

  
Kasturi Soundararajan  
Director  
DIN: 03481637

  
Jinendra V Patil  
Director  
DIN: 07335106

  
Preeti Singh  
Company Secretary

  
Pawan Malpani  
Chief Financial Officer

Place : Mumbai  
Date : 29th April, 2021

Place : Mumbai  
Date : 29th April, 2021

**AF-TAAB INVESTMENT COMPANY LIMITED**  
**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2021**

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Rupees	Rupees
<b>A. Cash flow from operating activities</b>		
Profit before taxes	6,80,35,079	11,68,39,423
<b>Add/(less) : Adjustments to reconcile Profit before tax to net cashflow:</b>		
Provision / (write back of provision) against standard assets of NBFCs	36,25,000	(31,25,000)
Net (gain) / loss on investments FVTPL	(2,51,37,758)	(4,53,82,439)
Profit on sale of long term Investments	-	32,52,176
Impairment of carrying amount of investments (including write back)	-	(52,14,076)
	(2,15,12,758)	(5,04,69,339)
<b>Operating profit before working capital changes</b>	4,65,22,321	6,63,70,084
<b>Working capital adjustments</b>		
Other current financial assets (including interest on loans given)	(32,45,219)	22,40,753
Trade payable	(4,599)	28,230
Other non financial liabilities	(17,466)	41,698
Inter-corporate loans given	(2,75,00,00,000)	(2,10,00,00,000)
Inter-corporate loans received back	1,30,00,00,000	3,35,00,00,000
Proceeds from sale of long-term investments	-	8,72,95,850
Purchase of Long term investments	(16,91,25,000)	-
Purchase of current investments	(2,42,79,50,000)	(3,65,47,50,000)
Sale of current investments	4,00,82,23,625	2,26,14,72,741
	(4,21,18,659)	(5,36,70,728)
<b>Cash generated from operations</b>	44,03,662	1,26,99,356
<b>Taxes paid (net)</b>	(41,80,844)	(1,30,34,495)
<b>Net cash from operating activities</b>	2,22,818	(3,35,139)
<b>(A)</b>		
<b>B. Cash flow from investing activities</b>		
Net cash from investing activities	-	-
<b>(B)</b>		
<b>C. Cash flow from financing activities</b>		
Net cash used in financing activities	-	-
<b>(C)</b>		
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	2,22,818	(3,35,139)
<b>Cash and cash equivalents as at 1st April (Opening Balance)</b>	4,11,833	7,46,972
<b>Cash and cash equivalents as at 31st March (Closing Balance)</b>	6,34,651	4,11,833

**Notes :**

- 1) Since the Company is an Investment Company, purchase and sale of Investments have been considered as part of "Cash Flows from Investing Activities" and interest and dividend earned have been considered as part of "Cash Flows from Operating Activities".
- 2) The Cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting standard (Ind AS 7) - "Statement of cash flow".

See accompanying notes to the 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 Vishal Bansal  
Membership No : 097546

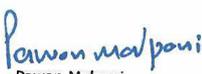


For and on behalf of the Board of Directors

  
Kasturi Soundararajan  
Director  
DIN: 03481637

  
Jinendra V Patil  
Director  
DIN: 07335106

  
Preeti Singh  
Company Secretary

  
Pawan Malpani  
Chief Financial Officer

Place : Mumbai  
Date : 29th April, 2021

Place : Mumbai  
Date : 29th April, 2021

**AF-TAAB INVESTMENT COMPANY LIMITED  
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021**

**A. Equity share capital**

	No. of Shares	Amount Rupees
<b>Balance as at 1st April, 2019</b>	10,73,000	10,73,00,000
Issued during the year	-	-
<b>Balance as at 31st March, 2020</b>	10,73,000	10,73,00,000
Issued during the year	-	-
<b>Balance as at 31st March, 2021</b>	10,73,000	10,73,00,000

**B. Other equity**

	Securities Premium	Capital Redemption Reserve	Other Equity General Reserve	Special Reserve Fund under section 45(1)(c) of Reserve Bank of India Act, 1934	Retained earnings	Equity instruments through Other Comprehensive Income	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Balance as at 1st April, 2019</b>	10,56,26,000	2,66,21,000	27,61,06,548	1,22,58,90,674	40,77,86,555	60,40,56,989	2,64,60,87,766
Profit for the year	-	-	-	-	10,47,16,792	-	10,47,16,792
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	10,47,16,792	(21,50,26,406)	(10,03,09,614)
Transfer from retained earnings to Special Reserve	-	-	-	1,48,28,577	(1,48,28,577)	-	-
<b>Balance as at 31st March, 2020</b>	10,56,26,000	2,66,21,000	27,61,06,548	1,24,07,19,251	49,76,74,770	38,90,30,583	2,53,57,78,152
<b>Balance as at 1st April, 2020</b>	10,56,26,000	2,66,21,000	27,61,06,548	1,24,07,19,251	49,76,74,770	38,90,30,583	2,53,57,78,152
Profit for the year	-	-	-	-	6,37,47,212	-	6,37,47,212
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	6,37,47,212	-	6,37,47,212
Transfer from retained earnings to Special Reserve	-	-	-	2,20,43,920	(2,20,43,920)	-	-
<b>Balance as at 31st March, 2021</b>	10,56,26,000	2,66,21,000	27,61,06,548	1,26,27,63,171	53,93,78,062	97,17,80,308	3,18,22,75,089

See accompanying notes to the 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 Vishal Bansa  
Membership No : 097546

For and on behalf of the Board of Directors

Kasturi Soundararajan  
Director  
DIN: 03481637

Jinendra V Patil  
Director  
DIN: 07335106

Preeti Singh  
Company Secretary

Pawan Malpani  
Chief Financial Officer

Date : 29th April, 2021

Date : 29th April, 2021

**AF-TAAB INVESTMENT COMPANY LIMITED**  
**Notes to the Standalone Financial Statements for the year ended 31st March 2021**

**1 Corporate Information:**

Af-Taab Investment Company Limited was incorporated on 21st February, 1979 under the Companies Act, 1956.

The Company is registered as a non-banking financial company under the Reserve Bank of India Act, 1934. The principal business of the Company is to carry on the business of issue houses, underwriters and dealers and traders in shares, securities, bonds, debentures and other investments.

Its registered office is at B Block, Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400009.

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with section 133 of the Companies Act, 2013 (the 'Act') (as amended from time to time).

**2.2 Basis of preparation and presentation**

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

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, regardless of whether that price is directly observable or estimated using another valuation technique.

**2.3 Exemption from preparation of Consolidated Financial Statements**

The Company is a wholly owned subsidiary of The Tata Power Company Limited ('the Parent Company'). The registered office of the Parent Company is located at Mumbai, Maharashtra. The Parent Company publishes consolidated financial statements in accordance with Ind AS, which are available for public use. When published, the Consolidated Financial Statements of the Parent Company are available on its website, viz., <https://www.tatapower.com/investor-relations/tata-power/index.html>. The Company has investment in an associate viz; Brihat Trading Private Limited. The Company has informed its shareholders regarding its intention of not preparing consolidated financial statements and they have not objected to the same. Accordingly, the Company has used exemption from consolidation and has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

**3 Other Significant Accounting Policies**

**3.1 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.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

**3.2 Financial Assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**3.2.1 Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**3.2.2 Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. 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'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

**3.2.3 Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.



**AF-TAAB INVESTMENT COMPANY LIMITED**  
**Notes to the Standalone Financial Statements for the year ended 31st March 2021**

**3.2.4 Financial assets held for trading**

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held for trading assets are recorded and measured in balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income is recorded in net gain on fair value changes according to the terms of the contract or when the right to payment has been established.

**3.2.5 Investment in Associates**

Investment in Associates are measured at cost less impairment as per Ind AS 27 - Separate Financial Statements.

**Impairment of investments:**

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

**3.2.6 Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the right to receive cash flows from the asset have expired, or
- the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**3.2.7 Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**3.3 Financial liabilities and equity instruments**

**3.3.1 Classification as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**3.3.2 Equity Instruments**

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

**3.3.3 Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (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.

**3.3.4 Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Reclassification of financial assets and 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.



**AF-TAAB INVESTMENT COMPANY LIMITED**  
**Notes to the Standalone Financial Statements for the year ended 31st March 2021**

**3.5 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**3.6 Dividend distribution to equity shareholders of the Company**

The Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

**4.1 Critical accounting estimates and judgements**

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimated fair value of unquoted securities and impairment of investments - Note 9

Estimation of current tax and deferred tax expense (including Minimum Alternate Tax credit) - Note 18

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**4.2 Changes in Ind AS and related pronouncements effective at a future date**

**Amendment in Schedule III to Companies Act 2013:**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law



**AF-TAAB INVESTMENT COMPANY LIMITED**  
**Notes to the Standalone Financial Statements for the year ended 31st March 2021.**

**5 Cash and cash equivalents**

**Accounting Policy**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
Balances with Banks In current accounts	6,34,651	4,11,833
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>6,34,651</b>	<b>4,11,833</b>
<b>Cash and cash equivalents as per Statement of Cash Flows</b>	<b>6,34,651</b>	<b>4,11,833</b>

**6 Loans**

**At Amortised Cost**

(Unsecured unless otherwise stated)

	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
Loans to Related Parties (including accrued interest) (Refer Note 22) - Unsecured, considered good Holding Company	1,45,32,45,219	-
	<b>1,45,32,45,219</b>	<b>-</b>

Note : Loan is given for 2 months at interest rate of 3.89% p.a.

**7 Current tax assets**

	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
Income tax (Net)	92,24,214	1,80,01,210
	<b>92,24,214</b>	<b>1,80,01,210</b>



8 Assets classified as held for sale

**Accounting Policy**

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Company treats sale/distribution 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.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

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. Additional disclosures are provided hereunder. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

	As at 31st March, 2021 Quantity	As at 31st March, 2020 Quantity	As at 31st March, 2021 Rupees	As at 31st March, 2020 Rupees
<b>a. Investment in Equity shares - Associates (Cost or fair value whichever is less)</b>				
i. TCL Limited (Formerly known as Tata Ceramics Ltd.) Less: Provision for diminution in value of investment	2,08,29,802	2,08,29,802	4,06,09,139 (4,06,09,139)	4,06,09,139 (4,06,09,139)
<b>Total</b>			<b>-</b>	<b>-</b>
<b>b. Investment in preference shares - Associates (Cost or fair value whichever is less)</b>				
7.25% Redeemable Cummulative Convertible Preference Shares - TCL Limited Less: Provision for diminution in value of investment	5,00,000	5,00,000	5,00,00,000 (5,00,00,000)	5,00,00,000 (5,00,00,000)
			<b>-</b>	<b>-</b>

Notes:

- i. Pursuant to the Share Purchase Agreement ('Agreement') dated 4th January, 2020, in the previous year, the Company had transferred its Equity and Preference share to the purchasers as a part of the conditions mentioned in the Agreement subject to final closing. The said shares has been pledged back to the Company by the purchasers till the final closure. As all the conditions related to the closing has not been completed, the Company believes that it still controls its investment in TCL Ceramics Ltd. till all the conditions are fulfilled. Hence, no impact of sale of share has been accounted in the Standalone Ind AS financial statements. The impact of the sale on the Company's Ind AS financial statements will not be significant.

10 Other financial liabilities

	As at 31st March, 2021 Rupees	As at 31st March, 2020 Rupees
Other payables	1,09,607	85,375
	<b>1,09,607</b>	<b>85,375</b>

11A Provisions

	As at 31st March, 2021 Rupees	As at 31st March, 2020 Rupees
Contigent Provision against Standard Assets	36,25,000	-
	<b>36,25,000</b>	<b>-</b>

11B Other liabilities

	As at 31st March, 2021 Rupees	As at 31st March, 2020 Rupees
Statutory Liabilities	-	41,698
	<b>-</b>	<b>41,698</b>



**AF-TAAB INVESTMENT COMPANY LIMITED**  
**Notes to the Standalone Financial Statements for the year ended 31st March 2021**

**9 Investments**

	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	Quantity	Quantity	Rupees	Rupees
<b>i Investment carried at Cost</b>				
<b>Investment in Equity Shares</b>				
<b>In Associate Companies (Unquoted)</b>				
Brihat Trading Private Ltd.	3,350	3,350	33,500	33,500
			<b>33,500</b>	<b>33,500</b>
<b>ii Investment carried at Fair value through</b>				
<b>Other Comprehensive Income</b>				
<b>Investment in Equity Shares</b>				
<b>(a) Quoted</b>				
Tata Motors Ltd.	3,57,159	3,57,159	10,77,90,586	2,53,76,147
Tata Motors Ltd. - Differential Voting rights	51,022	51,022	65,33,367	15,79,131
Tata Investment Corporation Ltd.	7,94,416	7,94,416	82,26,17,767	52,68,56,690
Nelco Ltd.	3,18,460	3,18,460	6,00,77,479	4,29,60,254
			<b>99,70,19,199</b>	<b>59,67,72,222</b>
<b>(b) Unquoted</b>				
Tata International Ltd. *	30,750	20,500	50,73,75,000	16,22,47,252
Tat Industries Ltd. *	10,00,543	10,00,543	12,77,51,700	12,77,51,700
Tata Services Ltd.	552	552	-	-
The Associated Building Co. Ltd.	425	425	1,39,00,000	74,00,000
Taj Air Ltd.	79,00,760	79,00,760	-	-
Tata Capital Ltd.#	23,33,070	23,33,070	12,03,86,412	12,03,86,412
			<b>76,94,13,112</b>	<b>41,77,85,364</b>
<b>Sub-total ii (a)+ii (b)</b>			<b>1,76,64,32,311</b>	<b>1,01,45,57,586</b>
<b>iii Investment carried at Fair value through</b>				
<b>Profit and Loss</b>				
<b>(a) Mutual Fund</b>				
Tata Liquid Super High Investment Fund-Growth	19,948	1,52,303	6,47,84,619	47,61,04,954
LIC MF Liquid Fund - Direct growth	-	1,98,779	-	71,63,65,746
ICICI Prudential Liquid Direct Plan - Growth	-	14,54,992	-	42,74,49,786
			<b>6,47,84,619</b>	<b>1,61,99,20,486</b>
<b>Sub-total iii (a)</b>			<b>6,47,84,619</b>	<b>1,61,99,20,486</b>
			<b>1,83,12,50,430</b>	<b>2,63,45,11,572</b>
Aggregate market value of quoted investments			99,70,19,199	59,67,72,222
Aggregate carrying value of unquoted investments			83,42,31,231	2,03,77,39,350

Notes :

- \* 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.
- # In the absence of sufficient information, the company is unable to determine the fair valuation of its investment in Tata Capital Limited ('TCL') as at 31st March, 2021 and consequently adjustments, if any, to the carrying value of investments in TCL as at 31st March, 2021 have not been recognized.



12 Deferred tax Liabilities

**Accounting Policy**

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

	As at 31st March, 2021	As at 31st March, 2020			
	Rupees	Rupees			
Deferred tax liabilities	6,83,027	93,53,000			
Total - Net Deferred Tax Liabilities	<b>6,83,027</b>	<b>93,53,000</b>			
2019-20	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Recognised directly in equity	Closing balance
Allowance for Doubtful Debts, Deposits and Advances	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Deferred tax liabilities in relation to Mutual funds</b>	93,53,000	(86,69,973)	-	-	6,83,027
	<b>93,53,000</b>	<b>(86,69,973)</b>	<b>-</b>	<b>-</b>	<b>6,83,027</b>
2019-20	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Recognised directly in equity	Closing balance
Deferred tax liabilities in relation to Mutual funds	Rupees	Rupees	Rupees	Rupees	Rupees
	41,000	93,12,000	-	-	93,53,000
	<b>41,000</b>	<b>93,12,000</b>	<b>-</b>	<b>-</b>	<b>93,53,000</b>

Notes:

- i. Considering the uncertainty over the realisability, the Company has not recognised deferred tax asset amounting to Rs. 101,29,46,603/-and Rs. 109,15,17,945/ for the year ended 31st March, 2021 and 31st March, 2020 respectively. The expiry of unrecognised Deferred Tax Asset is as detailed below:

As at 31st March, 2021 Unrecognised deferred tax assets	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Closing balance
	Rupees	Rupees	Rupees	Rupees	Rupees
Unutilised MAT credit	-	4,66,77,479	88,04,18,131	-	92,70,95,610
Contingent Provision against Standard Asset	10,55,600	-	-	-	10,55,600
Provision for diminution in the value of investment classified as held for sale	-	-	-	2,11,11,929	2,11,11,929
Indexation benefit on investments	-	-	-	6,36,83,463	6,36,83,463
<b>Total</b>	<b>10,55,600</b>	<b>4,66,77,479</b>	<b>88,04,18,131</b>	<b>8,47,95,392</b>	<b>1,01,29,46,602</b>
As at 31st March, 2020 Unrecognised deferred tax assets	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Closing balance
	Rupees	Rupees	Rupees	Rupees	Rupees
Unutilised MAT credit	-	3,98,77,479	88,02,59,963	-	92,01,37,442
Contingent Provision against Standard Asset	-	-	-	-	-
Provision for diminution in the value of investment classified as held for sale	-	-	-	2,11,11,929	2,11,11,929
Indexation benefit on investments	-	-	-	15,02,68,574	15,02,68,574
<b>Total</b>	<b>-</b>	<b>3,98,77,479</b>	<b>88,02,59,963</b>	<b>17,13,80,503</b>	<b>1,09,15,17,945</b>

- ii. The rate used for calculation of Deferred tax is 29.12% being statutory enacted rates at respective Balance Sheet date for profit on sale of investments.



**AF-TAAB INVESTMENT COMPANY LIMITED**  
**Notes to the Standalone Financial Statements for the year ended 31st March 2021**

**13 Equity Share Capital**

	As at 31st March, 2021		As at 31st March, 2020	
	Number	Rupees	Number	Rupees
<b>Authorised</b>				
Equity shares of Rs. 100 each with voting rights	15,00,000	15,00,00,000	15,00,000	15,00,00,000
<b>Issued, subscribed and paid-up</b>				
Equity shares of Rs. 100 each with voting rights	10,73,000	10,73,00,000	10,73,000	10,73,00,000
	<b>10,73,000</b>	<b>10,73,00,000</b>	<b>10,73,000</b>	<b>10,73,00,000</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year**

	As at 31st March, 2021		As at 31st March, 2020	
	Number	Rupees	Number	Rupees
<b>Equity shares</b>				
At the beginning of the year	10,73,000	10,73,00,000	10,73,000	10,73,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>10,73,000</b>	<b>10,73,00,000</b>	<b>10,73,000</b>	<b>10,73,00,000</b>

**b. Terms/rights attached to equity shares:**

The company has only one class of equity shares having a par value of Rs. 100 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividend as and when the company declares and pays dividend after obtaining shareholders approval. Dividends are paid in Indian Rupees.

In the event of liquidation of the company, the holders 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 shareholders.

**c. Details of shareholders holding more than 5% shares in the Company and shares held by the holding Company**

	As at 31st March, 2021		As at 31st March, 2020	
	Number	Rupees	Number	Rupees
<b>Equity shares of Rs 100 each fully paid</b>				
The Tata Power Company Limited (Holding Company)	10,73,000	100%	10,73,000	100%

**d. The company has not issued any equity shares as bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding 31 March 2021.**



**AF-TAAB INVESTMENT COMPANY LIMITED**  
**Notes to the Standalone Financial Statements for the year ended 31st March 2021**

**14 Other Equity**

	As at 31st March, 2021 Rupees	As at 31st March, 2020 Rupees
<b>a. General Reserves</b>		
Opening balance	27,61,06,548	27,61,06,548
Closing balance	<u>27,61,06,548</u>	<u>27,61,06,548</u>
<b>b. Securities Premium</b>		
Opening balance	10,56,26,000	10,56,26,000
Closing balance	<u>10,56,26,000</u>	<u>10,56,26,000</u>
<b>c. Capital Redemption Reserves</b>		
Opening balance	2,66,21,000	2,66,21,000
Closing balance	<u>2,66,21,000</u>	<u>2,66,21,000</u>
<b>d. Special Reserve Fund under section 45(1)(c) of Reserve Bank of India Act, 1934</b>		
Opening balance	1,24,07,19,251	1,22,58,90,674
Amount transferred from Surplus in Statement of profit and loss	2,20,43,920	1,48,28,577
Closing balance	<u>1,26,27,63,171</u>	<u>1,24,07,19,251</u>
<b>e. Retained Earnings</b>		
Opening balance	49,76,74,770	40,77,86,555
Add: Profit for the year	6,37,47,212	10,47,16,792
Less: Transfer to Special Reserve Fund	2,20,43,920	1,48,28,577
Closing balance	<u>53,93,78,062</u>	<u>49,76,74,770</u>
<b>f. Equity Instruments through Other Comprehensive Income</b>		
Opening balance	38,90,30,583	60,40,56,989
Add: Net gain on fair value changes on equity Instruments FVTOCI	58,27,49,725	(21,50,26,406)
Closing balance	<u>97,17,80,308</u>	<u>38,90,30,583</u>
	<b><u>3,18,22,75,089</u></b>	<b><u>2,53,57,78,152</u></b>

**General Reserve**

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 statement of profit and loss.

**Securities Premium**

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

**Capital Redemption Reserve:**

Capital Redemption Reserve represents amounts set aside on buy back of the Company's equity shares.

**Special Reserve Fund under section 45(1)(c) of Reserve Bank of India Act, 1934**

This reserve represents the amount transferred from the annual profits of the Company pursuant to the Reserve Bank of India regulations. The Company transfers twenty percent of the aggregate of Profit after Tax and Gain on sale of investments classified as FVTOCI (actual realised profit) to the Special Reserve pursuant to the said regulations. Appropriation from the reserve is permitted only for the purposes specified by the Reserve Bank.

**Retained Earnings**

Retained Earnings are the profits of the Company earned till date net of appropriations.

**Equity Instruments through Other Comprehensive Income**

This reserve represents the cumulative gains and losses arising on fair valuation of equity investments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets are disposed of.



15 Revenue from Operations

Accounting Policy

a. Dividend and Interest Income

Dividend income (including from FVTOCI investments) is recognised when the Company's right to receive the payment is established.

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 is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Rupees	Rupees
<b>Revenue from operations</b>		
i. Dividend Income		
a. Dividend from Investments carried at Fair Value through OCI		
- Shares and Securities	1,46,81,640	1,89,28,510
	<b>1,46,81,640</b>	<b>1,89,28,510</b>
ii. Interest Income		
a. Interest on Inter-corporate Deposits		
- Holding Company	3,82,40,960	2,61,47,656
- Fellow Subsidiary Companies	-	2,76,97,945
	<b>3,82,40,960</b>	<b>5,38,45,601</b>
iii. Profit on Sale of Investments	-	19,61,700
iv. Net gain/(loss) on fair value changes (Refer Note 1)		
a. Net gain/(loss) on financial instruments at fair value through profit and loss account		
- Mutual Funds	2,51,37,758	4,53,82,439
Total Net gain on fair value changes	<b>2,51,37,758</b>	<b>4,53,82,439</b>
<b>Total Revenue from Operations</b>	<b>7,80,60,358</b>	<b>12,01,18,250</b>
<b>Note 1</b>		
Fair Value changes:		
-Realised	6,29,39,143	54,96,332
-Unrealised	(3,78,01,385)	3,98,86,107
<b>Total</b>	<b>2,51,37,758</b>	<b>4,53,82,439</b>

Profit/Loss on Sale of Non Current Investments

	For the year ended 31st March, 2020 Rupees
<b>A. Gain on sale of investment in Nelito Systems Limited</b>	
Sales consideration	8,72,95,650
Less : Carrying Value	-
Purchase cost of Investment	9,05,48,046
Less : Changes in fair value recognized in earlier years	(52,14,096)
	<b>19,61,700</b>
<b>Total</b>	<b>19,61,700</b>

During the previous year ended 31st March, 2020, the Company sold investments in Nelito Systems Limited which were classified as assets held for sale in the earlier year. The resultant gain on sale of investments is Rs. 19,61,700/-.

16 Other income

Contingent provision against Standard Assets written back

**Total**

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Rupees	Rupees
	-	31,25,000
<b>Total</b>	<b>-</b>	<b>31,25,000</b>

17 Other expenses

Cost of services  
Rent including lease rentals  
Expenditure on Corporate Social Responsibility (Note b)  
Legal and professional Expenses  
Profession tax  
Other fees  
Payments to auditors (Note a)  
Demat Charges & Custodian Charges  
Contingent Provision against Standard Assets  
Miscellaneous expenses

**Total**

**Note a**

Payment to Auditors (Including Goods and Service tax)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Rupees	Rupees
	2,15,745	2,09,840
	1,73,463	1,73,460
	22,00,000	19,00,000
	25,95,834	26,16,638
	2,500	-
	99,544	95,080
	10,58,460	10,93,860
	39,626	27,919
	36,25,000	-
	15,107	2,87,030
<b>Total</b>	<b>1,00,25,279</b>	<b>64,03,827</b>

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Rupees	Rupees
	9,16,860	9,16,860
	1,06,200	1,06,200
	35,400	70,800
<b>Total</b>	<b>10,58,460</b>	<b>10,93,860</b>

**Note b**

Details of corporate social responsibility as per Section 135 (5) of Act and Rules made thereunder:

During the year, the Company has spent Rs. 22,00,000 (31 March 2020: Rs. 19,00,000) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Act. The details are:

Contribution to Tata Power Community Development Trust

Amount required to be spent as per section 135 of the Companies Act, 2013

Amount required to be spent during the year on:

Construction/Acquisition of asset  
On purposes other than (a) above

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Rupees	Rupees
	22,00,000	19,00,000
<b>Total</b>	<b>22,00,000</b>	<b>19,00,000</b>
	-	-
	22,00,000	19,00,000



**AF-TAAB INVESTMENT COMPANY LIMITED****Notes to the Standalone Financial Statements for the year ended 31st March 2021****18 Income taxes****Accounting Policy****Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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.

**a. Income taxes recognised in statement of profit and loss**

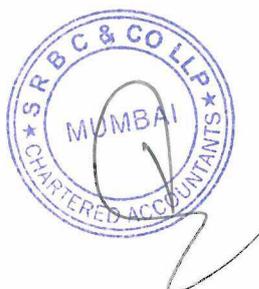
	<b>For the year ended 31st March, 2021</b>	<b>For the year ended 31st March, 2020</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Current tax</b>		
In respect of current year	1,28,00,000	89,00,000
In respect of earlier years	1,57,840	(60,89,369)
	<b>1,29,57,840</b>	<b>28,10,631</b>
<b>Deferred tax</b>		
In respect of the current year	(86,69,973)	93,12,000
	<b>(86,69,973)</b>	<b>93,12,000</b>
Total income tax expense recognised in the current year	<b>42,87,867</b>	<b>1,21,22,631</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

	<b>For the year ended 31st March, 2021</b>	<b>For the year ended 31st March, 2020</b>
	<b>Rupees</b>	<b>Rupees</b>
Profit before tax	6,80,35,079	11,68,39,423
Income tax expense calculated at 29.12% (PY - 29.12%)	1,97,72,139	3,40,23,640
Effect of Income that is exempt from taxation	-	(55,11,982)
Effect of expenses that are not deductible in determining taxable profit	7,65,856	2,84,770
Effect of Tax on Income at different rates	23,36,243	(23,21,371)
Unused Tax credit (MAT) pertaining to earlier years recognised in the current year	(1,98,00,000)	(68,00,000)
Contingent Provision against Standard Assets	10,55,600	(9,10,000)
Profit on sales of Long term investment set off against losses	-	(5,53,057)
	<b>41,29,838</b>	<b>1,82,12,000</b>
Adjustments recognised in the current year in relation to the current tax of prior years	1,57,840	(60,89,369)
Income tax expense recognised in statement of profit or loss	<b>42,87,678</b>	<b>1,21,22,631</b>

**Notes:**

- The tax rate used for the reconciliations above is the corporate tax rate of 29.12% respectively payable by corporate entities in India on taxable profits under the Indian tax law.
- Pursuant to the Taxation Laws (Amendment) Act, 2019 which is effective from 1st April, 2019, domestic companies have the option to pay income tax at 22% plus applicable surcharge and cess ('new tax regime') subject to certain conditions. Since the Company has unutilised Minimum Alternate Tax ('MAT') Credit, it expects to continue in the current tax regime till the utilisation of MAT credit.



**AF-TAAB INVESTMENT COMPANY LIMITED****Notes to the Standalone Financial Statements for the year ended 31st March 2021****19 Segment Information:**

As the Company has no activities other than those of an investment company, the segment reporting under Indian Accounting Standard Ind AS 108 - 'Operating Segments' is not applicable. The Company does not have any reportable geographical segment. Interest income from its holding company amounts more than 10% of total revenue from operations.

**20 Earnings Per Share****Accounting Policy**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the earliest reporting period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

	<b>For the year ended 31st March, 2021 Rupees</b>	<b>For the year ended 31st March, 2020 Rupees</b>
Net profit from continued operation attributable to equity holders of the Company	6,37,47,212	10,47,16,792
Weighted average number of equity shares for basic and diluted earnings per share	10,73,000	10,73,000
Basic and diluted earnings per share (Rupees)	59.41	97.59



**AF-TAAB INVESTMENT COMPANY LIMITED**

**Notes to the Standalone Financial Statements for the year ended 31st March 2021**

**21 Related Party Disclosures**

The table provides the information about the Company's structure including the details of the related parties. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

**a) List of the related parties and description of relationship:**

<b>Name of the related party</b>
<b>Holding Company</b> The Tata Power Company Limited (TPCL)
<b>Associates</b> Brihat Trading Pvt. Ltd. Tata Ceramics Ltd.
<b>Related parties where transactions have taken place during the current and previous year.</b> Fellow Subsidiaries Tata Power Renewable Energy Limited (TPREL) Nelco Ltd

**b) Related party transactions:**

<b>Particulars</b>		<b>Holding Company</b>	<b>Fellow Subsidiary</b>
		<b>Rupees</b>	<b>Rupees</b>
Inter-corporate Deposits given			
The Tata Power Company Limited	2021	2,75,00,00,000	-
	2020	2,10,00,00,000	-
Inter-corporate Deposits received back			
The Tata Power Company Limited	2021	1,30,00,00,000	-
	2020	1,25,00,00,000	-
Tata Power Renewable Energy Limited	2021	-	-
	2020	-	1,25,00,00,000
Interest earned on inter-corporate Deposits			
The Tata Power Company Limited	2021	3,82,40,960	-
	2020	2,61,47,656	-
Tata Power Renewable Energy Limited	2021	-	-
	2020	-	2,76,97,945
Dividend earned from Nelco	2021	-	3,82,152
	2020	-	4,77,690
Reimbursement of expenses to Nelco	2021	-	-
	2020	-	1,42,805
Rent paid to TPCL	2021	1,73,463	-
	2020	1,73,460	-
Receiving of services from TPCL (including cost of services rendered by KMP)	2021	3,11,089	-
	2020	2,99,520	-
<b>Balance Outstanding at the end of year</b>			
Inter-corporate Deposits receivable from TPCL (including interest thereon)	31-Mar-21	1,45,32,45,219	-
	31-Mar-20	-	-
Rent payable to TPCL	31-Mar-21	-	-
	31-Mar-20	13,230	-

Note: Previous year's figures are in italics.

**Terms and conditions of transactions with related parties**

Outstanding balances at the year-end are unsecured and interest bearing and settlement will occur in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2021 and 31st March, 2020, the Company has not recognized any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each financial year end through examining the financial position of the related party and the market in which the related party operates.



AF-TAAB INVESTMENT COMPANY LIMITED  
Notes to the Standalone Financial Statements for the year ended 31st March 2021

22. Disclosures on financial instruments

a. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy excluding those carried at cost.

Particulars	As at 31st March, 2021								
	Amortised cost Rupees	Fair value through profit or loss Rupees	Fair value through OCI Rupees	Total carrying value Rupees	Total fair value Rupees	Fair value Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
<b>Financial Assets</b>									
Investments	-	6,47,84,619	1,76,64,32,311	1,83,12,16,930	1,83,12,16,930	1,06,18,03,818	-	76,94,13,112	1,83,12,16,930
	<b>1,45,32,45,219</b>	<b>6,47,84,619</b>	<b>1,76,64,32,311</b>	<b>3,28,44,62,149</b>	<b>3,28,44,62,149</b>	<b>1,06,18,03,818</b>	<b>1,45,32,45,219</b>	<b>76,94,13,112</b>	<b>3,28,44,62,149</b>
<b>Financial Liabilities</b>									
Trade payables and other financial liabilities	4,71,398	-	-	4,71,398	4,71,398	-	4,71,398	-	4,71,398
	<b>4,71,398</b>	<b>-</b>	<b>-</b>	<b>4,71,398</b>	<b>4,71,398</b>	<b>-</b>	<b>4,71,398</b>	<b>-</b>	<b>4,71,398</b>
Particulars	As at 31st March, 2020								
	Amortised cost Rupees	Fair value through profit or loss Rupees	Fair value through OCI Rupees	Total carrying value Rupees	Total fair value Rupees	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
<b>Financial Assets</b>									
Loan Investments	-	1,61,99,20,486	1,01,45,57,586	2,63,44,78,072	2,63,44,78,072	2,21,66,92,708	-	41,77,85,364	2,63,44,78,072
	<b>-</b>	<b>1,61,99,20,486</b>	<b>1,01,45,57,586</b>	<b>2,63,44,78,072</b>	<b>2,63,44,78,072</b>	<b>2,21,66,92,708</b>	<b>-</b>	<b>41,77,85,364</b>	<b>2,63,44,78,072</b>
<b>Financial Liabilities</b>									
Trade payables and other financial liabilities	4,51,765	-	-	4,51,765	4,51,765	-	4,51,765	-	4,51,765
	<b>4,51,765</b>	<b>-</b>	<b>-</b>	<b>4,51,765</b>	<b>4,51,765</b>	<b>-</b>	<b>4,51,765</b>	<b>-</b>	<b>4,51,765</b>



**AF-TAAB INVESTMENT COMPANY LIMITED**  
**Notes to the Standalone Financial Statements for the year ended 31st March 2021**

**b. Disclosures on financial instruments (Contd.)**

**Measurement of fair values**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data. Inputs are not based on observable market value (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. This includes unquoted equity shares.

i. The management assessed that fair value of loans, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

ii. The fair value of financial assets designated as FVOCI are derived from quoted market price in active markets and unquoted price from significant observable market inputs.

iii. The fair values of the equity investment which are quoted are derived from quoted market prices in active markets. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range.

iv. The fair value of the financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

v. There have been no transfers between Level 1 and Level 2 for the years ended 31st March, 2021 and 31st March, 2020.

vi. The cost of certain unquoted 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.

vii. Reconciliation of Level 3 fair value measurement is as below:

Particulars	As at	
	31st March, 2021 Rupees	31st March, 2020 Rupees
<b>Balance at the beginning of the year</b>	41,77,85,364	41,07,69,779
Additions during the year	16,91,25,000	-
Sales/write off during the year	-	-
Fair Value changes during the year	18,25,02,748	70,15,585
<b>Balance at the end of the year</b>	<b>76,94,13,112</b>	<b>41,77,85,364</b>

All gains and losses included in other comprehensive income related to unlisted shares held at the end of the reporting period are reported under "Equity Instruments through Other Comprehensive Income". The significant unobservable input used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March, 2021 and 31st March, 2020 are as shown below:

Particulars	Valuation techniques	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Investments in unquoted equity shares	Price of recent transaction (PORT)	Transaction price	Varies on case to case basis	2% (31st March, 2020: 2%) increase (decrease) in the transaction price would result in increase (decrease) in fair value by Rs. 26,85,728 (31st March, 2010: Rs. 25,55,728)

**c. Derivative Financial Instruments**

The Company has not entered into any derivative financial contracts during the current and previous financial years.

**d. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Liquidity risk; and
- Price risk

The Company has a risk management policy which not only covers the market risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan. achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.



**AF-TAAB INVESTMENT COMPANY LIMITED**  
**Notes to the Standalone Financial Statements for the year ended 31st March 2021**

**d. Disclosures on financial instruments (Contd.)**  
**Financial risk management (Contd.)**

**Liquidity Risk:**

The Company has sufficient liquid funds to meet its financial liabilities and accordingly, has no liquidity risk.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities;

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Within 12 months Rupees	After 12 months Rupees	Within 12 months Rupees	After 12 months Rupees
<b>Financial Assets</b>		<b>Total</b>		<b>Total</b>
-Cash and Cash equivalents	6,34,651	6,34,651	4,11,833	4,11,833
-Loans	1,45,32,45,219	1,45,32,45,219	-	-
-Investments	1,83,12,50,430	1,83,12,50,430	2,63,45,11,572	2,63,45,11,572
<b>TOTAL FINANCIAL ASSETS</b>	<b>3,28,51,30,300</b>	<b>3,28,51,30,300</b>	<b>2,63,49,23,405</b>	<b>2,63,49,23,405</b>
<b>Financial Liabilities</b>				
- Trade Payables	3,61,791	3,61,791	3,66,390	3,66,390
- Other Financial Liabilities	1,09,607	1,09,607	85,375	85,375
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>4,71,398</b>	<b>4,71,398</b>	<b>4,51,765</b>	<b>4,51,765</b>

**Price risk:**

**Exposure**

The Company is exposed to equity price risk arising from investments held by the Company and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage its price risk arising from investment in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company. The majority of the Company's equity investments are listed on the Bombay Stock Exchange (BSE) or the National Stock Exchange (NSE) in India.

**Sensitivity analysis - Equity price risk**

The table below summarises the impact of increase/decrease of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the equity/index had increased/decreased by 2% with all other variables held constant and that all the Company's equity instruments moved in line with the index.

	Impact on profit before tax		Impact on other components of equity (before tax)	
	31 March 2021 Rupees	31 March 2020 Rupees	31 March 2021 Rupees	31 March 2020 Rupees
NSE/BSE Index - Increase by 2%	-	-	1,99,40,384	1,19,35,444
NSE/BSE Index - Decrease by 2%	-	-	(1,99,40,384)	(1,19,35,444)

Profit for the period would increase/decrease as a result of gain/losses on equity securities classified as fair value through other comprehensive income. Other components of equity would increase/decrease as a result of gain/losses on equity securities classified as fair value through other comprehensive income.

**e. Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company has adequate cash and bank balances. The Company monitors its capital by a careful scrutiny of the cash and bank balances and a regular assessment of any debt requirements. In the absence of any debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.



23 Schedule forming part of a non deposit taking Non Banking Financial Company

**Schedule of a non deposit taking Non Banking Financial Company**  
[as required in terms of Para 13 of Non-Banking Financial Company - Systematically Important Non - Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016]

Particulars		2020-21		2019-20	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>Liabilities side</b>					
<b>(1)</b>	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :</b>				
(a)	Debentures : Secured	-	-	-	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	-	-	-	-
(d)	Inter-corporate loans and borrowing	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits	-	-	-	-
<b>Assets side</b>		<b>Amount outstanding</b>			
<b>(2)</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (3) below] :</b>				
	<b>Particulars</b>	<b>2020-21</b>		<b>2019-20</b>	
(a)	Secured		-		-
(b)	Unsecured Intercorporate Deposit (Including Interest)		1,45,32,45,319		-
<b>(3)</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>				
(i)	Lease assets including lease rentals under sundry debtors :				
(a)	Financial lease		-		-
(b)	Operating lease		-		-
(ii)	Stock on hire including hire charges under sundry debtors :				
(a)	Assets on hire		-		-
(b)	Repossessed Assets		-		-
(iii)	Other loans counting towards asset financing activities				
(a)	Loans where assets have been repossessed		-		-
(b)	Loans other than (a) above		-		-



<b>(4) Break-up of Investments (net of provision for diminution)</b>						
Particulars		2020-21			2019-20	
		Current Investments				
1.	Quoted					
	(i) Shares					
		(a) Equity	-	-	-	-
		(b) Preference	-	-	-	-
	(ii) Debentures and Bonds		-	-	-	-
	(iii) Units of mutual funds		-	-	-	-
	(iv) Government Securities		-	-	-	-
	(v) Others		-	-	-	-
2.	Unquoted					
	(i) Shares					
		(a) Equity	-	-	-	-
		(b) Preference	-	-	-	-
	(ii) Debentures and Bonds		-	-	-	-
	(iii) Units of mutual funds		6,47,84,619		1,61,99,20,486	
	(iv) Government Securities		-	-	-	-
	(v) Others		-	-	-	-
<b>Long Term investments</b>						
1.	Quoted					
	(i) Share					
		(a) Equity	99,70,19,199		59,67,72,222	
		(b) Preference	-	-	-	-
	(ii) Debentures and Bonds		-	-	-	-
	(iii) Units of mutual funds		-	-	-	-
		Government Securities				
	(v) Others		-	-	-	-
2.	Unquoted					
	(i) Shares					
		(a) Equity	76,29,46,612		41,78,18,864	
		(b) Preference	-	-	-	-
	(ii) Debentures and Bonds		-	-	-	-
	(iii) Units of mutual funds		-	-	-	-
	(iv) Government Securities		-	-	-	-
	(v) Others		-	-	-	-
<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above :</b>						
Category		2020-21			2019-20	
		Amount net of provisions			Amount net of provisions	
		Secur	Unsecured	Total	Secured	Unsecured
1.	<b>Related Parties</b>					
	(a) Subsidiaries	-	-	-	-	-
	(b) Companies in the same group (Holding Company)	-	1,45,32,45,219	1,45,32,45,219	-	-
	(c) Other related parties	-	-	-	-	-
2.	Other than related parties	-	-	-	-	-
<b>Total</b>						



<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>					
Category		2020-21		2019-20	
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	7,40,10,979	7,40,10,979	5,03,93,754	5,03,93,754
	(c) Other related parties	-	-	-	-
2.	Other than related parties	1,68,59,21,332	64,10,77,578	96,41,63,832	66,46,94,803
<b>Total</b>		<b>1,75,99,32,311</b>	<b>71,50,88,557</b>	<b>1,01,45,57,586</b>	<b>71,50,88,557</b>
<b>(7) Other information</b>					
Particulars		2020-21		2019-20	
		Amount		Amount	
(i)	Gross Non-Performing Assets				
	(a) Related parties	-	-	-	-
	(b) Other than related parties	-	-	-	-
(ii)	Net Non-Performing Assets				
	(a) Related parties	-	-	-	-
	(b) Other than related parties	-	-	-	-
(iii)	Assets acquired in satisfaction of debt				



**AF-TAAB INVESTMENT COMPANY LIMITED**  
**Notes to the Standalone Financial Statements for the year ended 31st March 2021**

**24 Significant Events after the reporting period**

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

**25 Impact of COVID-19**

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. Considering that the entity is in the business of investment in group companies and mutual funds, management believes that there is not much of an impact likely due to this pandemic. However, the Company is closely monitoring developments, its operations and liquidity and is actively working to minimize the impact of this unprecedented situation

**26** The Board of Directors of the Company at its meeting held on 11th August, 2020 has considered and approved the "Scheme of Amalgamation" ("the Scheme") under Section 232 and other applicable provisions, if any, of the Companies Act, 2013 between The Tata Power Company Limited ("holding company") for merger of the entire business and the whole of the undertaking of the Company on a going concern basis with the holding company with effect from 1<sup>st</sup> April, 2020 (Appointed Date). The Scheme is subject to the approval of National Company Law Tribunal. Pending approval of the National Company Law Tribunal, no effect of the proposed scheme has been given in the financial statements.

**27 Approval of Financial Statements**

The financial statements were approved for issue by the Board of Directors on 29th April, 2021.

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

per Vishal Bansal  
Membership No : 097546



For and on behalf of the Board of Directors

  
Kasturi Soundararajan  
Director  
DIN: 03481637

  
Jinendra V Patil  
Director  
DIN: 07335106

  
Preeti Singh  
Company Secretary

  
Pawan Malpani  
Chief Financial Officer

Place : Mumbai  
Date : 29th April, 2021

Place : Mumbai  
Date : 29th April, 2021