

# **TATA CAPITAL HOUSING FINANCE LIMITED**

**Annual Report 2015-16**

## DIRECTORS' REPORT

### TO THE MEMBERS OF TATA CAPITAL HOUSING FINANCE LIMITED

The Directors have pleasure in presenting their Eighth Annual Report and the Audited Financial Statements for the Financial Year ("FY") ended March 31, 2016.

#### 1. BACKGROUND

Tata Capital Housing Finance Limited ("Company" or "TCHFL"), is a wholly owned subsidiary of Tata Capital Limited ("TCL") and is registered with the National Housing Bank ("NHB") to carry on housing finance activities. The Company offers a range of Housing Loans and Loans against Property to various segments of society such as salaried individuals, self employed individuals, self employed professionals, corporates, etc. and has been focusing on business opportunities available within the Tata ecosystem.

Apart from Housing Loans and Loans against Property to the retail segment, TCHFL also provides project finance loans to developers. The Company intends to keep growing its business at a healthy rate with Rural and Affordable Housing Finance, as one of its focus areas.

#### 2. INDUSTRY AND ECONOMIC SCENARIO

The Indian economy has weathered many challenges successfully in recent times. Markets are optimistic, as a result of various policy measures announced or taken by the Government. The key policy changes include liberalization of foreign direct investment and a large array of investment facilitation measures. However, some large-ticket changes such as modified labour laws, simplified land acquisition rules and nationwide Goods and Services Tax are still not in place.

Due to the sluggish global growth, especially in China, commodity prices have remained low, inflation has moderated and low crude prices have supported the Government's current account deficit commitment. A relatively stable rupee and rising foreign exchange reserves, are key indicators of an improved and stable macro-economic environment. The slowing global economy is not all positive for India, exports have suffered and domestic growth will be critical in FY 2016 -17.

In FY 2015-16, the Government focused on its theme "Transform India". The Budget for FY 2016-17 preferred fiscal prudence and stability over growth. The priorities of the Government were to provide additional resources for the vulnerable sections of society, to rural areas and for creating social and physical infrastructure. The Government encouraged private and public spending; but private investment is not likely to recover in FY 2016-17 as capacity utilization was around 75% and private sector Balance Sheets are stretched. By maintaining the fiscal deficit at 3.5%, the Government has precluded the possibility of any direct fiscal stimulus. The positive effect of the Government's fiscal discipline is that it has created conditions for the Reserve Bank of India ("RBI") to cut rates, thereby indirectly benefiting the economy by bringing down the cost of borrowing for both the Government and the private sector. The RBI has cut rates in FY 2015-16, the onward transmission of which is likely to happen in FY 2016-17.

A normal monsoon and further rate cuts by RBI are expected to facilitate rural and urban consumption. The year ahead will be challenging on many fronts - credit quality and shifts in operating model, to name a couple. Accepted norms and rules of doing business are likely to be re-written with digital innovation, increased use of technology in financial services and payment and small banks coming on stream. Each individually, and all of them collectively, have the ability to change the face of the financial services sector.

The housing finance market in India is growing fast over the last 25 years and is served by multiple institutions that cater to people in diverse geographies and across income spreads. Mortgage lending has significantly contributed to the growth in housing construction and housing consumption activities.

The home loan industry is expected to grow at a compounded annual growth rate of 16.2% from FY 2012-13 to FY 2016-17 on a large base of Rs. 6.3 trillion. Mortgage penetration in India, despite a rising trend, is still quite low not only relative to advanced economies but even relative to its peers like Malaysia, Korea, Thailand and China. Mortgage to GDP ratio in India is currently 9%. This implies a huge growth opportunity for the sector as also for the Company. As per estimates, the total outstanding mortgages in India will increase eight fold with Mortgage to GDP ratio increasing to 20%, by FY 2020.

Most of the growth in the Housing Finance sector took place in upper and middle income groups. Low income groups still have little access to Housing Finance. The Government is working to achieve housing for all by 2022. During the year, the Government has declared names of 98 cities which are to be developed as smart cities and the Ministry of Finance has notified 41 Housing Finance Companies ("HFC") to be treated as "financial institutions" for the purpose of the SARFAESI Act. Government focus on affordable housing and increasing penetration in Tier II and III towns by HFCs is likely to fuel the next leg of growth. New drivers of growth are low ticket housing and self employed segment. The medium and long-term demand for residential

housing is likely to remain strong led by buoyant economic growth, resulting in better job prospects, job security, enhanced affordability of houses and increased finance penetration. Any increase in population directly impacts demand for housing units and, through this, the floor space area requirements. As per CRISIL Research, urbanization will accelerate, translating into a Compounded Annual Growth Rate of 2.0-2.5% in urban population between 2010 and 2015, as compared to the overall population growth of 1.3 per cent during the same period. This difference in growth rates implies that the gap between urban and rural population will narrow. Finance penetration is expected to increase to 43% in urban areas and 8.8% in rural areas by FY 2015-16. HFCs have the advantage of domain expertise, regulatory advantages (No CRR or SLR), NHB refinancing support and low cost income ratio model and appear to be well placed to take advantage and succeed in this changing environment.

### 3. FINANCIAL RESULTS

The performance of the Company for FY 2015-16 is summarized below:

(Rs. in crore)

Particulars	FY 2015-16	FY 2014-15
Total Income	1,265	910
Total Expenditure	1,092	807
Profit Before Tax	173	103
Provision for Tax (net of deferred tax)	60	35
Profit After Tax	113	68
Balance brought forward from the previous year	66	53
Adjustment of Deferred Tax Liability on Special Reserve u/s 36(1)(viii) of the Income Act, 1961	-	(6)
Amount available for appropriation	179	115
<b>Appropriations</b>		
Interim Dividend on Compulsorily Convertible Cumulative Preference Shares	46	26
Dividend Distribution Tax on interim dividend	9	5
Proposed dividend on Compulsorily Convertible Cumulative Preference Shares	-	3
Dividend Distribution Tax	-	1
Transfer to Special Reserve	23	14
Balance carried to Balance Sheet	101	66

During the year under review, the Company disbursed Mortgage Loans amounting to Rs. 6,532 crore (FY 2014-15: Rs. 4,563 crore), representing an increase of over 43%. This included Housing Loans of Rs. 3,936 crore in FY 2015-16 (FY 2014-15: Rs. 3,255 crore). The Company's loan portfolio stood at Rs. 13,005 crore as on March 31, 2016 (Rs. 9,088 crore as on March 31, 2015), representing an increase of 43%. The Cost to Income ratio decreased to 46.4% in FY 2015-16 as compared to 50.4% in FY 2014-15. Gross NPA and Net NPA were 0.72% and 0.46%, respectively, as on March 31, 2016 (0.61% and 0.41%, respectively, as on March 31, 2015).

The Company's Gross Income increased to Rs. 1,265 crore in FY 2015-16 from Rs. 910 crore in FY 2014-15, representing an increase of 39%. Interest expenses increased by 33% to Rs. 863 crore in FY 2015-16 from Rs. 648 crore, in FY 2014-15.

Total Income (Net Interest Margin plus other revenue) of the Company increased by 54%, from Rs. 259 crore in FY 2014-15 to Rs. 398 crore in FY 2015-16. Net Interest Margin as a percentage of average assets stood at 3.2% for FY 2015-16. Total Income included Investment and Fee Income of Rs. 2 crore and Rs. 52 crore, respectively, for FY 2015-16.

Operating Cost increased by 43% to Rs. 150 crore in FY 2015-16, from Rs. 105 crore in FY 2014-15. Manpower expenses for FY 2015-16 were Rs. 74 crore as against Rs. 49 crore in FY 2014-15, an increase of 51%.

Cumulative provisioning on the asset book as on March 31, 2016 was Rs. 100 crore, of which, standard asset provisioning amounted to Rs. 65 crore. The provision for taxation during the year was Rs. 60 crore.

The Net Profit after Tax for the year increased by 66%, from Rs. 68 crore in FY 2014-15 to Rs. 113 crore in FY 2015-16.

An amount of Rs. 23 crore is proposed to be transferred to the Special Reserve Fund for FY 2015-16, pursuant to Section 29C of the National Housing Bank Act, 1987 and the balance of Rs. 101 crore is proposed to be carried to the Balance Sheet.

#### 4. SHARE CAPITAL

The Paid-up Share Capital of the Company as on March 31, 2016 was Rs. 912,33,33,320 consisting of 25,33,33,332 Equity Shares of Rs. 10 each and 65,90,00,000 Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Rs. 10 each.

During the year under review, the Company issued and allotted to TCL, 24,50,00,000 CCCPS of Rs. 10 each, at par, aggregating Rs. 245 crore on a 'Rights basis'. These CCCPS are entitled to dividend of 9% p.a. on a cumulative basis.

#### 5. DIVIDEND

At the Meeting of the Board of Directors of the Company held on March 26, 2016, the Directors declared an interim dividend on the CCCPS @ 9% i.e. Rs. 0.90 per CCCPS for FY 2015-16, as under:

- i. On 41,40,00,000 CCCPS of Rs. 10 each, aggregating Rs. 37,26,00,000 for the period April 1, 2015 to March 31, 2016; and
- ii. On 24,50,00,000 CCCPS of Rs. 10 each, aggregating Rs. 8,75,82,787, to be paid on a pro-rata basis, from the respective dates of allotment to March 31, 2016.

With a view to conserving the resources of the Company and for building up its reserves and after considering the business plans of the Company for FY 2016-17, the Board of Directors do not recommend payment of dividend on Equity Shares for the year ended March 31, 2016.

#### 6. FINANCE

During FY 2015-16, the Company met its funding requirements through a combination of short term debt (comprising Commercial Paper and Bank Loans) and long term debt (comprising Non Convertible Debentures ("NCD"), Subordinated Debt and Bank Loans). During the year under review, the Company issued on a private placement basis, Secured Redeemable NCDs of an aggregate Face Value of Rs. 2,259.50 crore and Unsecured Redeemable Non-Convertible Subordinated Debentures, as Tier II Capital, of an aggregate Face Value of Rs. 200 crore and received funding of Rs. 918.20 crore from NHB. The aggregate debt outstanding as at March 31, 2016 was Rs. 11,605 crore (of which, Rs. 3,738 crore was payable within one year). The Debt Equity ratio of the Company as at March 31, 2016 was 10.7 times. The Company has been regular in repayment of its borrowings and payment of interest on borrowings.

#### 7. CREDIT RATING

During the year under review, the Company received the following ratings:

RATING	NATURE OF SECURITIES
CRISIL A1+ stable	Short Term Debt (including Commercial Paper and Short Term Bank Facilities)
CRISIL AA+ stable	Secured NCDs, Subordinated Debt and Long Term Bank facilities
ICRA AA+ stable	Subordinated Debt

#### 8. RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. The Risk Management process is governed by the Comprehensive Enterprise Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring on an ongoing basis that is supported by a robust risk reporting framework. Risk Management comprised Credit Risk, Market Risk, Operational Risk, Fraud Risk and Other Risks.

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

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

analysis, has been implemented.

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

The Company has a Board approved Operational Risk Management framework. Ongoing monitoring of Key Risk Indicators ("KRI") is done by a dedicated Operational Risk Management team. Causal analysis is carried out and corrective actions are implemented on KRI exceptions. A senior management oversight committee viz. the Operational Risk Management Committee ("ORMC") meets periodically to review the operational risk profile of the organization.

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

## 9. INTERNAL CONTROL SYSTEMS

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

## 10. INTERNAL FINANCIAL CONTROLS

Management had appointed an external consultant and formed a Cross Functional Team ("CFT") comprising Operating Managers, Internal Audit, Risk and Statutory Auditors to document and evaluate the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Entity Level Control framework document based on COSO 2013 framework has been documented. The documentation of process maps, key controls, standard operating procedures (SOP) and risk registers has been completed for all businesses and functions under the supervision of the CFT. Further, during FY 2015-16, Management testing has been conducted on a sample basis for all key processes and remedial action has been taken or agreed upon with a finite closure date where control weaknesses were identified. The Internal Audit team has also conducted a review of the Internal Financial Controls and remedial action has been taken or agreed upon with a finite closure date where in control weaknesses were identified. There are no material financial controls related observations outstanding at March 31, 2016. Based on the above, the Management believes adequate internal financial controls exist in relation to its Financial Statements.

## 11. INFORMATION TECHNOLOGY SUPPORT

TCHFL has achieved stability in core systems and is close to total automation of all its business processes. During the year, the Treasury system moved to SAP with the end to end process automated. TCHFL's core lending system is now being migrated to an industry standard application. TCHFL has entered into the digital space with several new products. The focus is now on enhancing the digital footprint. The digital strategy is based on the 'nexus of forces' covering social, mobile, analytics and the cloud and internet using the 'bi-modal' delivery approach. The emphasis is on continual improvement and upgradation of systems and underlying processes.

TCHFL has completed an assessment of its IT capability maturity with a high score. There is a constant endeavour to move up the IT maturity curve (including benchmarking against internationally accepted IT Capability Maturity Framework) and deliver value to businesses and customers. TCHFL has identified several IT projects for the coming year that would give TCHFL a clear advantage and benefit the stakeholders. TCHFL is well on its way on the 'digitalisation' journey, where in it will deploy the latest technology covering the internet, cloud, analytics, social media and mobility areas. Mobility applications for retail loans have been deployed across multiple operating systems. 'Soham' - a mobile app for housing finance prospects and customers has been deployed which enables customers to view their existing account details and also enables prospects to view properties.

TCHFL has changed its IT outsourcing model from a revenue based model to a cost based approach - categorized on a 'run the business' and 'change the business' models with different pricing options.

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

## 12. HUMAN RESOURCES

The Company had 1,429 employees as at March 31, 2016, including 787 Customer Relationship Executives. The Company recognizes the value of its human capital and is continuously upgrading the skill levels of its workforce through regular internal and external training and management development programmes.

## 13. CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Section 135 of the Companies Act, 2013 ("Act"), the Company has constituted a Corporate Social Responsibility Committee comprising Ms. Anuradha E. Thakur, Independent Director, (Chairperson), Mr. Shailesh H. Rajadhyaksha, Non-Executive Director and Mr. R. Vaithianathan, Managing Director, as Members. During FY 2015-16, the Company spent Rs. 1.78 crore (being 2 percent of the average net profit of the Company in the three immediately preceding financial years calculated as per Section 198 of the Act) in projects covered under Schedule VII of the Act.

The CSR Policy outlining four thrust areas of development viz. Livelihood & Employability, Health, Education and Environment was adopted by the Board and the same has been put up on the Company's website. The Annual Report on CSR activities is annexed hereto as 'Annexure - A'.

## 14. COMPLIANCE

The Company has complied and continues to comply with all applicable provisions of the Act and the National Housing Bank ("NHB") Act, 1987, NHB Directions, 2010 and other applicable rules/regulations/guidelines, issued from time to time.

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

The Capital Adequacy Ratio ("CAR") of the Company was 16.17% as on March 31, 2016 against the CAR of 12.00%, prescribed by the NHB.

## 15. REGULATORY ACTION

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

## 16. DEPOSITS

The Company did not hold any public deposit at the beginning of the year nor has it accepted any public deposits during the year under review.

## 17. DETAILS OF LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of the Act pertaining to giving of loans, guarantees, providing of security in connection with a loan and acquisition of securities of any body corporate are not applicable to the Company since the Company is a Housing Finance Company.

## 18. DIRECTORS

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

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. S. H. Rajadhyaksha is liable to retire by rotation at the ensuing AGM and is eligible, for re-appointment. The Members of the Company may wish to refer to the accompanying Notice of the AGM of the Company, for a brief Resume of Mr. Rajadhyaksha.

## 19. EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance and of the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee ("NRC"). The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be. The criteria for evaluating the performance of the Board as a whole covered various aspects of the Board's functioning such as fulfillment of key responsibilities, structure of the Board and its composition, establishment and delineation of the responsibilities of the Board Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, etc. The criteria for evaluation of individual Directors covered parameters such as attendance and contribution

at meetings, guidance to Management, etc. The criteria for evaluation of the Board Committees covered areas related to degree of fulfillment of key responsibilities, adequacy of Board Committee composition, effectiveness of meetings, Committee dynamics, quality of relationship of the Committee with the Board and the Management, etc.

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

## **20. POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY OF THE COMPANY**

The Nomination and Remuneration Committee ("NRC") of the Company comprises Mr. Janki Ballabh, Independent Director (Chairman), Ms. Anuradha E. Thakur, Independent Director and Mr. Praveen P. Kadle, Non-Executive Director, as Members. The NRC develops the competency requirements of the Board based on the industry and the strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence of all Directors before recommending them to the Board. Besides the above, the NRC ensures that the new Directors are familiarized with the operations of the Company and endeavours to provide relevant training to the Directors.

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

## **21. KEY MANAGERIAL PERSONNEL**

Mr. R. Vaithianathan, Managing Director and Mr. S Balakrishna Kamath, Chief Financial Officer and Company Secretary, are the Key Managerial Personnel of the Company.

## **22. DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the external consultants and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2015-16.

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures thereof;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 23. CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance

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

The Company believes that good corporate governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading HFC in India, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to Tata companies.

The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence, the Balanced Scorecard methodology for tracking progress on long term strategic objectives and the Tata Code of Conduct ("TCOC"), which articulates the values, ethics and business principles and serves as a guide to the Company, its directors and employees, supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the TCOC. In addition, the Company has adopted the Tata Governance Guidelines on Board Effectiveness, a Code of Conduct for Prevention of Insider Trading, a Vigil Mechanism, a Fair Practices Code, a Policy against Sexual Harassment in the Workplace, a Policy on Board Diversity and Director Attributes, a Code of Conduct for Non-Executive Directors and an Occupational Health and Safety Management System.

#### a. Board of Directors

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

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors. The size of the Board is commensurate with the size and business of the Company. The names and categories of the Directors on the Board, their attendance at Board Meetings held during FY 2015-16 and at the last AGM are given below:

Name of Director	Director Identification Number	Category	Board Meetings		Whether present at previous AGM held on June 30, 2015
			Held	Attended	
Mr. Janki Ballabh	00011206	Independent Director	8	8	Yes
Ms. Anuradha E. Thakur	06702919	Independent Director	8	7	Yes
Mr. Praveen P. Kadle	00016814	Non-Executive Director	8	8	Yes
Mr. Shailesh H. Rajadhyaksha	00020465	Non-Executive Director	8	8	Yes
Mr. Govind Sankaranarayanan	01951880	Non-Executive Director	8	8	Yes
Mr. R. Vaithianathan	05267804	Managing Director	8	8	Yes

#### b. Remuneration to the Directors

The Company paid Sitting fees for attending Board Meetings and Meetings of Committees of the Board within the maximum prescribed limits. The details of the same are, as under:

Name of Director	Sitting Fees paid for attending Board and Committee Meetings during FY 2015-16 (Rs.)
Mr. Janki Ballabh	8,10,000
Ms. Anuradha E. Thakur	6,90,000
Mr. Shailesh H. Rajadhyaksha	7,20,000
Mr. Govind Sankaranarayanan	3,00,000

Mr. R. Vaithianathan has been appointed as the Managing Director of the Company for a period of 5 years with effect from June 1, 2012. Based on the recommendation of the Members of the NRC, the Directors



approved a Commission of Rs. 50 lakh for FY 2015-16, for Mr. Vaithianathan. With this, the total remuneration of Mr. Vaithianathan for FY 2015-16, was Rs. 1.81 crore.

No Commission is proposed to be paid to the Non-Executive Directors and the Independent Directors of the Company for FY 2015-16.

None of the Non-Executive Directors and the Independent Directors had any pecuniary relationships or transactions with the Company during the year under review.

### c. Committees of the Board

#### i. Audit Committee

The Audit Committee comprises Mr. Janki Ballabh, Independent Director, (Chairman), Ms. Anuradha E. Thakur, Independent Director and Mr. Shailesh H Rajadhyaksha, Non-Executive Director, as Members.

The scope of the Audit Committee, *inter alia*, includes the following:

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

During FY 2015-16, six Audit Committee Meetings were held: April 21, 2016; July 20, 2015; October 16, 2015; November 24, 2015; January 22, 2016 and March 26, 2016. The attendance of the Members of the Audit Committee at its Meetings held during FY 2015-16 is given below:

Name of the Member	Category	Audit Committee	
		Held	Attended
Mr. Janki Ballabh	Independent Director	6	6
Ms. Anuradha E. Thakur	Independent Director	6	5
Mr. Shailesh H. Rajadhyaksha	Non – Executive Director	6	6

The Board has accepted all the recommendations made by the Audit Committee during the year.

Besides the Members of the Audit Committee, meetings of the Audit Committee are attended by the Managing Director, Statutory Auditors, Head - Internal Audit, Head – Risk, Chief Financial Officer and Company Secretary. The Internal Audit function is headed by the Head – Internal Audit of the Company, who reports to the Chairman of the Audit Committee, to ensure independence of operations.

Mr. Janki Ballabh, Chairman of the Audit Committee and the Nomination and Remuneration Committee had attended the last AGM of the Company.

#### ii. Asset Liability Committee

During FY 2015–16, four Meetings of the Asset Liability Committee Meetings were held: June 30, 2015; August 25, 2015; November 24, 2015 and March 18, 2016. The attendance of the Members of the Asset Liability Committee at its Meetings held during FY 2015-16 is given below:

Name of the Member	Category	Audit Committee	
		Held	Attended
Mr. Janki Ballabh, Chairman	Independent Director	4	4

Mr. Praveen P. Kadle	Non – Executive Director	4	4
Mr. Shailesh H. Rajadhyaksha	Non – Executive Director	4	4
Mr. Govind Sankaranarayanan	Non – Executive Director	4	4
Mr. R. Vaithianathan	Managing Director	4	4

### iii. Risk Management Committee

During FY 2015–16, four Meetings of the Risk Management Committee were held: June 30, 2015; August 25, 2015; November 24, 2015 and March 18, 2016. The attendance of the Members of the Risk Management Committee at its Meetings held during FY 2015-16 is given below:

Name of the Member	Category	Audit Committee	
		Held	Attended
Mr. Janki Ballabh, Chairman	Independent Director	4	4
Ms. Anuradha E. Thakur	Independent Director	4	4
Mr. Praveen P. Kadle	Non – Executive Director	4	4
Mr. Shailesh H. Rajadhyaksha	Non – Executive Director	4	4
Mr. Govind Sankaranarayanan	Non – Executive Director	4	4
Mr. R. Vaithianathan	Managing Director	4	4

### iv. Nomination and Remuneration Committee

During FY 2015–16, three Meetings of the Nomination and Remuneration Committee were held: April 16, 2015; April 21, 2015 and February 19, 2016. The attendance of the Members of the Nomination and Remuneration Committee at its Meetings held during FY 2015-16 is given below:

Name of the Member	Category	Audit Committee	
		Held	Attended
Mr. Janki Ballabh, Chairman	Independent Director	3	3
Ms. Anuradha E. Thakur	Independent Director	3	3
Mr. Praveen P. Kadle	Non – Executive	3	3

### v. Corporate Social Responsibility Committee

During FY 2015–16, two Meetings of the Corporate Social Responsibility Committee were held: May 20, 2015 and October 16, 2015. The attendance of the Members of the Corporate Social Responsibility Committee at its Meetings held during FY 2015-16 is given below:

Name of the Member	Category	Audit Committee	
		Held	Attended
Ms. Anuradha E. Thakur, Chairman	Independent Director	2	2
Mr. Shailesh H. Rajadhyaksha	Non – Executive Director	2	2
Mr. R. Vaithianathan	Managing Director	2	2

### d. Codes/Policies adopted by the Board

The Board has adopted the following important codes/policies for the Company, amongst others:

- i. TCOC for its employees including the Managing Director;
- ii. Code of Conduct for Non Executive Directors;
- iii. Fair Practices Code;
- iv. Know Your Customer Policy;
- v. Anti Money Laundering Policy;
- vi. Risk Management Policy;
- vii. Policy for Operational Risk Management;
- viii. Process for Fraud Risk Management;
- ix. Corporate Social Responsibility Policy;
- x. Whistle - Blower Policy;
- xi. Guidelines on Board Effectiveness;
- xii. Resource Raising Policy;
- xiii. Customer Grievance Policy;

- xiv. Mechanism;
- xv. Policy on Preservation of Documents;
- xvi. Asset Liability Management Policy; and
- xvii. Policy on Wilful Defaulters.

#### e. Means of Communication

The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, etc. Members also have the facility of raising queries/making complaints on share and debenture related matters through a facility provided on the Company's website. The debentureholders can also send in their queries/complaints at the designated email address: [compliance.ncd@tatacapital.com](mailto:compliance.ncd@tatacapital.com).

#### f. General Information for Members and Debenture holders

The half yearly Financial Results of the Company are submitted to the Stock Exchanges in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are published in a leading English daily newspaper and also communicated to the Debenture holders every six months through a half yearly communiqué. Official news releases, including the half-yearly results, are also posted on the Company's website.

The Company does not have any unclaimed Non-Convertible Debentures nor any unpaid interest/redemption proceeds due thereon.

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs ("MCA") is U67190MH2008PLC187552. The Debentures issued by the Company on a private placement basis are listed on the Wholesale Debt Market segment of the National Stock Exchange of India.

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

<b>Debenture Trustees</b>
<p>IL &amp; FS Trust Company Limited The IL&amp;FS Financial Centre, Plot C - 22, G Block, Bandra Kurla Complex, Bandra(E), Mumbai - 400051 Web: <a href="http://www.itclindia.com">www.itclindia.com</a> Tel: +91 22 2653 3333, Fax: +91 22 2653 3297 e-mail: <a href="mailto:investorgrievances.itcl@ilfsindia.com">investorgrievances.itcl@ilfsindia.com</a></p>
<p>IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001 Web: <a href="http://www.idbitrustee.com">www.idbitrustee.com</a> Tel: +91 22 4080 7000, Fax: +91 22 6631 1776 e-mail: <a href="mailto:itsl@idbitrustee.com">itsl@idbitrustee.com</a></p>
<b>Registrar and Transfer Agents</b>
<b>Non – Convertible Debentures issued on a Private Placement basis</b>
<p>Sharepro Services (India) Private Limited 13 AB, Samhita Warehousing Complex, Behind Sakinaka Telephone Exchange, Kurla Andheri Road, Sakinaka, Mumbai - 400072 Tel: +91 22 67720300, +91 22 67720400 <a href="http://www.shareproservices.com">www.shareproservices.com</a> e-mail: <a href="mailto:sachins@shareproservices.com">sachins@shareproservices.com</a></p>

The Company is in the process of appointing TSR Darashaw Limited ("TSR") as the RTA for the securities issued by the Company, consequent upon the issue of the order dated March 22, 2016, by SEBI, restraining the management of Sharepro Services (I) Pvt. Limited ("Sharepro") from buying, selling or dealing in the securities market or associating themselves with securities market, either directly or indirectly, in any manner, till further directions. In terms of the order, an audit of the records and systems of Sharepro is in progress.

#### g. Other Information

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

The Company has adopted the TCOC for its employees, including the MD. In addition, the Company has adopted a Code of Conduct for its NEDs. The Codes have been posted on the website.

Tata Capital lays strong emphasis on the Health, Safety and Welfare of all its employees. Towards this, Tata Capital has now become OHSAS 18001:2007 compliant - an internationally recognized standard for health and safety.

#### **24. VIGIL MECHANISM**

The Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns or grievances. The said mechanism encompasses the Whistle Blower Policy, the Fraud Risk Management Process, the Ethics mechanism under the TCOC, etc. and provides for adequate safeguards against victimization of persons who use the mechanism. It also provides direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The Vigil Mechanism, Whistle Blower Policy and TCOC have been put up on the Company's website.

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

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

A 'Prevention of Sexual Harassment' ("POSH") policy which is in line with the statutory requirement, along with a structured reporting and redressal mechanism is in place. The POSH Policy is displayed on the Company's Intranet and is also communicated to employees through e-mails and communication campaigns. An Apex POSH Committee based in Mumbai and eleven Regional POSH Committees (each having a woman as Presiding Officer and an external woman member) are in place. During the year, 2 training sessions – by subject matter experts – were conducted for POSH Committee members. Members of the Committees have conducted training and awareness sessions across the organization, to sensitize employees to the needs and concerns of women employees and for a better understanding of the POSH policy. Posters on the POSH policy giving contact details of POSH Committee members are displayed in the Company's branch offices across the country. There is also a dedicated ([posh@tatacapital.com](mailto:posh@tatacapital.com)) e-mail id for employees to communicate, in strict confidence, directly with the Members of the POSH Committee.

During the year, the Company received no complaints under the Provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **26. STATUTORY AUDITORS**

Deloitte Haskins & Sells LLP ("DHS"), Chartered Accountants, Mumbai (ICAI Firm Registration Number: (117366WW-100018), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing AGM and are eligible for re-appointment.

DHS were appointed as the First Statutory Auditors of the Company, at the Board Meeting held on October 17, 2008 upto the conclusion of first AGM, on August 14, 2009 and have been re-appointed thereafter, at every AGM of the Company. The Company has received a letter from DHS to the effect that their appointment, if made, would be in accordance with the provisions of Section 139 of the Act and that they are not disqualified for such appointment within the meaning of Section 141 of the Act.

As per the provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to re-appoint DHS as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next AGM of the Company.

#### **27. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY**

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

#### **28. EXPLANATION ON STATUTORY AUDITORS' REPORT**

There are no qualifications, reservations or adverse remarks or disclaimers made by DHS, Chartered Accountants, in their Report dated May 2, 2016, on the Financial Statements of the Company for FY 2015-16.

#### **29. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Messrs. Parikh & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the FY ended March 31, 2016. The Secretarial Audit Report is annexed as 'Annexure D'.

There are no qualifications, reservations or adverse remarks or disclaimers made by Messrs. Parikh & Associates in their Secretarial Audit Report dated May 2, 2016 on the Secretarial and other related records of the Company for FY 2015-16.

### 30. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31, 2016 and May 2, 2016, being the date of this report.

### 31. PARTICULARS OF RELATED PARTY TRANSACTIONS

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

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

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

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

#### A. Conservation of energy:

##### i. Steps taken / impact on conservation of energy:

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

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

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

##### iii. Capital investment on energy conservation equipments:

In view of the nature of activities carried on by the Company, there is no capital investment on energy conservation equipments.

#### B. Technology absorption:

- i. The efforts made towards technology absorption;
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution;
- iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):
  - (a) The details of technology imported;
  - (b) The year of import;
  - (c) Whether the technology been fully absorbed;
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. The expenditure incurred on Research and Development.

Given the nature of the activities of the Company, the above would not be applicable to the Company.

#### C. Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year under review was Nil and the Foreign Exchange Outgo during the year under review in terms of actual outflows, was Rs. 0.05 crore.

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

A statement giving details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in 'Annexure F' attached.

The details required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of

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Managerial Personnel) Rules, 2014, for the year ended March 31, 2016, forms a part of this Report. In terms of the first proviso to Section 136 of the Act, the Report and the Accounts are being sent to the Members, excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary, at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

**34. EXTRACT OF THE ANNUAL RETURN**

An extract of the Annual Return as prescribed under Section 92 (3) of the Act and the Companies (Management and Administration) Rules, 2014, is attached as 'Annexure G'.

**35. ACKNOWLEDGEMENTS**

The Directors would like to place on record their gratitude for the valuable guidance and support received from the National Housing Bank, the Securities and Exchange Board of India, the Registrar of Companies and other government/regulatory agencies and to convey their appreciation to TCL, the holding company, the Company's Bankers, lenders, debenture holders and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation of the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

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

Mumbai  
May 2, 2016

**Praveen P Kadle**  
Chairman

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

### 1. Brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs:

Vision: To ensure sustainability by doing what is right, through the adoption of sustainable business practices, employee policies and technologies.

Purpose: To protect the interests of all the stakeholders of the Company and contribute to society at large, by making a measurable and positive difference through the four causes the Company supports viz. livelihood & employability, health, education and environment.

Sectors and Issues: To focus on education, employability, entrepreneurship, environment, disaster relief and Tata Group efforts.

For details of the CSR Policy along with projects and programs, kindly refer to <http://www.tatacapitalhfl.com/pdf/CSR-Policy-TCHFL.pdf>

### 2. CSR Committee

A company that qualifies under the CSR Rules is required to form a CSR committee of the Board. The CSR Committee of the Board comprises:

- Ms. Anuradha E. Thakur, Independent Director (Chairperson)
- Mr. Shailesh H. Rajadhyaksha
- Mr. R. Vaithianathan

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

Financial Year	Net Profit (Rs. in lakh)
FY 2012 - 13	4,844
FY 2013 -14	9,443
FY 2014 - 15	12,356
Average Net Profit	8,881

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

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

The CSR expenditure for FY 2015 – 16 aggregated Rs. 178 lakh

### 5. Details of CSR spend during FY 2015-16:

- a. Total amount to be spent: Rs.178 lakh
- b. Amount unspent, if any: Nil

c. Manner in which the amount was spent during FY 2015-16 is detailed in the table below:

(Rs. in lakh)

Sr. No.	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the State and District where the projects or programs were undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or Programs sub heads:		Cumulative expenditure upto the reporting period	Amount Spent	
					Direct Expenditure on projects or programs	Overheads		Direct	Implementing Agency
1	Primary education support	Promoting Education	Local area: Mumbai and Vikramgad, Maharashtra	9.85	9.38	0.47	9.85	-	<ul style="list-style-type: none"> <li>Mumbai Mobile Creches</li> <li>Pragati Prathisthan</li> </ul>
2	Soft skills to youth in professional courses	Promoting Education	Local area: Pune, Maharashtra	4.50	4.50	-	4.50	-	<ul style="list-style-type: none"> <li>CII Finishing school</li> </ul>
3	Tools and technology development and support for visually impaired individuals	Promoting healthcare	Other: PAN India	25.00	23.50	1.50	25.00	-	<ul style="list-style-type: none"> <li>Xavier's Recourse Centre for the Visual Challenged</li> </ul>
4	Skill Development	Enhancing vocational skills as livelihood enhancement projects	Other: PAN India	18.15	18.15	-	18.15	-	<ul style="list-style-type: none"> <li>TMle2E</li> <li>Swabhimaan Academy of Banking and Finance</li> </ul>
5	Entrepreneurship trainings	Livelihood enhancement projects	Local area: Nashik, Srirampur, Jawahar, Maharashtra	24.87	24.87	-	24.87	-	<ul style="list-style-type: none"> <li>Udyogwardhi ni Shikshan Sanstha</li> <li>Pragati Prathisthan</li> <li>NIRMI</li> </ul>
6	Habitat Protection	Ensuring environmental sustainability	Other: Assam, Arunachal Pradesh, Rajasthan	95.00	84.45	10.55	95.00	-	<ul style="list-style-type: none"> <li>World Wide Fund for Nature, India</li> </ul>
7	Admin expenses	Administrative overheads	Other: PAN India	0.63	0.63	-	0.63	TCHFL	
<b>TOTAL</b>				<b>178.00</b>	<b>165.48</b>	<b>12.52</b>	<b>178.00</b>		

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

Not Applicable the prescribed amount has been spent.

We hereby confirm that the implementation and monitoring of the CSR Policy, has been in compliance with the CSR objectives and CSR Policy adopted by the Company.

**Ms. Anuradha E. Thakur,**  
Chairperson, CSR Committee  
(Independent Director)

**Mr. R. Vaithianathan,**  
Member, CSR Committee  
(Managing Director)

**Mr. Shailesh H. Rajadhyaksha,**  
Member, CSR Committee  
(Non-Executive Director)



## **POLICY ON BOARD DIVERSITY AND DIRECTOR ATTRIBUTES**

### **1. PURPOSE**

In terms of Section 178 of the Companies Act, 2013 (“Act”) and the Governance Guidelines on Board Effectiveness issued by Tata Sons Limited and adopted by the Board of Directors, the Nomination and Remuneration Committee (“NRC”) of the Board is, *inter alia*, required to formulate a Policy on Board Diversity and lay down the criteria for determining qualifications, positive attributes and independence of a director.

Diversity in the composition of the Board of Directors has become essential in view of the expansion of business, greater social responsibility, increasing emphasis on Corporate Governance, need for addressing concerns of diverse stakeholders and the necessity for managing risks in the business effectively. A Board composed of appropriately qualified and skilled people, with a broad range of experience relevant to the business, is important for effective corporate governance and sustained commercial success of a company.

In view of the above, Tata Capital Housing Finance Limited (“TCHFL” or “Company”) has framed this Policy on Board Diversity and Director Attributes (“Policy”) that encourages diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Policy sets out the approach to diversity in the Board of Directors of the Company so as to ensure that the Board has an appropriate blend of functional and industry expertise.

This Policy has been adopted by the Board of Directors of the Company, based on the recommendations of the NRC.

### **2. OBJECTIVES OF THE POLICY**

The Objectives of the Policy include:

- i. Board to drive diversity and have an appropriate blend of functional and industry expertise;
- ii. While recommending the appointment of a director to, *inter alia*, consider the manner in which the function and domain expertise of the individual contributes to the overall skill domain mix of the Board;
- iii. To help the Company build a better Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;
- iv. To achieve an optimum and balanced Board, with a wide range of attributes;
- v. To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations; and
- vi. To have an optimum mix of Executive, Non-Executive and Independent Directors, including Women Directors.

### **3. POLICY STATEMENT**

To meet the above Objectives:

- i. The Board of TCHFL will ensure that a transparent Board nomination process is in place that encourages diversity of thought, experience, skills, knowledge, perspective, age, nationality, gender, cultural and educational background;
- ii. It will be ensured that the Board has an appropriate blend of functional and industry expertise and skills;
- iii. The consideration and selection of candidates for appointment to the Board will be based on merit which shall include a review of any candidate's integrity, experience, educational background, industry or related experience and more general experience;
- iv. Candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience and having the ability to devote sufficient time to the affairs of the Company, should be considered for appointment to the Board; and
- v. While recommending the appointment of a Director, the NRC will consider the criteria as laid down under the Act and applicable Regulations/Guidelines issued by Statutory and Regulatory Authorities, as also those issued by Tata Sons Limited, from time to time, and the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

### **4. MEASURABLE OBJECTIVES**

The NRC will largely rely on the regulatory provisions of the Act, and the Regulations/Guidelines issued by the National Housing Bank as also the Guidelines circulated by Tata Sons Limited and review the measurable objectives for achieving diversity against these provisions and recommend the same to the Board for adoption. At any given point of time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

### **5. MONITORING AND REPORTING**

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

## Remuneration Policy

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### 1. COMPENSATION PHILOSOPHY

Tata Capital Housing Finance Limited (“Company”) has adopted a Remuneration Policy based on a defined formal compensation philosophy of Tata Capital Limited, the holding company. In order to build a high performance culture, aligned to the Company’s Vision and Goals, the Compensation Philosophy aims at providing a significant differential to superior performers and also segregating increments and performance payouts, based on the actual performance of various business verticals.

The aforementioned Compensation Philosophy helps the Company to manage long term fixed cost, keep up with market compensation and attract the right talent to help drive its growth plans.

The performance of the Company and its Business Units / Functions is measured against annual budgets / targets, set as per the Balanced Score Card (BSC). Performance of individuals is measured against Key Result Areas (KRAs) set at beginning of year and after considering any revision of target during the year. The Annual Performance Rating would be considered for calculating the Performance Pay. Rating would be on a 5 point scale.

Consistent with the principle of differential influence that an employee may have on the overall performance of the Company, different weights are assigned for the Company’s performance, the performance of Business Units / Functions and the performance of individuals. Thus, employees in entry level / junior management have greater weightage for individual performance while employees in senior leadership roles have maximum weightage for Company and Business Unit Performance.

### 2. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The philosophy for remuneration of Directors, Senior Leadership Team, Key Managerial Personnel (“KMP”) and all other employees of the Company is based on the commitment to fostering a culture of leadership with trust. The Remuneration Policy is aligned to this philosophy.

This Remuneration Policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”). In case of any inconsistency between the provisions of law and this Remuneration Policy, the provisions of law shall prevail and the Company shall abide by the applicable law. In case there are any changes in the law, the Company shall comply with the applicable amended provisions. While formulating this Remuneration Policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act which are, as under:

- “(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;*
- (b) relationship of remuneration to performance is clear and meets appropriate*

*performance benchmarks; and*

- (c) *remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.”*

The key principles governing this Remuneration Policy are, as follows:

## **2.1 Remuneration for Independent Directors and Non-Independent Non- Executive Directors**

- (i) Independent Directors (“ID”) and Non-Independent Non-Executive Directors (“NED”) may be paid Sitting Fees (for attending the meetings of the Board and of Committees of the Board of which they may be Members) and Commission within regulatory limits.
- (ii) Within the parameters prescribed by law, the payment of Sitting Fees and Commission will be recommended by the NRC for approval of the Board.
- (iii) Overall remuneration (Sitting Fees and Commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration, the challenges faced by the Company and its future growth imperatives).
- (iv) Overall remuneration should be reflective of the size of the Company, complexity of the sector/ industry/ Company’s operations and the Company’s capacity to pay the remuneration.
- (v) Overall remuneration practices should be consistent with recognized best practices.
- (vi) Quantum of Sitting Fees may be subject to review on a periodic basis, as required.
- (vii) The aggregate Commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters, as may be decided by the Board.
- (viii) The NRC will recommend to the Board, the quantum of Commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent at Board and Committee meetings, individual contribution at the meetings and contributions made by directors, other than at Board and Committee meetings.
- (ix) In addition to the Sitting Fees and Commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his / her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board / Board Committee meetings, General Meetings, court convened meetings, meetings with Shareholders / Creditors / Management, site visits, induction and training (arranged by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his / her duties as a director.

## 2.2 Remuneration for Managing Director (“MD”) / Executive Directors (“ED”) / KMP / rest of the employees <sup>(Note 1)</sup>

- (i) The extent of overall remuneration to the MD / ED / KMPs / rest of the employees should be sufficient to attract and retain talented and qualified individuals suitable for their roles.

Hence, remuneration should be:

- market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent);
- driven by the role played by the individual;
- reflective of the size of the company, complexity of the sector / industry / Company’s operations and the Company’s capacity to pay;
- consistent with recognized best practices; and
- aligned to any regulatory requirements.

- (ii) In terms of remuneration mix or composition,

- the remuneration mix for the MD / EDs should be as per the contract approved by the Shareholders. In case of any change which is beyond the remuneration approved by the Shareholders, the same would require the approval of the Shareholders.
- basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- in addition to the basic / fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- the Company provides retirement benefits, as applicable.
- in addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company may provide MD/ EDs such remuneration by way of Commission, calculated with reference to the Net Profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on the performance of the MD / EDs as evaluated by the Board or the NRC and approved by the Board.

OR

- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company may provide to its MD / EDs, such remuneration by way of an annual incentive remuneration / performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
  - Company’s performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time,
  - Industry benchmarks of remuneration,

- Performance of the individual.
- The Company will provide the rest of the employees, a performance linked incentive pay. The performance linked pay would be driven by the outcome of the performance appraisal process and the performance of the Company.

### **2.3 Remuneration payable to Director for services rendered in other capacity**

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

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

### **2.4 Loans to employees**

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

### **2.5 Policy implementation**

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

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

FORM No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

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

To,  
The Members,  
**Tata Capital Housing Finance Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the Financial Year ended on March 31, 2016, according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;

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

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period); and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

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

- All the Rules, Regulations, Circulars, Directions and Guidelines prescribed under the National Housing Bank Act, 1987 and The Housing Finance Companies (NHB) Directions, 2010, for Housing Finance Companies.
- Credit Information Companies (Regulation) Act, 2005 and Rules.
- The Prevention of Money-Laundering Act, 2002 and The Prevention of Money Laundering (Maintenance of Records, etc.) Rules, 2005.
- The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- Guidelines with respect to SEBI KYC registration agency (KRA) Regulations, 2011.
- SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings, which are not in force as on the date of this Report.



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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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

Decisions at the Board Meetings were taken unanimously.

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

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

- a. During the year, the Company had issued and redeemed the following Non-Convertible Debentures:
  - (i) Issued 22,595 Secured Redeemable Non-Convertible Debentures for an aggregate amount of Rs. 2,259.50 crore.
  - (ii) Issued 2,000 Unsecured Redeemable Non-Convertible Debentures for an aggregate amount of Rs. 200 crore.
  - (iii) Redeemed 8,196 Secured Redeemable Non-Convertible Debentures for an aggregate amount of Rs. 819.60 crore.

- b. The Company had issued and allotted 24,50,00,000 Compulsorily Convertible Cumulative Preference Shares of Rs. 10 each aggregating Rs. 245 crore, on a rights basis.

**For Parikh & Associates  
Company Secretaries**

Mumbai  
May 2, 2016

**Jigvasa Ved**  
(Partner)  
FCS No: 6488 CP No: 6018

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

Annexure I

To,  
The Members,  
**TATA CAPITAL HOUSING FINANCE LIMITED**

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

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

**For Parikh & Associates  
Company Secretaries**

Place: Mumbai  
May 2, 2016

**Jigyasa Ved**  
Partner  
FCS No: 6488; CP No: 6018

## Form No. AOC- 2

Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

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

1. Details of contracts or arrangements or transactions not at arm's length basis - Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. in lakh)

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Amount	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Tata Capital Limited	Holding Company	a) Issue of Compulsorily Convertible Cumulative Preference Shares as Tier-I Capital	24,500	9 years	Compulsorily Convertible into Equity Shares after completion of 9 years from the date of allotment or voluntary conversion at the option of the CCCPS holder, Rate of Dividend being 9% p.a.	-
			b) Inter Corporate Deposits ("ICDs") accepted during the year	353,190	Tenor upto 1 year	Cost of Funds below Bank Borrowing rate.	-
			c) Inter Corporate Deposits ("ICDs") repaid during the year	331,970	Tenor upto 1 year	Cost of Funds below Bank Borrowing rate.	-
			d) Dividend paid during the year – Compulsorily Convertible Preference Shares	7,531	Not Applicable	Dividend paid for FY 2014-15 and FY 2015-16, at the rate of 9% p.a	-
			e) Inter Corporate Deposits ("ICDs") Outstanding Payable	21,220	Tenor upto 1 year	Cost of Funds below Bank Borrowing rate.	-
			f) Non-Convertible Subordinated Debentures Outstanding Payable	3,300	10 years	Yield @ 10.25 % p.a	-

2	Tata Capital Financial Services Limited	Fellow Subsidiary	a) Issue of Secured Non Convertible Debentures	3,000	Tenor is 7 to 8 years	Yield @ 8.70 % p.a	-
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*Note: Appropriate approvals have been taken for Related Party Transactions*

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

Mumbai  
May 2, 2016

**Praveen P. Kadle**  
**Chairman**

**DETAILS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**1. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year:**

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2015-16 is, as under:

Name of Director(s)	Ratio to Median
Mr. Janki Ballabh	1.37:1
Ms. Anuradha E. Thakur	1.17:1
Mr. Shailesh H. Rajadhyaksha	1.22:1
Mr. Govind Sankaranarayanan	0.51:1
Mr. R. Vaithianathan	29:1

Mr. Praveen P. Kadle, Director, does not draw any remuneration from the Company. In view of the same, the ratio of his remuneration to the median remuneration of employees, has not been computed.

**2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:**

The percentage increase in remuneration of Directors in FY 2015-16, is as under:

Name of Director(s)	% Increase in Remuneration
Mr. Janki Ballabh	54.30
Ms. Anuradha E. Thakur*	430.80
Mr. Shailesh H. Rajadhyaksha	51.60
Mr. Govind Sankaranarayanan	(27.70)
Mr. R. Vaithianathan	5.1

*\*Ms. Anuradha E. Thakur was appointed as an Independent Director with effect from February 16, 2015. Hence, the percentage change in remuneration paid during FY 2015-16 is not comparable to FY 2014-15.*

Mr. Praveen P. Kadle, Director, does not draw any remuneration from the Company. In view of the same, the percentage increase in his remuneration, has not been computed.

The percentage increase in remuneration of Mr. S. Balakrishna Kamath, Chief Financial Officer and Company Secretary, for FY 2015-16 was 12.10% as compared to FY 2014-15.

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

There is a decrease in the median remuneration of employees in FY 2015-16 by 7.3% as compared to FY 2014-15.

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

The permanent employees on the rolls of Company as on March 31, 2016, were 598.

**5. The explanation on the relationship between average increase in remuneration and Company performance:**

The average increase in remuneration of employees for FY 2015-16 was 12.53%. Profit Before Tax increased by 67.96% to Rs. 173 crore in FY 2015-16 from Rs. 103 crore in FY 2014-15.

The Company and Business Unit / Functional performance are measured against Annual budgets / targets, set as per the Balanced Score Card (BSC).

Individual performance is measured against Key Result Areas (KRAs) set at the beginning of the year after considering any revision of target over the year. The rating of Annual Performance review is considered for the purpose of computing the Performance Pay. Rating is on a 5 point scale.

Consistent with the principle of differential influence that an employee may have on the overall performance of the Company, different weights are assigned for the Company's performance, the performance of Business Units / Functions and the performance of individuals. Thus, employees in entry level / junior management have greater weightage for individual performance while employees in senior leadership roles have maximum weightage for Company and Business Unit Performance.

**6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

The remuneration for the Key Managerial Personnel, increased by 6.55%. Profit Before Tax increased by 67.96% to Rs. 173 crore in FY 2015-16 from Rs. 103 crore in FY 2014-15.

**7. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the networth of the company as at the close of the current financial year and previous financial year:**

TCHFL is a listed company by virtue of its debentures being listed on the National Stock Exchange of India Limited. The Company's equity shares are not listed on any exchange. Detail of variations in the Networth of the Company is, given below:

(Rs. in crore)

Particulars	As on March 31, 2016	As on March 31, 2015	Variation
Networth	1,027.93	735.43	39.77%

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

The average percentage increase already made in the salaries of employees other than that of the managerial personnel in FY 2015-16 is 12.91% and the percentage increase in the overall managerial remuneration is 10.08%.

**9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:**

Profit Before Tax increased by 67.96% to Rs. 173 crore in FY 2015-16 from Rs. 103 crore in FY 2014-15. The percentage remuneration of Mr. R. Vaithianathan, Managing Director, increased by 5.1% in FY 2015-16 as compared to FY 2014-15. The percentage remuneration of Mr. S. Balakrishna Kamath, Chief Financial Officer and Company Secretary, increased by 12.10% in FY 2015-16 as compared to FY 2014-15.

**10. The key parameters for any variable components of remuneration availed by the Directors:**

The key parameters for variable components of remuneration availed by Non-Executive Directors and Independent Directors is based on the Company's performance, profits, returns to investors as also the criteria combining attendance at Meetings, contribution thereat and contribution other than at Meetings.

The key parameters for variable components of remuneration availed by the Managing Director are Annual budgets / targets, set as per the Balanced Score Card (BSC).

**11. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:**

The highest paid Director is the Managing Director of the Company. During FY 2015-16, no employee has received remuneration in excess of the remuneration received by the Managing Director.

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

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on March 31, 2016  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: U67190MH2008PLC187552
- ii) Registration Date (Date of Incorporation): October 15, 2008
- iii) Name of the Company: Tata Capital Housing Finance Limited
- iv) a) Category: Company limited by shares  
b) Sub-Category of the Company: Indian Non-Government Company
- v) Address of the Registered office and contact details:  
One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai – 400001, Maharashtra, India.
- Contact details:  
Direct Number: 022 6182 8282  
E-mail id: [balakrishna.kamath@tatacapital.com](mailto:balakrishna.kamath@tatacapital.com)
- vi) Whether listed company: Listed. As per Section 2 (52) of the Companies Act, 2013, the Company is considered as a listed company as its Debentures are listed on the National Stock Exchange (India) Limited.
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

<u>For Non – Convertible Debentures issued on a Private Placement basis</u>	
Name:	Sharepro Services (India) Private Limited
Address:	13 AB, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Kurla Andheri Road, Sakinaka, Mumbai - 400 072
Phone No.:	022-67720300, 022-67720400
Fax:	022-28508927
Website:	www.shareproservices.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Home Loan	64920	67
2	Home Equity	64920	21
3	Builder Loan	64920	12

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

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Tata Capital Limited  One Forbes, Dr. V.B. Gandhi Marg, Fort, Mumbai – 400 001	U65990MH1991PLC060670	Holding Company	100%	Section 2(46)

### IV. A. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity Capital)

#### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	25,33,33,332	25,33,33,332	100	-	25,33,33,332	25,33,33,332	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	<b>25,33,33,332</b>	<b>25,33,33,332</b>	<b>100</b>	-	<b>25,33,33,332</b>	<b>25,33,33,332</b>	<b>100</b>	-
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>25,33,33,332</b>	<b>25,33,33,332</b>	<b>100</b>	-	<b>25,33,33,332</b>	<b>25,33,33,332</b>	<b>100</b>	-

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>25,33,33,332</b>	<b>25,33,33,332</b>	<b>100</b>	-	<b>25,33,33,332</b>	<b>25,33,33,332</b>	<b>100</b>	-

**(ii) Shareholding of Promoters (Equity Share Capital)**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Tata Capital Limited	25,33,33,332	100	-	25,33,33,332	100	-	-
<b>Total</b>		<b>25,33,33,332</b>	<b>100</b>	<b>-</b>	<b>25,33,33,332</b>	<b>100</b>	<b>-</b>	<b>-</b>

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

Sr No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	25,33,33,332	100	25,33,33,332	100
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.):	-	-	-	-
3.	At the end of the year (or on the date of separation, if separated during the year)	25,33,33,332	100	25,33,33,332	100

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

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-

2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.):	-	-	-	-
3.	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

The entire Equity Share Capital of the Company is held by the Promoters of the Company.

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

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

The Directors and Key Managerial Personnel do not hold any Equity Shares of the Company.

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

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	41,40,00,000	41,40,00,000	100	-	65,90,00,000	65,90,00,000	100	59.17
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	<b>41,40,00,000</b>	<b>41,40,00,000</b>	<b>100</b>	-	<b>65,90,00,000</b>	<b>65,90,00,000</b>	<b>100</b>	<b>59.17</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>41,40,00,000</b>	<b>41,40,00,000</b>	<b>100</b>	-	<b>65,90,00,000</b>	<b>65,90,00,000</b>	<b>100</b>	<b>59.17</b>

<b>B. Public Shareholding</b>									
<b>3. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>4. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.									
i) Indian									
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>41,40,00,000</b>	<b>41,40,00,000</b>	<b>100</b>	-	<b>65,90,00,000</b>	<b>65,90,00,000</b>	<b>100</b>	<b>59.17</b>

**(ii) Shareholding (Preference Share Capital) of Promoters**

Sr. No.	Shareholder's Name	Type of Shares	Shareholding at the beginning of the year			Share holding at the end			% change in share holding during the year
			No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledge d / encumbered to total shares	
1	Tata Capital Limited	Compulsorily Convertible Cumulative Preference Shares	41,40,00,000	100	-	65,90,00,000	100	-	59.17
<b>Total</b>			<b>41,40,00,000</b>	<b>100</b>	<b>-</b>	<b>65,90,00,000</b>	<b>100</b>	<b>-</b>	<b>59.17</b>

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

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2015 to 31.3.2016)	
		No. of Shares at the beginning (1.4.2015)/end of the year (31.3.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Tata Capital Limited	41,40,00,000	100	April 1, 2015	-	-	41,40,00,000	100
				April 30, 2015	1,00,00,000	Allotment on a Rights basis	42,40,00,000	100
				May 25, 2015	7,80,00,000	Allotment on a Rights basis	50,20,00,000	100
				November 30, 2015	5,70,00,000	Allotment on a Rights basis	55,90,00,000	100
				March 23, 2016	10,00,00,000	Allotment on a Rights basis	65,90,00,000	100

**Notes:**

1. During FY 2015-16, the Company had only issued Compulsorily Convertible Cumulative Preference Shares and no Equity Shares were raised.



2. All the allotments were made to Tata Capital Limited, the holding company on a 'Rights basis'.

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

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

The entire Preference Share Capital of the Company is held by the Promoters of the Company.

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

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

	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.):				
3.	At the End of the year	-	-	-	-

The Directors and Key Managerial Personnel do not hold any Preference Shares of the Company.

## V. INDEBTEDNESS

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

(Rs. in lakh)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,48,010.54	1,61,747.27	-	8,09,757.81
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13,490.35	1,372.94	-	14,863.29
<b>Total (i+ii+iii)</b>	<b>6,61,500.89</b>	<b>1,63,120.21</b>	<b>-</b>	<b>8,24,621.10</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	4,36,970.00	11,13,669.13	-	15,50,639.13
• Reduction	(2,62,101.36)	(9,48,567.76)	-	(12,10,669.12)
<b>Net Change</b>	<b>1,74,868.64</b>	<b>1,65,101.37</b>	<b>-</b>	<b>3,39,970.01</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,13,696.21	3,46,813.20	-	11,60,509.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	24,876.06	2,308.84	-	27,184.90
<b>Total (i+ii+iii)</b>	<b>8,38,572.27</b>	<b>3,49,122.04</b>	<b>-</b>	<b>11,87,694.31</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. R Vaithianathan	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of	154.79	154.79

	the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	6.48	6.48
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	161.27	161.27
	Ceiling as per the Act		1,056.35

B. Remuneration to other directors:

(Rs. in lakh)

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mr. Janki Ballabh	Ms. Anuradha E Thakur	
	• Fee for attending board / committee meetings	8.10	6.90	15.00
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	8.10	6.90	15.00
2	Other Non-Executive Directors	Mr. Govind Sankaranarayanan	Mr. Shailesh H Rajadhyaksha	
	• Fee for attending board / committee meetings	3.00	7.20	10.20
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	3.00	7.20	10.20
	Total (B)=(1+2)			25.20
	Total Managerial Remuneration			186.47
Overall Ceiling as per the Act			2323.97	

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

(Rs. in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Person		
		CEO	CFO & Company Secretary : Mr. S Balakrishna Kamath	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	40.84	40.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	4.94	4.94
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	-	45.78	45.78

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-

Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF TATA CAPITAL HOUSING FINANCE LIMITED  
Report on the Financial Statements**

We have audited the accompanying financial statements of **TATA CAPITAL HOUSING FINANCE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

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

**Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

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

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and 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, 2016, and its profit and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e. On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts as at year end 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.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

MUMBAI, May 02, 2016

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

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

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

We have audited the internal financial controls over financial reporting of **TATA CAPITAL HOUSING FINANCE LIMITED** (the “Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with



generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by the Institute of Chartered Accountants of India.

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

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

**MUMBAI, May 02, 2016**

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

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

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) According to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals.
- (vi) To the best our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
    - (a) The Company has generally been regular in depositing undisputed statutory dues, including Income-tax, Service Tax, Provident Fund, Employees’ State Insurance, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
    - (b) There were no undisputed amounts payable in respect of Income-tax, Service Tax, Provident Fund, Employees’ State Insurance, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
    - (c) There are no dues of Income-tax, Service Tax and Value Added Tax as on March 31, 2016 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institution and dues to debenture holders. The Company has not taken any loan from government.
- (ix) In our opinion and according to the information and explanations given to us, the money raised by way of the term loans and debentures have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of the erstwhile Companies Act, 1956 and Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

MUMBAI, May 02, 2016

**TATA CAPITAL HOUSING FINANCE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2016**

	Note No.	As at	As at
		March 31, 2016	March 31, 2015
		Rs. in Lakh	Rs. in Lakh
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	3	91,233	66,733
(b) Reserves and Surplus	4	17,882	12,160
		<b>109,115</b>	<b>78,893</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	786,688	530,675
(b) Other long-term liabilities	6	3,738	2,445
(c) Long-term provisions	7	6,112	4,099
		<b>796,538</b>	<b>537,219</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	8	256,752	133,369
(b) Trade payables	9		
(A) Total outstanding dues of micro enterprises and small enterprises	9 (a)	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,059	3,354
(c) Other current liabilities	10	145,297	165,004
(d) Short-term provisions	11	2,077	1,686
		<b>408,185</b>	<b>303,413</b>
<b>TOTAL</b>		<b>1,313,838</b>	<b>919,525</b>
<b>II. ASSETS</b>			
<b>1. Non-Current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		1,176	621
(ii) Capital work-in-progress		59	74
(iii) Intangible assets under development		124	-
(b) Deferred tax assets (net)	13	1,686	1,131
(c) Long-term loans and advances - financing activity	14	1,211,355	852,014
(d) Long-term loans and advances - others	15	465	726
(e) Other non-current assets	16	3,888	3,442
		<b>1,218,753</b>	<b>858,008</b>
<b>2. Current assets</b>			
(a) Current investments		-	-
(b) Trade receivables	17	115	133
(c) Cash and bank balances	18	3,132	2,463
(d) Short-term loans and advances - financing activity	14	89,106	56,828
(e) Short-term loans and advances - others	19	344	254
(f) Other current assets	20	2,388	1,839
		<b>95,085</b>	<b>61,517</b>
<b>TOTAL</b>		<b>1,313,838</b>	<b>919,525</b>

See accompanying notes forming a part of the financial statements

1-35

In terms of our report attached

For and on behalf of the Board of Directors

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

**Praveen P. Kadle**  
(Chairman)

**Janki Ballabh**  
(Director)

**Anuradha E. Thakur**  
(Director)

**G. K. Subramaniam**  
Partner

**G. Sankaranarayanan**  
(Director)

**S. H. Rajadhyaksha**  
(Director)

**R.Vaithianathan**  
(Managing Director)

Mumbai  
Date : May 2, 2016

**S Balakrishna Kamath**  
(Chief Financial Officer & Company Secretary)

TATA CAPITAL HOUSING FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Note No.	For the Year ended March 31, 2016	For the Year ended March 31, 2015
		Rs in Lakh	Rs. in Lakh
I Revenue from operations	21	125,329	90,371
II Investment income	22	173	387
III Other income	23	1,043	259
<b>IV Total Revenue (I + II + III)</b>		<b>126,545</b>	<b>91,017</b>
<b>V Expenses :</b>			
Finance costs	24	86,264	64,768
Employee benefits expenses	25	7,359	4,899
Other operating expenses	26	14,975	10,507
Amortisation of expenses	20 (a)	468	404
Depreciation	12	176	109
<b>Total Expenses</b>		<b>109,242</b>	<b>80,687</b>
<b>VI Profit before tax ( IV - V)</b>		<b>17,303</b>	<b>10,330</b>
<b>VII Tax expense:</b>			
(1) Current tax		6,597	3,973
(2) Deferred tax		(555)	(436)
		<b>6,042</b>	<b>3,537</b>
<b>VII Profit after tax ( VI - VII)</b>		<b>11,261</b>	<b>6,793</b>
<b>IX Earnings per equity share</b>			
(1) Basic ( in Rupees)		2.26	1.29
(2) Diluted ( in Rupees)		2.26	1.29
Face value of share (in Rupees)		10	10
See accompanying notes forming a part of the financial statements	1-35		

In terms of our report attached

For and on behalf of the Board of Directors

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

**Praveen P. Kadle**  
(Chairman)

**Janki Ballabh**  
(Director)

**Anuradha E. Thakur**  
(Director)

**G. K. Subramaniam**  
Partner

**G. Sankaranarayanan**  
(Director)

**S. H. Rajadhyaksha**  
(Director)

**R. Vaithianathan**  
(Managing Director)

Mumbai  
Date : May 2, 2016

**S Balakrishna Kamath**  
(Chief Financial Officer & Company Secretary)

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs. In Lakh	Rs. In Lakh
<b>1 NET CASH FLOW (USED IN) / FROM OPERATING ACTIVITIES</b>		
Profit before taxes	17,303	10,330
<b>Adjustments for :</b>		
Amortisation of share / debenture issue expenses	468	404
Interest on fixed deposit	-	-
Profit on sale of mutual fund investments (current investments non-trade)	(173)	(387)
Miscellaneous Income	-	-
Discounting charges on commercial paper	10,752	10,654
Discounting charges on zero coupon bond	-	163
Depreciation	176	109
Provision for employee benefits	100	76
Provision against standard assets	2,110	1,374
Provision for doubtful debts	1,698	1,125
Interest income	(120,111)	(86,591)
Interest expenses	75,511	53,951
<b>Operating Profit / (Loss) before working capital changes and adjustment for interest received and interest paid</b>	<b>(12,166)</b>	<b>(8,792)</b>
<b>Adjustments for :</b>		
(Increase)/decrease in loans and advances - financing activity	(390,885)	(271,627)
(Increase)/decrease in loans and advances - others	(827)	(1,614)
Other current assets	-	-
Increase/(decrease) in current liabilities and provisions	1,025	1,651
<b>Cash used in operations before adjustment for interest received and interest paid</b>	<b>(402,853)</b>	<b>(280,382)</b>
Interest received	118,417	87,527
Interest paid	(72,647)	(62,077)
<b>Cash used in operations</b>	<b>(357,083)</b>	<b>(254,932)</b>
Taxes paid	(6,063)	(3,510)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(363,146)</b>	<b>(258,442)</b>
<b>2 NET CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of fixed assets	5	7
Purchase of fixed assets (including capital advances)	(845)	(588)
Purchase of mutual fund units	(545,400)	(1,061,300)
Redemption of mutual fund units	545,573	1,061,687
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>	<b>(667)</b>	<b>(194)</b>
<b>3 NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES</b>		
Issue of preference share capital	24,500	16,000
Share issue expenses	(26)	(16)
Dividend paid (including dividend distribution tax)	(9,054)	(1,779)
Proceeds from long-term borrowings	482,770	362,699
Repayment of long-term borrowings	(255,401)	(150,301)
Debenture issue / loan processing expenses	(395)	(255)
Net proceeds from short- term borrowings	122,088	29,351
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>364,482</b>	<b>255,699</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>669</b>	<b>(2,937)</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>	<b>2,463</b>	<b>5,400</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>3,132</b>	<b>2,463</b>

See accompanying notes forming a part of the financial statements 1-35

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP  
Chartered AccountantsPraveen P. Kadle  
(Chairman)Janki Ballabh  
(Director)Anuradha E. Thakur  
(Director)G. K. Subramaniam  
PartnerG. Sankaranarayanan  
(Director)S. H. Rajadhyaksha  
(Director)R. Vaithianathan  
(Managing Director)Mumbai  
Date : May 2, 2016S Balakrishna Kamath  
(Chief Financial Officer & Company Secretary)

## **TATA CAPITAL HOUSING FINANCE LIMITED**

### **Notes forming part of the Financial Statements**

#### **1 CORPORATE INFORMATION**

Tata Capital Housing Finance Limited (the "Company") was incorporated on October 15, 2008. The Company obtained the certificate of registration under the National Housing Bank ("NHB") as required under Section 29A of the NHB Act, 1987 on April 2, 2009. The Company is a wholly owned subsidiary of Tata Capital Limited. The main objects of the Company, inter alia are to carry out the business of providing long term finance to individuals, companies, corporations, societies or association of persons for purchase / construction / repair and renovation of new / existing flats / houses for residential purposes and provide property related services.

#### **2 SIGNIFICANT ACCOUNTING POLICIES**

##### **i BASIS FOR PREPARATION OF ACCOUNTS**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (the "Act"), as applicable, the National Housing Bank Act, 1987 and the Housing finance companies, (NHB) Directions, 2010. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### **ii USE OF ESTIMATES**

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

##### **iii REVENUE RECOGNITION**

###### **Interest income on loans**

Income on loan transactions is accounted for by using the internal rate of return method. Consequently, a constant rate of return on net outstanding amount is accrued over the period of the contract, except that no income is recognised on non-performing assets as per the prudential norms for income recognition issued by the NHB for Housing Finance Companies (the "HFC's"). Interest income on such assets is recognised on receipt basis. Repayment of housing loans is generally by way of Equated Monthly Installments (EMIs) comprising principal and interest. EMIs commences once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month. Interest on loans is computed on a monthly rest basis.

Upfront / Processing fees collected from the customer for processing loans are primarily towards documentation charges. This is accounted as income when the amount becomes due provided recovery thereof is not uncertain.

###### **Income from Current and Long-term Investments**

Income from sale of units of mutual funds is accounted on cash basis when the units of mutual funds are actually sold.

**iv PROVISION ON NON PERFORMING / STANDARD LOANS AND DOUBTFUL DEBTS**

Loans are initially recorded at the disbursed principal amounts and are subsequently adjusted for recoveries and any unearned income. Loans are carried net of the allowances for credit losses.

A loan is recognised as non-performing (“NPA”) at the earlier of the date it has been individually provided for when the Company is no longer reasonably assured of the timely collection of the full amount of principal and interest and a loan where the repayment installment or interest has been in arrears for 90 days.

The provision on Standard and Non Performing Loans is made as per the prudential norms prescribed in the Housing Finance Companies (NHB) Directions, 2010 as amended. Additional provisions (over and above the prudential norms) if required is made as per the Guidelines approved by the Board of Directors from time to time.

Provisions are established on a collective basis against loan assets classified as “Standard” to absorb credit losses on the aggregate exposures in each of the Company’s loan portfolios based on the NHB Directions.

**v INVESTMENTS**

Current investments comprising investments in mutual funds are stated at the lower of cost and market value, determined on an individual investment basis.

**vi FIXED ASSETS**

Fixed Assets are stated at cost, which comprises of purchase consideration and other directly attributable costs of bringing the assets to their working condition for the intended use less depreciation.

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

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

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

**vii DEPRECIATION**

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of building, vehicles and plant & machinery, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

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

Estimated useful life considered by the Company are:

<b>Asset</b>	<b>Estimated Useful Life</b>
Building	25 Years
Office Equipment	5 Years
Vehicles	4 Years
Plant & Machinery	10 Years
Furniture & Fixtures	Lower of 10 Years or rate determined based on period of lease
Leasehold improvements	Lease Period
Computers	3 Years

**viii LEASES**

Leases are classified as operating lease where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are charged to the Statement of Profit and Loss as per terms of lease agreement.



**ix TAXATION**

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

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

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

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

**x SERVICE TAX INPUT CREDIT**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

**xi DEFERRED REVENUE EXPENDITURE**

Miscellaneous expenditure, comprising share issue expenses such as stamp duty and registration fees is amortised over a period of 36 months from the month in which the Company has incurred the expenditure. Debenture issue expenses and Loan processing charges incurred on debentures / loans taken is amortised over the tenure of debentures / loan or over a period of 36 months whichever is earlier.

Loan sourcing cost is amortised over a period of 84 / 60 / 18 months for Home loan, Home equity and Builder loan respectively.

**xii PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognised when the Company has present obligations, as result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation. Contingent liabilities are not recognised but disclosed in the financial statements. A Contingent asset is neither recognised nor disclosed in the financial statements.

**xiii CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**xiv EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**xv EMPLOYEE BENEFITS**

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

**Defined-contribution plans**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the period. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**Defined-benefit plans**

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

**Short-term employee benefits**

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

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

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

**Long-term employee benefits**

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

**xvi SEGMENT REPORTING**

The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc, of houses/ flats to individuals and corporate bodies and has its operations within India. There being only one 'business segment' and 'geographical segment', the segment information is not provided.

### 3 SHARE CAPITAL

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>AUTHORISED</b>		
1,400,000,000 (As at March 31, 2015: 1,400,000,000) Equity shares of Rs.10 each	140,000	140,000
1,100,000,000 (As at March 31, 2015: 1,100,000,000) 9% Compulsorily Convertible Cumulative Preference shares of Rs.10 each	110,000	110,000
	<b>250,000</b>	<b>250,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
253,333,332 (as at March 31, 2015: 253,333,332) Equity shares of Rs.10 each fully paid up	25,333	25,333
659,000,000 (as at March 31, 2015: 414,000,000) 9% Compulsorily Convertible Cumulative Preference shares of Rs.10 each fully paid up	65,900	41,400
<b>Total</b>	<b>91,233</b>	<b>66,733</b>

Note : All the equity shares & preference shares are held by the holding company, Tata Capital Limited and its nominees.

#### 3 (a) Reconciliation of number of shares outstanding

Particulars	No. of shares	Rs. in Lakh
<b>Opening Share Capital as on April 01, 2014</b>		
Equity Face Value Rs. 10 fully paid up	253,333,332	25,333
9% Preference Share Capital, Face Value of Rs.10 fully paid up	254,000,000	25,400
<b>Additions during the previous year</b>		
<b>9% Preference Share Capital</b>		
Rights Issue (Preference shares of Rs.10 each, compulsorily convertible after 9 years)	160,000,000	16,000
<b>Opening Share Capital as on April 01, 2015</b>		
Equity Face Value Rs. 10 fully paid up	253,333,332	25,333
9% Preference Share Capital, Face Value of Rs.10 fully paid up	414,000,000	41,400
<b>Total</b>	<b>667,333,332</b>	<b>66,733</b>
<b>Additions during the year</b>		
9% Preference Share Capital Rights Issue ( Preference shares of Rs.10 each, compulsorily convertible after 9 years )	245,000,000	24,500
<b>Total</b>	<b>245,000,000</b>	<b>24,500</b>
<b>Closing Share Capital as on March 31, 2016</b>		
Equity Face Value Rs.10 fully paid up	253,333,332	25,333
9% Preference Share Capital of Rs.10 fully paid up	659,000,000	65,900
<b>Total</b>	<b>912,333,332</b>	<b>91,233</b>

#### 3 (b) Rights, preferences and restrictions attached to shares

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

**Preference Shares:** The Company has issued 659,000,000, 9% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of face value Rs. 10/- each, convertible after 9 years from the date of issue. However, CCCPS holders have an option to convert into equity share at an earlier date. The CCCPS holders have a right to receive dividend, prior to the Equity Shareholders. The dividend proposed by the Board of Directors on the CCCPS is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders are eligible to receive the remaining assets of the Company before distribution to the Equity Shareholders, in proportion to their shareholding.

Tranche wise due date details for Compulsorily Convertible Cumulative Preference Shares ("CCCPS")

(Rs. In Lakh)

Date of Allotment	Date of Conversion	Amount
12-Nov-12	12-Nov-21	2,600
3-Dec-12	3-Dec-21	2,400
4-Jan-13	4-Jan-22	3,000
28-Mar-13	28-Mar-22	2,500
4-Jun-13	4-Jun-22	1,000
28-Jun-13	28-Jun-22	1,000
30-Jul-13	30-Jul-22	2,000
8-Aug-13	8-Aug-22	2,000
20-Sep-13	20-Sep-22	2,000
2-Dec-13	2-Dec-22	2,000
6-Feb-14	6-Feb-23	2,900
26-Mar-14	26-Mar-23	2,000
29-May-14	29-May-23	3,000
30-Jun-14	30-Jun-23	2,000
28-Aug-14	28-Aug-23	1,500
29-Sep-14	29-Sep-23	1,000
28-Nov-14	28-Nov-23	1,000
28-Nov-14	28-Nov-23	2,500
30-Jan-15	30-Jan-24	3,000
31-Mar-15	31-Mar-24	2,000
30-Apr-15	30-Apr-24	1,000
25-May-15	25-May-24	7,800
30-Nov-15	30-Nov-24	5,700
23-Mar-16	23-Mar-25	10,000
<b>Total</b>		<b>65,900</b>

3 (c) Investment by Tata Capital Limited (Holding company) and its nominees

Name of Company	Particulars of Issue	No. of Shares
Tata Capital Limited (Holding Company)		
<u>Equity Shares</u>	Opening Balance as on April 1, 2014	253,333,332
	Closing Balance as on March 31, 2015	253,333,332
	<b>Closing Balance as on March 31, 2016</b>	<b>253,333,332</b>
<u>Preference Shares</u>	Opening Balance as on April 1, 2014	254,000,000
	Addition during the FY: 14-15 - Rights Issue	160,000,000
	Closing Balance as on March 31, 2015	414,000,000
	Addition during the FY: 15-16 - Rights Issue	245,000,000
	<b>Closing Balance as on March 31, 2016</b>	<b>659,000,000</b>

4 RESERVES AND SURPLUS

PARTICULARS	As at	As at
	March 31, 2016	March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>(a) Securities Premium Reserve</b>		
Opening Balance	2,267	2,267
<b>Closing Balance</b>	<b>2,267</b>	<b>2,267</b>
<b>(b) Statutory Reserve</b> (Refer Note No 4.1 below) (As per Section 29C of National Housing Bank Act,1987)		
Opening Balance	3,282	1922
Addition during the year	2,253	1360
<b>Closing Balance</b>	<b>5,535</b>	<b>3,282</b>
<b>(c) Surplus in the Statement of Profit and Loss</b>		
Opening Balance	6,611	5,320
Less : Adjustment of Deferred Tax Liability on Special Reserve u/s 36(1) (viii) (Refer Note No. 33)	-	626
Add : Profit for the year	11,261	6,793
<b>Amount available for Appropriations</b>	<b>17,872</b>	<b>11,487</b>
<b>Less : Appropriations</b>		
-Transfer to Special Reserve	2,253	1,360
-Interim Dividend on Preference Shares (Refer Note No 4.3 below)	4,602	2,627
-Dividend distribution tax on Interim Dividend (Refer Note No 4.3 below)	937	525
-Proposed Dividend on Preference Shares	-	302
-Dividend distribution tax on Proposed Dividend	-	62
<b>Closing Balance</b>	<b>10,080</b>	<b>6,611</b>
<b>Total</b>	<b>17,882</b>	<b>12,160</b>

4.1 As required by Section 29C of National Housing Bank Act 1987, and Section 36 (1) (viii) of the Income Tax Act, 1961, the Company has transferred an amount of Rs.2,253 Lakh (previous year Rs.1,360 Lakh) to Special Reserve.

In accordance with the National Housing Bank circular no.NHB(ND)/ DRS/ Pol.Circular.61/ 2013-14 dated April 7,2014 following disclosure is made.

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987	147	112
b) Amount of Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve under section 29C of NHB Act, 1987	3,135	1,810
<b>Total (A)</b>	<b>3,282</b>	<b>1,922</b>
<b>Addition / Appropriation / withdrawal during the year</b>		
Add: a) Amount transferred u/s 29C of the NHB Act,1987	28	35
b) Amount of Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve under section 29C of NHB Act, 1987	2,225	1,325
Less: a) Amount appropriated from the Statutory Reserve u/s 29 C of the NHB Act 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 which has been taken into account for the purpose of provision u/s 29C of NHB Act, 1987	-	-
<b>Total (B)</b>	<b>2,253</b>	<b>1,360</b>
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	175	147
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	5,360	3,135
<b>Total (A+B)</b>	<b>5,535</b>	<b>3,282</b>

4.2 The Company has transferred an amount of Rs.2,225 Lakh (Previous year Rs.1,325 Lakh) to Special Reserve Account in terms of section 36(1)(viii) of the Income Tax Act, 1961, which has also been considered as a transfer of profit to a reserve fund for the purpose of compliance with section 29 C (i) of the National Housing Bank Act 1987.

4.3

For the year ended March 31, 2016, the Company has declared and paid interim dividend on Compulsorily Convertible Cumulative Preference Shares aggregating Rs. 4,602 lakh (Previous Year: Rs. 2,627 lakh) and dividend distribution tax thereon of Rs. 937 lakh (Previous Year: Rs. 525 lakh).

5 LONG TERM BORROWINGS

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>(a) Debentures</b>		
<b>Secured</b>		
(i) Privately Placed Non-Convertible Debentures (Refer Note No. 5.1 below)	310,320	169,490
<b>Unsecured</b>		
(i) Non-Convertible Subordinated Debentures (Refer Note No. 5.2 below)	44,870	24,870
<b>(b) Term loans</b>		
<b>Secured</b>		
(i) From Banks (Refer Note No. 5.3 below)	176,944	215,049
(ii) From National Housing Bank (Refer Note No. 5.4 below)	159,554	91,266
<b>Unsecured</b>		
(i) From Banks (Refer Note No. 5.5 below)	95,000	30,000
<b>Total</b>	<b>786,688</b>	<b>530,675</b>

5.1

Privately Placed Non-Convertible Debentures are secured by pari passu charge on the specific immovable property, specified receivables arising out of loan, lease, hire purchase transactions and to the extent of shortfall in asset cover by a pari passu charge on the current assets of the Company.

Description of Secured Redeemable Non Convertible Debentures (NCD)	Issue Date	Redemption Date	No. of NCDs	As at March 31,2016 Rs. In Lakh	No. of NCDs	As at March 31,2015 Rs. In Lakh
<b>[A] Long Term NCD ( Issued at par redeemable at Par &amp; Premium)</b>						
TCHFL - Series U - FY 2014-15	20-Jan-15	24-Jan-28	190	1,900	190	1,900
TCHFL - Series M - FY 2014-15- Option II	14-Nov-14	24-Nov-27	150	1,500	150	1,500
TCHFL - Series AU - FY 2015-16 - Option I	30-Mar-16	30-Mar-26	150	1,500	-	-
TCHFL - Series AM - FY 2015-16 - Option I	06-Nov-15	06-Nov-25	350	3,500	-	-
TCHFL - Series AG - FY 2015-16	08-Oct-15	08-Oct-25	75	750	-	-
TCHFL - Series AE - FY 2015-16	31-Aug-15	29-Aug-25	200	2,000	-	-
TCHFL - Series O - FY 2015-16	16-Jun-15	16-Jun-25	200	2,000	-	-
TCHFL - Series V - FY 2014-15	23-Jan-15	23-Jan-25	1,500	15,000	1,500	15,000
TCHFL - Series R - FY 2014-15	09-Dec-14	09-Dec-24	2,000	20,000	2,000	20,000
TCHFL - Series AP - FY 2015-16 - Option II	12-Jan-16	12-Jan-24	150	1,500	-	-
TCHFL - Series U - FY 2012-13	12-Mar-13	10-Mar-23	100	1,000	100	1,000
TCHFL - Series R - FY 2012-13	18-Jan-13	18-Jan-23	150	1,500	150	1,500
TCHFL - Series AP - FY 2015-16 - Option I	12-Jan-16	12-Jan-23	150	1,500	-	-
TCHFL - Series Q - FY 2012-13	24-Dec-12	28-Dec-22	100	1,000	100	1,000
TCHFL - Series X - FY 2015-16	29-Jul-15	29-Jul-22	750	7,500	-	-
TCHFL - Series G - FY 2012-13	15-May-12	18-May-22	100	1,000	100	1,000
TCHFL - Series AS - FY 2015-16	22-Jan-16	22-Jan-21	200	2,000	-	-
TCHFL - Series AM - FY 2015-16 - Option II	06-Nov-15	06-Nov-20	50	500	-	-
TCHFL - Series AI - FY 2015-16	16-Oct-15	16-Oct-20	500	5,000	-	-
TCHFL - Series AH - FY 2015-16	14-Oct-15	14-Oct-20	200	2,000	-	-
TCHFL - Series AB - FY 2015-16	20-Aug-15	20-Aug-20	100	1,000	-	-
TCHFL - Series AA - FY 2015-16	17-Aug-15	17-Aug-20	1,000	10,000	-	-
TCHFL - Series Z - FY 2015-16	07-Aug-15	07-Aug-20	300	3,000	-	-
TCHFL - Series T - FY 2015-16 - Option I	09-Jul-15	09-Jul-20	100	1,000	-	-
TCHFL - Series Z - FY 2014-15	12-Feb-15	12-Feb-20	100	1,000	100	1,000
TCHFL - Series G - FY 2014-15	22-Oct-14	22-Oct-19	550	5,500	550	5,500
TCHFL - Series K - FY 2012-13	03-Oct-12	03-Oct-19	100	1,000	100	1,000
TCHFL - Series D - FY 2014-15- Option II	22-Aug-14	22-Aug-19	100	1,000	100	1,000
TCHFL - Series B - FY 2014-15- Option II	22-Jul-14	21-Jul-19	100	1,000	100	1,000
TCHFL - Series A - FY 2014-15- Option II	13-Jun-14	13-Jun-19	100	1,000	100	1,000
TCHFL - Series AT - FY 2015-16	02-Mar-16	16-May-19	220	2,200	-	-
TCHFL - Series AU - FY 2015-16 - Option II	30-Mar-16	18-Apr-19	100	1,000	-	-
TCHFL - Series N - FY 2013-14	20-Jan-14	18-Jan-19	50	500	50	500
TCHFL - Series AQ - FY 2015-16	18-Jan-16	18-Jan-19	1,000	10,000	-	-
TCHFL - Series AR - FY 2015-16	20-Jan-16	18-Jan-19	100	1,000	-	-

TCHFL - Series P - FY 2015-16 - Option III	24-Jun-15	07-Jan-19	50	500	-	-
TCHFL - Series G - FY 2011-12	18-Nov-11	18-Nov-18	100	1,000	100	1,000
TCHFL - Series AL - FY 2015-16	02-Nov-15	02-Nov-18	120	1,200	-	-
TCHFL - Series AK - FY 2015-16	26-Oct-15	26-Oct-18	130	1,300	-	-
TCHFL - Series AC - FY 2015-16 - Option I	24-Aug-15	24-Aug-18	50	500	-	-
TCHFL - Series Y - FY 2015-16 - Option I	31-Jul-15	21-Aug-18	217	2,170	-	-
TCHFL - Series AC - FY 2015-16 - Option II	24-Aug-15	20-Aug-18	350	3,500	-	-
TCHFL - Series AD - FY 2015-16	26-Aug-15	16-Aug-18	158	1,580	-	-
TCHFL - Series V - FY 2015-16	16-Jul-15	26-Jul-18	440	4,400	-	-
TCHFL - Series Y - FY 2015-16 - Option II	31-Jul-15	23-Jul-18	260	2,600	-	-
TCHFL - Series W - FY 2015-16	24-Jul-15	19-Jul-18	200	2,000	-	-
TCHFL - Series K - FY 2015-16 - Option IV	01-Jun-15	20-Jun-18	250	2,500	-	-
TCHFL - Series P - FY 2015-16 - Option II	24-Jun-15	19-Jun-18	200	2,000	-	-
TCHFL - Series P - FY 2015-16 - Option I	24-Jun-15	18-Jun-18	115	1,150	-	-
TCHFL - Series N - FY 2015-16 - Option I	12-Jun-15	12-Jun-18	471	4,710	-	-
TCHFL - Series L - FY 2015-16	04-Jun-15	04-Jun-18	100	1,000	-	-
TCHFL - Series K - FY 2015-16 - Option I	01-Jun-15	01-Jun-18	2,600	26,000	-	-
TCHFL - Series K - FY 2015-16 - Option III	01-Jun-15	29-May-18	350	3,500	-	-
TCHFL - Series F - FY 2015-16	27-Apr-15	27-Apr-18	210	2,100	-	-
TCHFL - Series C - FY 2013-14	23-Apr-13	23-Apr-18	100	1,000	100	1,000
TCHFL - Series AE - FY 2014-15	26-Mar-15	10-Apr-18	340	3,400	340	3,400
TCHFL - Series A - FY 2015-16 - Option III	10-Apr-15	10-Apr-18	552	5,520	-	-
TCHFL - Series C - FY 2015-16 - Option III	17-Apr-15	10-Apr-18	90	900	-	-
TCHFL - Series AD - FY 2014-15- Option II	16-Mar-15	12-Mar-18	50	500	50	500
TCHFL - Series AC - FY 2014-15- Option II	10-Mar-15	09-Mar-18	600	6,000	600	6,000
TCHFL - Series W - FY 2014-15- Option I	28-Jan-15	14-Feb-18	80	800	80	800
TCHFL - Series AA - FY 2014-15- Option I	16-Feb-15	12-Feb-18	75	750	75	750
TCHFL - Series Y - FY 2014-15	04-Feb-15	02-Feb-18	150	1,500	150	1,500
TCHFL - Series T - FY 2014-15	13-Jan-15	10-Jan-18	162	1,620	162	1,620
TCHFL - Series K - FY 2015-16 - Option II	01-Jun-15	02-Jan-18	114	1,140	-	-
TCHFL - Series AO - FY 2015-16	23-Dec-15	22-Dec-17	200	2,000	-	-
TCHFL - Series AN - FY 2015-16	07-Dec-15	07-Dec-17	150	1,500	-	-
TCHFL - Series O - FY 2014-15	21-Nov-14	22-Nov-17	180	1,800	180	1,800
TCHFL - Series N - FY 2014-15	18-Nov-14	21-Nov-17	70	700	70	700
TCHFL - Series J - FY 2014-15- Option II	07-Nov-14	13-Nov-17	120	1,200	120	1,200
TCHFL - Series K - FY 2014-15	11-Nov-14	01-Nov-17	100	1,000	100	1,000
TCHFL - Series AJ - FY 2015-16	21-Oct-15	20-Oct-17	100	1,000	-	-
TCHFL - Series D - FY 2014-15- Option I	22-Aug-14	22-Aug-17	600	6,000	600	6,000
TCHFL - Series C - FY 2014-15- Option II	07-Aug-14	01-Aug-17	200	2,000	200	2,000
TCHFL - Series B - FY 2014-15- Option I	22-Jul-14	21-Jul-17	100	1,000	100	1,000
TCHFL - Series U - FY 2015-16	14-Jul-15	14-Jul-17	500	5,000	-	-
TCHFL - Series S - FY 2015-16 - Option II	07-Jul-15	07-Jul-17	50	500	-	-
TCHFL - Series R - FY 2015-16	03-Jul-15	28-Jun-17	130	1,300	-	-
TCHFL - Series Q - FY 2015-16 - Option II	30-Jun-15	26-Jun-17	180	1,800	-	-
TCHFL - Series S - FY 2015-16 - Option I	07-Jul-15	23-Jun-17	250	2,500	-	-
TCHFL - Series J - FY 2015-16 - Option II	28-May-15	20-Jun-17	219	2,190	-	-
TCHFL - Series Q - FY 2015-16 - Option I	30-Jun-15	20-Jun-17	180	1,800	-	-
TCHFL - Series A - FY 2014-15- Option III	13-Jun-14	13-Jun-17	250	2,500	250	2,500
TCHFL - Series N - FY 2015-16 - Option II	12-Jun-15	07-Jun-17	240	2,400	-	-
TCHFL - Series E - FY 2015-16 - Option III	23-Apr-15	01-Jun-17	600	6,000	-	-
TCHFL - Series I - FY 2015-16 - Option I	13-May-15	24-May-17	220	2,200	-	-
TCHFL - Series G - FY 2015-16 - Option III	06-May-15	04-May-17	167	1,670	-	-
TCHFL - Series A - FY 2014-15- Option I	13-Jun-14	02-May-17	600	6,000	600	6,000
TCHFL - Series H - FY 2015-16	08-May-15	02-May-17	400	4,000	-	-
TCHFL - Series C - FY 2015-16 - Option II	17-Apr-15	27-Apr-17	870	8,700	-	-



TCHFL - Series I - FY 2015-16 - Option II	13-May-15	27-Apr-17	90	900	-	-
TCHFL - Series J - FY 2015-16 - Option I	28-May-15	27-Apr-17	150	1,500	-	-
TCHFL - Series A - FY 2015-16 - Option V	10-Apr-15	26-Apr-17	700	7,000	-	-
TCHFL - Series A - FY 2015-16 - Option VI	10-Apr-15	25-Apr-17	1,135	11,350	-	-
TCHFL - Series E - FY 2015-16 - Option II	23-Apr-15	25-Apr-17	236	2,360	-	-
TCHFL - Series G - FY 2015-16 - Option I	06-May-15	25-Apr-17	51	510	-	-
TCHFL - Series A - FY 2015-16 - Option II	10-Apr-15	24-Apr-17	180	1,800	-	-
TCHFL - Series D - FY 2015-16 - Option II	21-Apr-15	21-Apr-17	160	1,600	-	-
TCHFL - Series A - FY 2015-16 - Option IV	10-Apr-15	20-Apr-17	545	5,450	-	-
TCHFL - Series A - FY 2015-16 - Option I	10-Apr-15	19-Apr-17	50	500	-	-
TCHFL - Series G - FY 2015-16 - Option II	06-May-15	18-Apr-17	88	880	-	-
TCHFL - Series AD - FY 2014-15 - Option I	16-Mar-15	17-Apr-17	90	900	90	900
TCHFL - Series B - FY 2015-16	15-Apr-15	13-Apr-17	117	1,170	-	-
TCHFL - Series AB - FY 2014-15	05-Mar-15	10-Apr-17	100	1,000	100	1,000
TCHFL - Series C - FY 2015-16 - Option I	17-Apr-15	04-Apr-17	45	450	-	-
TCHFL - Series D - FY 2015-16 - Option I	21-Apr-15	03-Apr-17	180	1,800	-	-
TCHFL - Series E - FY 2015-16 - Option I	23-Apr-15	03-Apr-17	470	4,700	-	-
TCHFL - Series M - FY 2015-16	09-Jun-15	28-Mar-17	250	2,500	-	-
TCHFL - Series AC - FY 2014-15 - Option I	10-Mar-15	10-Mar-17	1,850	18,500	1,850	18,500
TCHFL - Series AA - FY 2014-15 - Option II	16-Feb-15	27-Feb-17	40	400	40	400
TCHFL - Series J - FY 2015-16 - Option V	28-May-15	24-Feb-17	270	2,700	-	-
TCHFL - Series W - FY 2014-15 - Option II	27-Jan-15	24-Jan-17	44	440	44	440
TCHFL - Series J - FY 2015-16 - Option III	28-May-15	23-Jan-17	75	750	-	-
TCHFL - Series L - FY 2013-14	10-Jan-14	10-Jan-17	250	2,500	250	2,500
TCHFL - Series E - FY 2014-15	23-Sep-14	23-Dec-16	400	4,000	400	4,000
TCHFL - Series S - FY 2014-15 - Option I	16-Dec-14	15-Dec-16	118	1,180	118	1,180
TCHFL - Series S - FY 2014-15 - Option II	16-Dec-14	06-Dec-16	101	1,010	101	1,010
TCHFL - Series K - FY 2013-14	02-Dec-13	02-Dec-16	200	2,000	200	2,000
TCHFL - Series Q - FY 2014-15 - Option I	04-Dec-14	02-Dec-16	139	1,390	139	1,390
TCHFL - Series Q - FY 2014-15 - Option II	04-Dec-14	29-Nov-16	274	2,740	274	2,740
TCHFL - Series J - FY 2015-16 - Option IV	28-May-15	24-Nov-16	250	2,500	-	-
TCHFL - Series J - FY 2013-14	07-Nov-13	07-Nov-16	50	500	50	500
TCHFL - Series J - FY 2014-15 - Option I	07-Nov-14	07-Nov-16	60	600	60	600
TCHFL - Series I - FY 2014-15 - Option II	03-Nov-14	03-Nov-16	70	700	70	700
TCHFL - Series H - FY 2014-15	31-Oct-14	31-Oct-16	182	1,820	182	1,820
TCHFL - Series F - FY 2014-15 - Option II	20-Oct-14	10-Oct-16	188	1,880	188	1,880
TCHFL - Series AF - FY 2015-16	03-Sep-15	27-Sep-16	65	650	-	-
TCHFL - Series H - FY 2013-14	10-Sep-13	09-Sep-16	300	3,000	300	3,000
TCHFL - Series C - FY 2014-15 - Option III	07-Aug-14	02-Aug-16	200	2,000	200	2,000

TCHFL - Series C - FY 2014-15- Option IV	07-Aug-14	01-Aug-16	70	700	70	700
TCHFL - Series C - FY 2014-15- Option I	07-Aug-14	01-Aug-16	1,000	10,000	1,000	10,000
TCHFL - Series I - FY 2013-14	25-Oct-13	28-Jun-16	180	1,800	180	1,800
TCHFL - Series E - FY 2013-14	16-May-13	16-May-16	100	1,000	100	1,000
TCHFL - Series A - FY 2013-14	09-Apr-13	10-May-16	30	300	30	300
TCHFL - Series T - FY 2012-13	12-Mar-13	10-May-16	20	200	20	200
TCHFL - Series S - FY 2012-13	05-Feb-13	28-Apr-16	626	6,260	626	6,260
TCHFL - Series P - FY 2014-15	02-Dec-14	15-Apr-16	1,000	10,000	1,000	10,000
TCHFL - Series F - FY 2014-15- Option I	20-Oct-14	25-Mar-16	-	-	1,000	10,000
TCHFL - Series X - FY 2014-15	02-Feb-15	03-Mar-16	-	-	250	2,500
TCHFL - Series L - FY 2014-15	12-Nov-14	01-Mar-16	-	-	250	2,500
TCHFL - Series M - FY 2014-15- Option I	14-Nov-14	14-Dec-15	-	-	1,700	17,000
TCHFL - Series I - FY 2014-15 -Option I	03-Nov-14	23-Nov-15	-	-	1,000	10,000
TCHFL - Series O - FY 2012-13	30-Oct-12	30-Oct-15	-	-	100	1,000
TCHFL - Series N - FY 2012-13	29-Oct-12	29-Oct-15	-	-	500	5,000
TCHFL - Series L - FY 2012-13	12-Oct-12	12-Oct-15	-	-	200	2,000
TCHFL - Series P - FY 2013-14	28-Jan-14	30-Jun-15	-	-	100	1,000
TCHFL - Series E - FY 2012-13	29-May-12	29-May-15	-	-	51	510
TCHFL - Series U - FY 2013-14	20-Feb-14	20-May-15	-	-	250	2,500
TCHFL - Series M - FY 2013-14	09-Jan-14	12-May-15	-	-	60	600
TCHFL - Series T - FY 2013-14	14-Feb-14	08-May-15	-	-	210	2,100
TCHFL - Series S - FY 2013-14	10-Feb-14	04-May-15	-	-	210	2,100
TCHFL - Series V - FY 2013-14	21-Feb-14	04-May-15	-	-	350	3,500
TCHFL - Series Z - FY 2013-14	13-Mar-14	27-Apr-15	-	-	50	500
TCHFL - Series O - FY 2013-14	28-Jan-14	23-Apr-15	-	-	100	1,000
TCHFL - Series X - FY 2013-14	03-Mar-14	20-Apr-15	-	-	250	2,500
TCHFL - Series B - FY 2012-13	17-Apr-12	17-Apr-15	-	-	17	170
TCHFL - Series Q - FY 2013-14	06-Feb-14	15-Apr-15	-	-	190	1,900
TCHFL - Series AB - FY 2013-14	13-Mar-14	13-Apr-15	-	-	292	2,920
TCHFL - Series AA - FY 2013-14	13-Mar-14	10-Apr-15	-	-	35	350
TCHFL - Series AC - FY 2013-14	14-Mar-14	06-Apr-15	-	-	350	3,500
TCHFL - Series AD - FY 2013-14	14-Mar-14	06-Apr-15	-	-	50	500
TCHFL - Series AE - FY 2013-14	18-Mar-14	06-Apr-15	-	-	170	1,700
TCHFL - Series R - FY 2013-14	07-Feb-14	06-Apr-15	-	-	160	1,600
TCHFL - Series Y - FY 2013-14	06-Mar-14	06-Apr-15	-	-	31	310
<b>Total (A)</b>				<b>394,340</b>		<b>248,750</b>
Of which Current maturities have been classified under other Current Liabilities (Note No.10)				84,020		79,260
<b>Long term borrowings</b>				<b>310,320</b>		<b>169,490</b>

Description of Secured Redeemable Non Convertible Debentures (ZCB)	Issue Date	Redemption Date	No. of NCDs	As at March 31,2016 Rs. In Lakh	No. of NCDs	As at March 31,2015 Rs. In Lakh
<b>[B] Long Term NCD ( Zero Coupon Bond redeemable at Premium)</b>						
TCHFL - Series T - FY 2015-16	09-Jul-15	20-Sep-16	110	1,100	-	-
TCHFL - Series H - FY 2012-13	16-Jul-12	01-Oct-15	-	-	40	400
TCHFL - Series C - FY 2012-13	04-May-12	04-Aug-15	-	-	50	500
TCHFL - Series BC - FY 2011-12	23-Feb-12	01-Jun-15	-	-	180	1,800
<b>Total (B)</b>				<b>1,100</b>		<b>2,700</b>
Of which Current maturities have been classified under other Current Liabilities (Note No.10)				1,100		2,700
<b>Long term borrowings</b>				-		-

Note: Coupon rate of "NCDs" outstanding as on March 31, 2016 varies from 8.40% to 10.70% (Previous year varies from 8.72% to 10.70%).

**5.2** Particulars of Unsecured Redeemable Non Convertible Subordinated Debentures (Tier II Bonds) outstanding as on March 31,2016

Description of NCD	Issue Date	Redemption Date	No. of NCDs	As at March 31,2016 Rs. In Lakh	No. of NCDs	As at March 31,2015 Rs. In Lakh
TCHFL Tier II Bonds 'H' FY-2015-16	15-Mar-16	13-Mar-26	200	2,000	-	-
TCHFL Tier II Bonds 'G' FY-2015-16	17-Dec-15	17-Dec-25	250	2,500	-	-
TCHFL Tier II Bonds 'F' FY-2015-16	15-Dec-15	15-Dec-25	250	2,500	-	-
TCHFL Tier II Bonds 'E' FY-2015-16	04-Nov-15	04-Nov-25	300	3,000	-	-
TCHFL Tier II Bonds 'D' FY-2015-16	21-Sep-15	19-Sep-25	150	1,500	-	-
TCHFL Tier II Bonds 'C' FY-2015-16	16-Sep-15	16-Sep-25	100	1,000	-	-
TCHFL Tier II Bonds 'B' FY-2015-16	22-Jul-15	22-Jul-25	350	3,500	-	-
TCHFL Tier II Bonds 'A' FY-2015-16	28-Apr-15	28-Apr-25	400	4,000	-	-
TCHFL Tier II Bonds 'A' FY 2014-15	26-Sep-14	26-Sep-24	480	4,800	480	4,800
TCHFL Tier II Bonds 'E' FY-2013-14	18-Mar-14	18-Mar-24	4	40	4	40
TCHFL Tier II Bonds 'D' FY-2013-14	10-Jan-14	10-Jan-24	77	770	77	770
TCHFL Tier II Bonds 'C' FY-2013-14	20-May-13	19-May-23	10	100	10	100
TCHFL Tier II Bonds 'B' FY-2013-14	23-Apr-13	23-Apr-23	21	210	21	210
TCHFL Tier II Bonds 'A' FY-2013-14	15-Apr-13	15-Apr-23	250	2,500	250	2,500
TCHFL Tier II Bonds 'E' FY-2012-13	28-Mar-13	28-Mar-23	150	1,500	150	1,500
TCHFL Tier II Bonds 'D' FY-2012-13	22-Aug-12	22-Aug-22	330	3,300	330	3,300
TCHFL Tier II Bonds 'C' FY-2012-13	30-May-12	30-May-22	300	3,000	300	3,000
TCHFL Tier II Bonds 'B' FY-2012-13	30-May-12	30-May-22	3	30	3	30
TCHFL Tier II Bonds 'A' FY-2012-13	10-May-12	10-May-22	10	100	10	100
TCHFL Tier II Bonds 'F' FY-2011-12	12-Mar-12	12-Mar-22	102	1,020	102	1,020
TCHFL Tier II Bonds 'E' FY-2011-12	25-Jan-12	25-Jan-22	135	1,350	135	1,350
TCHFL Tier II Bonds 'D' FY-2011-12	04-Nov-11	04-Nov-21	101	1,010	101	1,010
TCHFL Tier II Bonds 'C' FY-2011-12	28-Oct-11	28-Oct-21	11	110	11	110
TCHFL Tier II Bonds 'B' FY-2011-12	29-Sep-11	29-Sep-21	253	2,530	253	2,530
TCHFL Tier II Bonds 'A' FY-2011-12	29-Jul-11	29-Jul-21	250	2,500	250	2,500
<b>Total</b>				<b>44,870</b>		<b>24,870</b>

Note : Coupon rate of "NCDs" outstanding as on March 31, 2016 varies from 8.99% to 10.25% (Previous year varies from 8.72% to 10.70%).

- 5.3** (a) Loans and advances from banks are secured by pari passu charge on the current assets of the Company.  
(b) Loans and advances from bank are repayable at maturity ranging between 3 years to 5 years from the date of loan taken. Rate of Interest payable on Term loan varies between 9.30% to 10.00% (Previous year varies between 10.00% to 10.25%).
- 5.4** Loan from National Housing Bank is secured by way of hypothecation of book debt and is repayable in 28/60 quarterly installments. Rate of Interest payable on Term loan varies between 6.12% to 9.50% (Previous year varies between 7.10% to 10.00%).
- 5.5** Unsecured term loan comprises a loan taken from Bank of India, HDFC & Dena Bank.
- 5.6** Discount on Commercial Paper varies between 8.45% to 9.68% (Previous year varies between 8.73% to 9.90%).

**6 OTHER LONG-TERM LIABILITIES**

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
Interest accrued but not due on borrowings	3,738	2,445
<b>Total</b>	<b>3,738</b>	<b>2,445</b>

**7 LONG-TERM PROVISIONS**

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
(a) Provision for employee benefits	93	19
(b) Contingent provision against standard assets (Refer Note No. 32)	6,019	4,080
<b>Total</b>	<b>6,112</b>	<b>4,099</b>

**8 SHORT-TERM BORROWINGS**

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>(a) Loans repayable on demand</b>		
<b>Secured</b>		
(i) Cash Credit (Refer Note No. 5.3 (a) above)	42,309	51,492
(ii) Working capital demand loan	7,500	-
<b>(b) Loans and advances from Related Parties</b>		
<b>Unsecured</b>		
(i) Inter-Corporate Deposits	21,220	-
<b>(c) Other loans and advances</b>		
<b>Unsecured</b>		
(i) Book bank overdraft	35,534	15,569
(ii) Commercial Paper (Refer Note No. 5.6 above)	150,189	66,308
[Net of unamortised discount of Rs. 2,311 Lakh (as at March 31, 2015 Rs.1,042 Lakh)]		
<b>Total</b>	<b>256,752</b>	<b>133,369</b>

9 TRADE PAYABLES

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
(a) Others		
(i) Accrued employee benefit expenses	661	505
(ii) Accrued expenses	3,072	1,813
(iii) Others	326	1,036
<b>Total</b>	<b>4,059</b>	<b>3,354</b>

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

9 (a) Total outstanding dues of micro enterprises and small enterprises

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
(a) Amounts outstanding but not due as at year end	-	-
(b) Amounts due but unpaid as at year end	-	-
(c) Amounts paid after appointed date during the year	-	-
(d) Amount of interest accrued and unpaid as at year end	-	-
(e) The amount of further interest due and payable even in the succeeding year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

10 OTHER CURRENT LIABILITIES

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
(a) Current maturities of long-term debt		
(i) Debentures		
<b>Secured</b>		
-Privately Placed Non-Convertible Debentures (Refer Note No. 5.1 above)	84,020	79,260
-Zero coupon Debenture (Refer Note No. 5.1 above)	1,100	2,700
(ii) Term Loan		
<b>Secured</b>		
-From Banks (Refer Note No. 5.3 above)	11,389	25,784
-From National Housing Bank ( Refer Note No. 5.4 above)	20,560	12,969
<b>Unsecured</b>		
-From Banks (Refer Note No. 5.5 above)	-	25,000
(b) Interest accrued but not due on borrowings	23,447	12,418
(c) Income received in advance	4,090	3,348
(d) Interim dividend payable	-	2,627
(e) Tax payable on interim dividend	-	525
(f) Other payables		
(i) Statutory remittances	528	286
(ii) Liability for capital expenditure	13	10
(iii) Advances from Customers	64	31
(iv) Other payable	86	46
<b>Total</b>	<b>145,297</b>	<b>165,004</b>

11 SHORT-TERM PROVISIONS

Particulars	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
(a) Provision for employee benefits	128	104
(b) Contingent provision against standard assets (Refer Note No. 32)	442	271
(c) Provision for proposed dividend	-	302
(d) Provision for dividend distribution tax on proposed dividend	-	62
(e) Provision for Income tax [Net of Advance Tax Rs.5,090 Lakh, (as on March 2015 Rs.3,026 Lakh)]	1,507	947
<b>Total</b>	<b>2,077</b>	<b>1,686</b>

## 12 FIXED ASSETS

(Rs. in Lakh)

Particulars	Gross Block				Accumulated depreciation				Net Block	
	Opening balance as at April 1, 2015	Additions	Disposals	Closing balance as at March 31, 2016	Opening balance as at April 1, 2015	Depreciation/Amortisation for the Year	Disposals	Closing balance as at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>TANGIBLE FIXED ASSETS</b>										
Building	313 (48)	269 (265)	- -	582 (313)	15 (7)	22 (8)	- -	37 (15)	545 (298)	298
Office Equipment	94 (49)	65 (45)	1 -	158 (94)	34 (9)	27 (25)	0 -	61 (34)	97 (60)	60
Vehicles	72 (69)	24 (25)	15 (22)	81 (72)	36 (35)	18 (16)	14 (15)	40 (36)	41 (36)	36
Plant & Machinery	41 (12)	31 (29)	1 -	71 (41)	6 (2)	7 (4)	0 -	13 (6)	58 (35)	35
Furniture & Fixtures	74 (22)	42 (52)	1 -	115 (74)	26 (5)	19 (21)	0 -	45 (26)	70 (48)	48
Leasehold Improvements	200 (73)	144 (129)	2 (2)	342 (200)	56 (23)	55 (35)	1 (2)	110 (56)	232 (144)	144
Computer	- -	161 -	- -	161 -	- -	28 -	- -	28 -	133 -	-
<b>Total</b>	<b>794</b>	<b>736</b>	<b>20</b>	<b>1,510</b>	<b>173</b>	<b>176</b>	<b>15</b>	<b>334</b>	<b>1,176</b>	<b>621</b>
Previous financial year	(273)	(545)	(24)	(794)	(81)	(109)	(17)	(173)	(621)	
<b>Add: Capital Work In Progress</b>									<b>59</b>	<b>74</b>
<b>Add: Intangible assets under development</b>									<b>124</b>	<b>-</b>
<b>Total</b>									<b>1,359</b>	<b>695</b>

Note : Figures in brackets relate to previous year

13 DEFERRED TAX ASSETS

The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

Particulars	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>Deferred Tax Assets on account of :-</b>		
(a) Employee benefits	44	38
(b) Provision for non-performing asset	1,216	628
(c) Provision for standard assets	2,236	1,506
(d) Disallowance u/s 40(a)	21	17
(e) Timing difference in respect of depreciation on fixed assets	24	27
<b>Total</b>	<b>3,541</b>	<b>2,216</b>
<b>Less : Deferred Tax Liability on account of :-</b>		
(a) Special Reserve u/s 36(1) (viii) (Refer Note No. 33)	1,855	1,085
<b>Total</b>	<b>1,855</b>	<b>1,085</b>
<b>Net Deferred Tax Assets</b>	<b>1,686</b>	<b>1,131</b>

14 LOANS AND ADVANCES - FINANCING ACTIVITY-SECURED UNLESS OTHERWISE STATED

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>NON-CURRENT</b>		
<b>(a) Housing Loans</b>		
(i) Considered good	982,831	708,549
(ii) Considered doubtful	2,745	1,205
	985,576	709,754
Less: Provision for Doubtful loans (Refer Note No 14.1)	2,745	1,205
	<b>982,831</b>	<b>708,549</b>
<b>(b) Non Housing Loans</b>		
(i) Considered good	228,524	143,465
(ii) Considered doubtful	707	559
	229,231	144,024
Less: Provision for Doubtful loans (Refer Note No 14.1)	707	559
	<b>228,524</b>	<b>143,465</b>
<b>Total</b>	<b>1,211,355</b>	<b>852,014</b>
<b>CURRENT</b>		
<b>(a) Housing Loans</b>		
(i) Considered good	72,789	47,144
(ii) Considered doubtful	61	33
	<b>72,850</b>	<b>47,177</b>
Less: Provision for Doubtful loans (Refer Note No 14.1)	61	33
	<b>72,789</b>	<b>47,144</b>
<b>(b) Non Housing Loans</b>		
(i) Considered good	16,317	9,684
(ii) Considered doubtful	11	25
	16,328	9,709
Less: Provision for Doubtful loans (Refer Note No 14.1)	11	25
	<b>16,317</b>	<b>9,684</b>
<b>Total</b>	<b>89,106</b>	<b>56,828</b>
<b>Total - Loans and advances - Financing Activities</b>	<b>1,300,461</b>	<b>908,842</b>

- 14.1 As per the Housing Finance Companies (NHB) Directions, 2010, non-performing assets are recognised on the basis of ninety days overdue. The total provision carried by the Company in terms of paragraph 25(2) of the Housing Finance Companies (NHB) Directions, 2010 and NHB circular NHB(ND)/(DRS)/Pol-No.09/2004-05 dated May 18,2005 in respect of Housing and Non Housing Loans is as follows.

Category	Provision against Sub-Standard Assets		Provision against Doubtful Assets		Provision against Loss Assets		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Housing Loan</b>								
Gross Non Performing Assets	4,772	3,413	2,371	541	894	453	8,037	4,407
Provision	722	514	1,189	270	894	453	2,805	1,237
Net Non Performing Assets	4,050	2,899	1,182	271	-	-	5,232	3,170
<b>Non Housing Loan</b>								
Gross Non Performing Assets	668	571	247	189	494	404	1,409	1,164
Provision	101	86	124	95	494	404	719	585
Net Non Performing Assets	567	485	123	94	-	-	690	579
<b>Total</b>								
Gross Non Performing Assets	5,440	3,984	2,618	730	1,388	857	9,446	5,571
Provision	823	600	1,313	365	1,388	857	3,524	1,822
Net Non Performing Assets	4,617	3,384	1,305	365	-	-	5,922	3,749

- 14.2 Loans granted by the company are secured against hypothecation of mortgage of property.

- 14.3 The company has reported frauds aggregating Rs.36 lakh (Previous year: Rs.NIL) based on management reporting to risk committee.



15 LONG-TERM LOANS AND ADVANCES - OTHERS (UNSECURED CONSIDERED GOOD)

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>Others</b>		
(a) Deposits	4	31
(b) Capital advances	6	265
(c) Loan To TCL Employee Welfare Trust	66	66
(d) Advance payment of Income tax [Net of Provision for Tax Rs.9,161 Lakh, (as on March 2014 Rs.5,187 Lakh)]	389	364
<b>Total</b>	<b>465</b>	<b>726</b>

16 OTHER NON-CURRENT ASSETS

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>Others</b>		
(a) Deferred revenue expenditure (to the extent not written off or adjusted) [Refer Note 20 (a)]	470	589
(b) Unamortised loan sourcing costs	3,418	2,853
<b>Total</b>	<b>3,888</b>	<b>3,442</b>

17 TRADE RECEIVABLES

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
(a) Over six months (from the date due for payment)		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-
Less: Provision for trade receivables	-	-
	-	-
(b) Others		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	115	133
(iii) Doubtful	-	-
Less: Provision for trade receivables	-	-
	115	133
<b>Total</b>	<b>115</b>	<b>133</b>

18 CASH AND BANK BALANCES

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
(a) Cash on hand	92	82
(b) Cheques on hand	932	568
(c) Balances with banks -In current accounts (Refer Note No. 18.1 below)	2,108	1,813
<b>Total</b>	<b>3,132</b>	<b>2,463</b>

18.1 Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is Rs.3,132 Lakh. (Previous year Rs.2,463 Lakh)

19 SHORT-TERM LOANS AND ADVANCES - OTHERS (UNSECURED CONSIDERED GOOD)

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>Others</b>		
(a) Deposits	142	89
(b) Prepaid expenses	70	82
(c) Others	132	83
<b>Total</b>	<b>344</b>	<b>254</b>

20 OTHER CURRENT ASSETS

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>Others</b>		
(a) Deferred Revenue Expenditure (to the extent not written off or adjusted) (Refer Note 20 (a) below)	340	268
(b) Unamortised loan sourcing costs	2,024	1,558
(c) Other Receivable	24	13
<b>Total</b>	<b>2,388</b>	<b>1,839</b>

20 (a) DEFERRED REVENUE EXPENDITURE (to the extent not written off or adjusted)

	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh
<b>(a) Unamortised share issue expenses</b>		
Opening balance	23	40
Add: expenses incurred during the year	26	16
Less: written off during the year	39	33
Closing balance	<b>10</b>	<b>23</b>
<b>(b) Unamortised debenture issue expenses</b>		
Opening balance	165	148
Add: expenses incurred during the year	373	207
Less: written off during the year	228	190
Closing balance	<b>310</b>	<b>165</b>
<b>(c) Unamortised loan processing charges</b>		
Opening balance	669	803
Add: expenses incurred during the year	22	47
Less: written off during the year	201	181
Closing balance	<b>490</b>	<b>669</b>
<b>Total</b>	<b>810</b>	<b>857</b>

PARTICULARS	As at March 31, 2016		As at March 31, 2015	
	Current	Non-Current	Current	Non-Current
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Unamortised share issue expenses	8	2	12	11
(b) Unamortised debenture issue expenses	156	154	73	92
(c) Unamortised loan processing charges	176	314	183	486
<b>Total</b>	<b>340</b>	<b>470</b>	<b>268</b>	<b>589</b>
<b>Grand Total</b>		<b>810</b>		<b>857</b>

21 REVENUE FROM OPERATIONS

PARTICULARS	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs. in Lakh
(a) Interest Income	120,111	86,591
(b) Income from Financing activity (Refer note below)	5,218	3,780
<b>Total</b>	<b>125,329</b>	<b>90,371</b>

Note : Income from Financing activity includes loan processing fees and other charges

22 INVESTMENT INCOME

PARTICULARS	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs. in Lakh
(a) Profit on sale of current investments	173	387
<b>Total</b>	<b>173</b>	<b>387</b>

23 OTHER INCOME

PARTICULARS	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs. in Lakh
(a) Miscellaneous Income	1,043	259
<b>Total</b>	<b>1,043</b>	<b>259</b>

24 FINANCE COST

PARTICULARS	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs. in Lakh
(a) Interest expense		
(i) On loans from banks	36,140	32,622
(ii) On non - convertible debentures	37,935	21,099
(iii) On inter corporate deposit	1,437	230
(b) Discounting charges		
(i) On zero coupon debentures	-	163
(ii) On commercial paper	10,752	10,654
<b>Total</b>	<b>86,264</b>	<b>64,768</b>

25 Employee benefits expenses

PARTICULARS	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs. in Lakh
(a) Salaries, wages and bonus	6,770	4,473
(b) Contribution to provident fund and other funds (Refer Note No. 28)	357	244
(c) Staff welfare expenses	232	182
<b>Total</b>	<b>7,359</b>	<b>4,899</b>

26 OTHER OPERATING EXPENSES

PARTICULARS	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Rs in Lakh		Rs. in Lakh	
(a) Advertisement and publicity		335		142
(b) Brand equity and business promotion		322		241
(c) Incentive commission & brokerage		2,227		1,724
(d) Director's sitting fee		26		16
(e) Insurance		135		6
(f) IT outsourcing expenses		2,099		1,286
(g) Legal and professional fees		732		734
(h) Loan processing charges		1,667		1,165
(i) Printing and stationery		124		82
(j) Provision for doubtful loans		1,942		1,206
(k) Write off - Loans and advances	244		81	
Less : Provision reversal on write off	(244)	-	(81)	-
(l) Provision for standard assets - housing loan (Refer Note No. 32)		1,418		1,086
(m) Provision for standard assets - non housing loan (Refer Note No. 32)		692		288
(n) Rates and taxes		6		7
(o) Rent		998		973
(p) Repairs and maintenance expenses		21		11
(q) Stamping charges		31		18
(r) Service providers charges		905		659
(s) Telephone expenses		102		75
(t) Travelling and conveyance		506		365
(u) Training & Recruitment Expenses		65		112
(v) Corporate social responsibility expenses		178		107
(w) Power and fuel		56		32
(x) Others		388		172
<b>Total</b>		<b>14,975</b>		<b>10,507</b>

26 (a) The Company has made a standard asset provision of Rs.2,110 Lakh (previous year Rs.1,374 Lakh) being 0.40% / 0.75% / 1% of the Standard Housing / Non Housing loans as specified by the National Housing Bank circular No. NHB(ND)/DRS/DIR-3/CMD/2011 dated August 5,2011.

(b) National Housing Bank (NHB) has issued circular No. NHB.HFC./CMD/2013 dated September 6, 2013 for provision on Standard Asset relating to Commercial Real Estate Loans. Accordingly the Company is required to make general provision (i) at the rate of 1% on Commercial Real Estate and (ii) at the rate of 0.75% on Commercial Real Estate-Residential. The Company has made provision of Rs.445 Lakh on all commercial real estate loans and Rs.420 Lakh on Commercial Real Estate - Residential.

(c) Other expenses includes Audit Fee (excluding service tax) as below.

PARTICULARS	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Rs in Lakh		Rs. in Lakh	
(i) Audit fees		35		22
(ii) Tax audit fees		5		2
(iii) Other services		3		2
<b>Total</b>		<b>43</b>		<b>26</b>

(d) Expenditure in foreign currency

PARTICULARS	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Rs in Lakh		Rs. in Lakh	
(i) Travelling, conveyance and accommodation		5		10
<b>Total</b>		<b>5</b>		<b>10</b>

(e) Corporate social responsibility expenses

(a) Gross amount required to be spent by the company during the year was Rs. 178 Lakh.

(b) Amount spent during the year on:

PARTICULARS	Paid		Yet to be paid		Total	
	Rs. In Lakh	Rs. In Lakh	Rs. In Lakh	Rs. In Lakh	Rs. In Lakh	Rs. In Lakh
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	178	-	-	-	178	-
<b>Total</b>	<b>178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178</b>	<b>-</b>

(c) Details of related party transactions Rs. Nil.

**Notes forming part of the Financial Statements**

**27 Contingent Liabilities and Commitments:**

- (a) Contingent Liabilities Rs. Nil (Previous year Rs. Nil).  
 (b) Capital Commitments: Rs. 1,226 Lakh ( Previous year Rs. 113 Lakh).

**28 Employee benefits**

**Defined Contribution Plans**

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

The Company recognised a charge of Rs. 253 Lakh (Previous year Rs.170 Lakh) towards provident fund and family pension fund contribution and Rs.15 Lakh (Previous year Rs.15 Lakh) towards contribution to superannuation fund in the Statement of Profit and Loss during the current year.

The provident fund set up as a Trust by the Holding Company, Tata Capital Limited, manages the contributions from the Company and other participating fellow subsidiaries. As of March 31, 2016, the accumulated members' corpus of the Company is Rs. 1,536 lakh whereas the total fair value of the assets of the fund and the total accumulated members' corpus is Rs. 14,169 lakh and Rs. 13,695 lakh respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.75% for the first year and 8.60% thereafter. The actuarial assumptions include discount rate of 8.20%.

**Defined Benefits Plans**

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount), (Included as part of contribution to provided fund, superannuation fund and other funds as referred in Note 25 of Employee Benefit Expenses). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. On adoption of the Accounting Standard (AS 15) on "Employee Benefits", actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

**Reconciliation of Benefit Obligations and Plan Assets**

(Rs. in Lakh)

Particulars	2015-16	2014-15
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	238	153
Current Service Cost	54	30
Interest Cost	18	14
Acquisition Cost / Transfer in	15	13
Actuarial Losses / (Gain)	23	36
Benefits Paid	(20)	(8)
<b>Closing Defined Benefit Obligation</b>	<b>328</b>	<b>238</b>
<b>Change in the Fair Value of Assets</b>		
Opening Fair Value of Plan Assets	232	134
Acquisition Cost / Transfer in	17	15
Expected Return on Plan Assets	19	13
Contributions by Employer	7	63
Actuarial Gains / (Losses)*	(18)	7
Benefits paid	-	-
<b>Closing Fair Value of Plan Assets</b>	<b>257</b>	<b>232</b>

<b>Reconciliation of present Value of the obligation and the Fair value of the plan Assets</b>		
Fair Value of plan assets at the end of the year	257	232
Present value of the defined obligations at the end of the year	328	238
Funded status [Surplus / (Deficit)]	(71)	(6)
<b>Net Asset /(Liability) recognised in the balance sheet</b>	<b>(71)</b>	<b>(6)</b>
<b>Net Gratuity cost for the year ended March 31, 2015</b>		
Service Cost	54	30
Interest on Defined benefit Obligation	18	14
Expected return on plan assets	(19)	(13)
Net actuarial loss recognised in the year	36	29
<b>Net Gratuity Cost</b>	<b>89</b>	<b>60</b>
<b>Actual contribution and benefit payments for the year</b>		
Actual benefit payments	20	8
Actual contributions	7	63
<b>Categorisation of plan assets is as follows</b>		
<b>Investor Pattern</b>	<b>2015-16</b>	<b>2014-15</b>
Government Bonds	44%	40%
Equity mutual funds	23%	17%
Bonds / Debentures	24%	35%
Others (Including assets under Schemes of Insurance)	9%	8%
	<b>100%</b>	<b>100%</b>
<b>Assumptions</b>		
Discount Rate	8.20%	7.80%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Salary Escalation Rate	7.50% p.a for first 5 years and 5% thereafter.	7.50% p.a for first 5 years and 5% thereafter.
Mortality table	Indian Assured Lives Mortality (2006-08) (modified)	Indian Assured Lives Mortality (2006-08) (modified)
Withdrawal rate	0 – 2 years:10%	0 – 2 years:10%
	3 – 4 years: 5%	3 – 4 years: 5%
	5 – 9 years: 2.5%	5 – 9 years: 2.5%
	10 and more: 1%	10 and more: 1%

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

<b>Experience adjustment</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
- On Plan Liabilities	(32)	(3)	(26)	*	*
- On Plan Assets	(18)	7	1	*	-
Present value of benefit obligation	328	238	153	118	15
Fair value of Plan Assets	257	232	134	103	13
Excess of (obligation over plan assets)	71	6	19	15	2

\*less than Rs. 50,000/-

The Company expects to contribute approximately Rs. 71 Lakh to the gratuity fund during FY 2016-17. (Previous Year Rs. 6 Lakh)

Long Term Service Awards :

Long Term Service award is an employee benefit in recognition for their loyalty and continuity of service for five years and above, the same is actuarially valued(Unfunded). The Long Term Service awards expense for financial year 2015-16 is Rs.8 Lakh (Previous year Rs. 7 Lakh) and the provision as at March 31, 2016 is Rs. 23 Lakh (Previous year Rs. 15 Lakh)

29 Disclosure as required by Accounting Standard (AS) – 18 on “Related Party Disclosures” notified under Section 133 of the Companies Act 2013

A. List of related parties and relationship:

Ultimate holding Company	Tata Sons Limited
Holding Company	Tata Capital Limited
Fellow Subsidiaries (with which the company had transactions)	TC Travel and Services Limited Tata Securities Limited Tata Capital Financial Services Limited Tata Cleantech Capital Limited Tata Capital Plc Limited
Subsidiaries of ultimate holding company (with which the company had transactions)	Tata Consultancy Services Limited Tata Business Support Services Limited Tata AIA Life Insurance Company Limited Tata AIG General Insurance Company Limited Infiniti Retail Limited
Key Management Personnel	Mr.R.Vaithianathan

B. Transactions carried out with related parties referred in “A” above:

(Rs. in Lakh)				
Sr. No.	Party Name	Nature of transaction	2015-16	2014-15
1	Tata Sons Limited	a) Expenses - Brand equity contribution	322	241
		b) Balance payable	327	241
2	Tata Capital Limited	a) Subscription of share capital - Preference shares	24,500	16,000
		b) ICD accepted / repaid during the year -ICDs accepted during the year -ICDs repaid during the year	353,190 331,970	99,320 99,320
		c) Interest expense on -ICDs -Debentures	1,437 340	230 338
		d) Reimbursement of expenses to TCL	1	30
		e) Service providers charges	464	312
		f) Dividend paid	7,531	1,521
		g) Security deposit payable	-	1
		h) Balance Outstanding - Expenses Payable - Borrowings (ICD) - Borrowings (Sub Debt) - Dividend Payable	59 21,220 3,300 -	30 - - 2,627

3	Tata Capital Financial Services Limited	a) Asset transfer from TCFSL -Fixed Assets * -Employee Loan -Salary advance  b) Asset transfer to TCFSL -Fixed Assets -Security Deposit  c) Expenses -Reimbursement of expenses -Rent expenses -Guest house expenses -Loan sourcing fee  d) Income -Loan sourcing fee -Rent recovery -Guest House Recovery -Reimbursement of expenses  e) NCD Issued  f) Consideration received towards sale of right in property  g) Balance payable	0 1 1  2 14  130 747 11 -  - 28 8 3  3,000  -  104	- - 8  - -  151 870 - 392  3 58 2  -  290  718
4	Tata Business Support Services Limited	a) Expenses - Loan processing charges - Service provided charges - Collection Expenses - Call centre and other charges  b) Balance payable	561 321 185 -  174	542 143 123 3  89
5	TC Travel and Services Limited	a) Expenses - Travel related services  b) Balance payable	85  8	92  3
6	Tata Consultancy Services Limited	a) Expenses - I.T. outsourcing charges  b) Balance payable	2,064  1,240	1,283  466
7	Tata Securities Limited	a) Income -Reimbursement *  b) Expenses -DMA Commission	0  1	-  -
8	Tata AIA Life Insurance Company Limited	a) Insurance premium paid on behalf of customer b) Insurance claim received on behalf of customer c) Insurance premium - Employee Group Life d) Balance payable	338 168 7 200	- - - 160
9	Tata AIG General Insurance Company Limited	a) Insurance premium b) Advertisement Income c) Balance receivable d) Advance given	2 465 115 1	5 - - -
10	Infiniti Retail Limited	a) Fixed Asset purchased * a) Advance given *	0 0	
11	Tata Cleantech Capital Limited	a) Expenses * - Commission & brokerage	0	-
12	Tata Capital Plc Limited	a) Expenses -travelling expenses	-	10
13	Key Management Personnel	a) Remuneration b) Employee loan O/s *	181 0	163 -

\*Less than Rs.50,000/-



**30 Earnings per Share (EPS):**

Particulars		2015-16	2014-15
Profit after tax		11,261	6,793
Less: Preference dividend (including dividend distribution tax)		5,539	3,516
Profit after tax for Basic EPS	Rs. in Lakh	5,722	3,277
Weighted average number of Equity shares used in computing Basic EPS	Nos	253,333,332	253,333,332
Face value of equity shares	Rupees	10	10
<b>Basic earnings per share</b>	Rupees	<b>2.26</b>	<b>1.29</b>
Profit after tax for Basic EPS	Rs. in Lakh	5,722	3,277
Add: Preference dividend (including dividend distribution tax)	Rs. in Lakh	5,539	3,516
Profit after tax for Diluted EPS		11,261	6,793
Weighted average number of Equity shares used in computing Diluted earnings per share	Nos	393,419,416	351,946,865
Face value of equity shares	Rupees	10	10
<b>Diluted earnings per share (Anti dilutive)</b>	Rupees	<b>2.86</b>	<b>1.93</b>
<b>Diluted earnings per share</b>	Rupees	<b>2.26</b>	<b>1.29</b>

**31 Lease Payments**

The company avails time to time cancellable long term leases for office premises. The total of future minimum lease payment that the company is committed to make is:

(Rs. in Lakh)

Lease Payments	2015-16	2014-15
-Within one year	-	195
-Later than one year and not later than five years	-	673
-Later than five years	-	295

The amount charged towards lease rental as part of Rent expenditure is Rs.998 Lakh (Previous year Rs.977 Lakh)

**32 Movement in provisions against standard assets during the year is as under:**

(Rs. in Lakh)

Particulars	2015-16	2014-15
Opening Balance	4,351	2,977
Additions during the year	2,110	1,374
Utilised during the year	-	-
<b>Closing Balance</b>	<b>6,461</b>	<b>4,351</b>

- 33** Vide circular NHB(ND)/DRS/Pol. Circular No. 62/2014 dated May 27, 2014, the National Housing Bank ("NHB") has directed Housing Finance Companies (HFCs) to provide for a deferred tax liability in respect of the balance in the "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961. NHB has, within the same circular, clarified that the deferred tax liability in respect of the opening balance in the Special Reserve as at April 1, 2014, may be created by adjusting the opening reserves as of that date, but has mandated charging the Statement of Profit and Loss for the period in respect of additional appropriations to Special Reserve out of the net profit after tax.

Accordingly, during the previous year, the Company has adjusted its opening reserves as at April 1, 2014 with the amount of deferred tax liability in respect of the opening balance in the Special Reserve as of that date. Accordingly an amount of Rs. 626 lakh has been adjusted against opening balance of Statement of Profit & Loss in previous year.

Vide circular NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014 NHB has given an option to HFCs to create the deferred tax liability on the opening balance of special reserves over a period of 3 years in a ratio of 25:25:50. As stated above the Company has already created the Deferred Tax Liability on the entire amount.

- 34 Disclosure of details as required under amended guidelines on Asset Liability Management (ALM) issued by NHB vide circular dated October 11, 2010, NHB(ND)/DRS/Pol No.35/2010-11.

**I Capital to Risk Assets Ratio (CRAR)**

Items	As at March 31, 2016	As at March 31, 2015
CRAR (%)	16.17%	13.60%
CRAR – Tier I Capital (%)	10.72%	9.69%
CRAR – Tier II Capital (%)	5.45%	3.91%

**II Exposure to Real Estate Sector**

(Rs. In Lakh)

Category	2015-16	2014-15
<b>a) Direct Exposure</b>		
<b>(i) Residential Mortgages -</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
(i) Individual housing loans up to Rs. 15 Lakh	173,662	110,002
(ii) Other housing loans	1,045,294	747,357
<b>(ii) Commercial Real Estate -</b> Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.	78,804	49,214
<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -</b>		
a. Residential	-	-
b. Commercial Real Estate	-	-
<b>b) Indirect Exposure</b> Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
<b>Total</b>	<b>1,297,760</b>	<b>906,573</b>

Note : Exposure to Real Estate Sector excludes accrued interest and provisions.

### III Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities as per NHB format  
For the year 2015-16

(Rs. In Lakh)

Particulars	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 30/31 days (One month)	85,417	42,130	14,741	-
Over One month to 2 months	-	66,218	6,436	-
Over 2 months unto 3 months	7,362	75,031	6,198	-
Over 3 months to 6 months	7,362	38,764	19,149	-
Over 6 months to 1 year	17,224	57,760	42,357	-
Over 1 year to 3 years	290,293	216,108	194,918	-
Over 3 years to 5 years	60,138	38,200	146,965	-
Over 5 to 7 years	24,670	29,950	158,516	-
Over 7 to 10 years	32,059	74,670	244,353	-
Over 10 years	24,338	-	466,828	-
<b>Total</b>	<b>548,863</b>	<b>638,831</b>	<b>1,300,461</b>	<b>-</b>

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

Maturity pattern of certain items of Assets and Liabilities as per NHB format  
For the year 2014-15

(Rs. In Lakh)

Particulars	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 30/31 days (One month)	67,062	22,936	10,116	-
Over One month to 2 months	-	53,277	4,110	-
Over 2 months puts 3 months	3,242	6,584	3,968	-
Over 3 months to 6 months	19,909	15,071	12,277	-
Over 6 months to 1 year	40,601	50,400	26,201	-
Over 1 year to 3 years	168,159	110,190	110,289	-
Over 3 years to 5 years	128,054	16,400	96,220	-
Over 5 to 7 years	15,339	7,500	109,257	-
Over 7 to 10 years	12,724	56,870	166,747	-
Over 10 years	12,040	3,400	369,657	-
<b>Total</b>	<b>467,130</b>	<b>342,628</b>	<b>908,842</b>	<b>-</b>

- 35 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**Praveen P. Kadle**  
(Chairman)

**Janki Ballabh**  
(Director)

**Anuradha E. Thakur**  
(Director)

**G. Sankaranarayanan**  
(Director)

**S. H. Rajadhyaksha**  
(Director)

**R. Vaithianathan**  
(Managing Director)

**S Balakrishna Kamath**  
(Chief Financial Officer & Company Secretary)

Mumbai  
Date : May 2, 2016