TATA CAPITAL HOUSING FINANCE LIMITED

Annual Report 2021-22

Corporate Information

Board of Directors	Mr. Rajiv Sabharwal Ms. Anuradha E. Thakur Mr. Mehernosh B. Kapadia Mr. Sujit Kumar Varma Mr. Ankur Verma Mr. Anil Kaul
Chief Financial Officer	Mr. Mahadeo Raikar
Company Secretary	Mr. Jinesh Meghani (upto September 15, 2021) Ms. Priyal Shah (w.e.f. December 31, 2021 till June 11, 2022)
Joint Statutory Auditors	M/s. CNK & Associates LLP M/s. T R Chadha & Co LLP
Registered Office	11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
Corporate Identification Number	U67190MH2008PLC187552

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BOARD'S REPORT

To the Members,

The Board has pleasure in presenting the Fourteenth Annual Report and the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2022.

1. BACKGROUND

Tata Capital Housing Finance Limited ("Company" or "TCHFL"), is a wholly-owned subsidiary of Tata Capital Limited ("TCL") and is registered as a Housing Finance Company with the National Housing Bank ("NHB") to carry on housing finance activities. TCHFL primarily offers Home Loans and Affordable Housing Loans. TCHFL also provides Loans Against Property and Loans to Developers for constructing Residential and Commercial premises.

2. FINANCIAL RESULTS

(Rs. in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	**2,857**	**2,919**
Less:		
Finance Costs	1,532	1,789
Impairment on Financial Instruments	163	357
Employee Benefits Expense	191	131
Depreciation, Amortisation and Impairment	18	16
Other expenses	192	148
Total expenses	**2,097**	**2,441**
Profit Before Tax	**760**	**478**
Less: Provision for Tax	191	123
Profit After Tax	**569**	**355**
Profit attributable to owners of the Company	**569**	**355**
Other comprehensive income	4	0.82
Less: Tax on other comprehensive income	(1)	(0.21)
Other comprehensive income after tax	3	0.61
Other comprehensive income attributable to owners of the Company	3	0.61
Total comprehensive income attributable to owners of the Company	**572**	**355**
Amount brought forward from previous year	372	138
Ind AS 116 Transition Impact	-	-
Amount available for appropriation	944	493
Appropriations:		
Special Reserve Account	(114)	(50)
Interim Dividend on Equity Shares (Including Tax on Dividend)	(87)	(71)
Surplus carried to Balance Sheet	**743**	**372**

During FY 2021-22, the Company disbursed Mortgage Loans amounting to Rs. 11,557 crore (FY 2020-21: Rs. 5,161 crore), representing an increase of 124%. The Company's loan portfolio stood at Rs. 29,311 crore as on March 31, 2022 (Rs. 25,442 crore as on March 31, 2021), representing an increase of 15%. The Cost to Income ratio increased to 32.5% in FY 2021-22, as compared to 28.8% in FY 2020-21 and the Net Profit after Tax for the year increased by 60%, from Rs. 355 crore in FY 2020-21 to Rs. 569 crore in FY 2021-22, primarily on account of higher NIM. Gross NPA and Net NPA were 1.6% and 0.7%, respectively, as on March 31, 2022 (2.1% and 0.9%, respectively, as on March 31, 2021).

The Company's Gross Income decreased to Rs. 2,857 crore in FY 2021-22 from Rs. 2,919 crore in FY 2020-21, representing a decrease of 2%. Interest expenses decreased by 14% to Rs. 1,532 crore in FY 2021-22 from Rs. 1,789 crore in FY 2020-21.

Net interest income of the Company increased by 15%, from Rs. 1,000 crore in FY 2020-21 to Rs. 1,154 crore in FY 2021-22. Net Interest Margin as a percentage of average assets, stood at 4.3% for FY 2021-22. For FY 2021-22, total Income included Investment Income of Rs. 26 crore, Fee Income of Rs. 47 crore and Other Income of Rs. 61 crore.

Other expenses increased by 29% from Rs. 148 crore in FY 2020-21 to Rs. 192 crore in FY 2021-22. Impairment provision on the asset book during the year ended March 31, 2022 was Rs. 163 crore. The provision for taxation during the year was Rs. 191 crore.

The Company has transferred an amount of Rs. 114 crore to the Special Reserve Fund for FY 2021-22, pursuant to Section 29C of the National Housing Bank Act, 1987. An amount of Rs. 368 crore has been carried to the Balance Sheet after appropriations.

3. SHARE CAPITAL

The Issued, Subscribed and Paid-up Equity Share Capital of the Company as on March 31, 2022 was Rs. 5,47,55,56,120 consisting of 54,75,55,612 Equity Shares of Rs. 10 each. The entire Equity Share Capital of the Company is held by TCL and its nominees. During the year no fresh issue of Equity Shares was made.

4. DIVIDEND

4.1. Interim Dividend

During FY 2021-22, the Board of Directors of the Company:

- Declared an Interim Dividend of Re. 0.91/- per share on 54,75,55,612 Equity Shares of Rs. 10 each, aggregating Rs. 49,82,75,607 vide Circular Resolution dated September 15, 2021 and passed on September 16, 2021; and
- Declared an Interim Dividend of Re. 0.67/- per share on 54,75,55,612 Equity Shares of Rs. 10 each, aggregating Rs. 36,68,62,260 at its meeting held on March 4, 2022.

4.2. Final Dividend

In order to conserve resources of the Company and to build up the Reserves, the Board does not recommend payment of any Final Dividend on the Equity Shares for FY 2021-22.

5. REVIEW OF OPERATIONS OF THE COMPANY

5.1. Retail Finance (“RF”)

RF offers products such as Home Loans and Loans Against Property. Disbursements in FY 2021-22 aggregated Rs. 6,892 crore as compared to Rs. 3,032 crore in FY 2020-21. Disbursements of high margin products constituted 34% of overall RF disbursements during FY 2021-22.

As at March 31, 2022, the closing book of RF stood at Rs. 23,980 crore (FY 2020-21: Rs. 21,606 crore). Increasing share of digital business, developed markets, affordable markets and financial inclusion were some of the key drivers for business growth.

The overall change in product mix with growth in high margin products during FY 2021-22 along with a reduction in cost of borrowings, resulted in an increase in Net Interest Margin (“NIM”) from 3.24 % in FY 2020-21 to 3.61 % in FY 2021-22.

5.2. Construction Finance (“CF”)

CF specializes in product offerings ranging from Real estate project Term Loans and Structured Products. This business serves over 200 live customers through project finance for real estate projects in early, mid and advance stages of constructions.

For FY 2021-22, CF ended with a book of Rs. 5,002 crore as compared to Rs. 3,741 crore at the end of FY 2020-21.

During FY 2021-22, CF disbursed loans aggregating Rs. 3,639 crore (FY 2020-21: Rs. 1,541 crore). CF was able to maintain the profitability by increasing interest margins and improving fee income despite competition pricing pressures.

6. FINANCE

During FY 2021-22, the Company met its funding requirements through a combination of Long-Term Debt (comprising Non-Convertible Debentures ("NCDs"), Subordinated Debt, Bank Loans) and Short-Term Debt (comprising Commercial Paper ("CP") and Bank Loans). During the year under review, the Company issued, on a private placement basis, Secured Redeemable NCDs aggregating Rs. 3,628 crore and Subordinated NCDs of Rs. 321 crore. The aggregate debt outstanding as at March 31, 2022 was Rs. 27,218 crore (of which, Rs. 10,045 crore was payable within one year). The Debt Equity ratio of the Company as at March 31, 2022 was 7.80 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 rating agencies re-affirmed/issued ratings to the Company, as under:

NATURE OF SECURITIES	RATING AGENCY	RATING
Commercial Paper	CRISIL	CRISIL A1+
Secured NCDs, Subordinated NCDs and Bank loan facilities	CRISIL	CRISIL AAA/ Stable
Secured NCDs Market Linked Debentures	CRISIL	CRISIL PP-MLD AAAr/Stable
Commercial Paper	ICRA	ICRA A1+ Stable
Subordinated NCDs and Secured NCDs	ICRA	[ICRA] AAA/Stable
Secured NCDs and Bank loan facilities	INDIA RATINGS	IND AAA/Stable

8. RISK MANAGEMENT

The Company has built a robust risk management framework with strong risk fundamentals and continues to monitor the internal and external risks arising out of macro-economic factors, regulatory changes and geo-political scenario. The Board of Directors has set the tone at the top by laying down and approving the strategic plans and objectives for Risk Management and Risk Philosophy. The Risk Management Committee of the Board has the responsibility relating to monitoring and reviewing risks.

A comprehensive Enterprise Risk Management ("ERM") Framework has been adopted by the Company which uses defined Key Risk Indicators based on quantitative and qualitative factors. A two-dimensional quantitative data management tool - Heat Map – has been implemented, which enables the management to have a comprehensive view of various identified risk areas based on their probability and impact.

Changes in internal and external operating environment, digitalization, technological advancements and agile way of working have increased the significance of Fraud, Information & Cyber Security and Operational Risks. The Company continues to focus on increasing operational resilience and mitigation of these risks.

9. INTERNAL FINANCIAL CONTROLS

The Management has laid down a set of standards, processes and structure which enables it to implement internal financial controls across the organization with reference to financial statements and that such controls are adequate and are operating effectively. Internal Financial control framework has been established in line with the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") and Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

During FY 2021-22, testing was conducted basis process walkthrough and review of samples as per documented controls in the Risk & Control matrix. Testing is done for each of the controls confirming the existence and operating effectiveness of controls over financial reporting. Review was performed on design, adequacy and operating effectiveness of the controls.

During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

10. INFORMATION TECHNOLOGY SUPPORT

Information Technology ("IT") is leveraged to enhance and automate business processes at all stages. New IT interventions are focused around building cutting edge digital and data capabilities. The Company has invested in solutions to ensure safe and secure Work from Anywhere environment for all employees. This has been used effectively during the lockdown imposed due to COVID-19 pandemic.

The Company continues to enhance its Digital platform across customer acquisition as well as customer servicing area. The use of Robotic Process Automation, Artificial Intelligence and Machine Learning has been adopted to drive business growth, improve productivity and enhance customer experience.

The Company has invested into cutting edge technologies to set up the Data Lake which acts as a backbone to provide single source of data across all reporting.

The IT Policies and Procedures are reviewed periodically.

11. DIGITAL PLATFORM AND ANALYTICS

Tata Capital Group ("Tata Capital") in FY 2021-22 accelerated its digital transformation to achieve business growth, drive customer centricity and attain operational excellence.

In FY 2021-22, the Company deepened its focus on building new digital platforms and improved direct-to-customer journeys to drive growth across businesses. The share of business from digital channels grew significantly over the year. Further, digital-only products and services paved the way for new opportunities to increase customer reach and connect.

Customer service platforms were also strengthened, with features introduced for leasing customers and new service requests added. New channels for servicing such as WhatsApp based servicing was also added for commercial loan customers.

For retail lending products, existing digital offerings were enhanced with industry leading features. Real time sanctions are available for home loan products, for both new and existing customers of the Company.

Synergies with the Tata group eco-system as well as with fintech players continued to play a pivotal role in the Tata Capital growth journey. In addition, partnerships with other leading fintech players for both business generation as well as process and data augmentation led to growth as well as operational efficiencies.

On customer service, the objective remained to enhance self-service and migrate a large proportion of customer servicing and debt servicing to digital platforms and channels. The newer channels such as chat bots continued to gain traction and saw significant usage. Efforts were also made to digitalize the debt servicing function. As part of this, new channels of payment including UPI based payments, BPPS and others were launched. Collection from digital channels saw an increase over the year. An end-to-end automated communication framework was also created for the debt servicing function. This ensured the use of micro-segmentation to reach customers through their preferred channels and led to enhanced efficiency in the collection process. The use of robotics process automation for back-office processes continued over the year. New processes were identified for automation and the use of robotics helped enhance productivity and reduce costs.

Finally, the use of data analytics was enhanced across the lending value chain starting from customer acquisition to portfolio monitoring and debt servicing. The use of scorecards for underwriting increased during the year. Use of data science for risk and portfolio monitoring remained an important level to control credit losses. Analytics was also used effectively to help in customer retention, to improve NPS scores and in debt servicing.

Tata Capital will continue to make investments in new technologies to seek opportunities for growth. The Company will nurture innovation to build new capabilities, build products and services through digital. The endeavour for the future will be to enable the Company to thrive in a digital environment and create new benchmarks in the financial services sector.

12. TATA BUSINESS EXCELLENCE MODEL

Tata Capital continues to enhance its capabilities and processes in keeping with market and regulatory changes, using the framework of the Tata Business Excellence Model ("TBEM") (based on Baldridge Criteria, USA), which covers aspects of Leadership and Governance, Strategic Planning, Customer Focus, Measurement, Analysis and Knowledge Management, Workforce Focus and Operations Focus. Tata Capital participated in its seventh TBEM external assessment conducted by the Tata Business Excellence Group, a division of Tata Sons Private Limited, between July to December 2020 and was placed in the 550-650 score band, which indicates the level of "Emerging Industry Leader" with an absolute score of 624. This reflects a significant improvement in the journey of Excellence. This was also the first time, various subsidiaries of Tata Capital participated in the TBEM 2020 Assessment process. The Company and its business have been recognized as "Emerging Industry Leader" with a score band of 550-650 and an absolute score of 607.

The assessment provided the Company with important granular feedback in terms of its current strengths and opportunities for improvements to work towards the coming year. Key strengths indicated in the TBEM 2020 Assessment were the (i) Organization's alignment with its Vision and the building of a capability and structure for achieving the Vision (ii) Focus on building a quality book and (iii) Risk Management, Internal Audit mechanism and Governance mechanisms.

In FY 2021-22, Tata Capital chose not to undergo TBEM Assessment and instead work upon the feedback of TBEM 2020 Assessment. The Company has implemented many improvement initiatives involving people, process, digitization and technology over the last few years. These include process simplification, re-engineering and automation for improving the Company's operational focus in order to enhance customer satisfaction and improve internal efficiencies with an objective to provide competitive advantage to the Company. Many practices of Tata Capital have been recognized as Group wide Best Practices consistently in the last many years.

13. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ("CSR") is deeply rooted in the Tata Group's business philosophy laid down by its Founder, Mr. Jamsetji N. Tata over a century ago. The Group Companies have a sense of responsibility towards making use of their existing resources and knowledge to not only make profits but also solve social and environmental issues.

The Company too follows the Group's belief that our society can truly progress if every individual is included and empowered in the journey of development. To guide us in this journey, the Company has a well-defined CSR Policy which outlines the thrust areas of development viz. Education, Skill Development & Entrepreneurship, Health and Climate Action as adopted by the CSR Committee and the Board of Directors of the Company.

The CSR Policy of the Company is available on the Company's website https://www.tatacapital.com/content/dam/tata-capital/tchfl/CSR%20Policy-TCHFL.pdf.

During FY 2021-22, the Company has spent Rs. 852.50 lakh on CSR activities in projects and programs covered under Schedule VII of the Act.

For FY 2021-22, the CSR budget of the Company was Rs. 852.50 lakh, this being two percent of the average net profit of the Company in the three immediately preceding financial years, calculated as per Section 198 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The budget was spent towards projects and programs covered under Schedule VII to the Act, as recommended by the CSR Committee of the Board and approved by the Board of Directors of the Company. The Annual Report on CSR activities is annexed herewith as Annexure 'A'.

To conceptualise and implement the projects, the Company follows a robust process, including appraising and selecting technically sound NGOs, planning the project based on baseline assessment, creating a project plan for implementation and monitoring and evaluation mechanisms. This helps to bring the desired positive and measurable results for the target beneficiaries.

Additionally, the Company adheres to the Tata Group's Tata Affirmative Action Program based on the framework defined by the Confederation of Indian Industries. The framework focusses on upliftment of Scheduled Castes and Scheduled Tribes and identifies 4Es as key areas of development i.e. Education, Employability, Employment and Entrepreneurship. In addition to the 4Es, the Company also adheres to 'Essentials' as another category, to provide for basic services like shelter, water and electricity.

14. COMPLIANCE

The Company is registered with the NHB as a Non–Deposit accepting Housing Finance Company. The Company has complied with and continues to comply with all applicable provisions of the Act, the National Housing Bank Act, 1987 and other applicable rules/regulations/guidelines, issued and amended from time to time.

The Capital Adequacy Ratio ("CAR") of the Company was 17.82% as on March 31, 2022 against the CAR of 15.00%, prescribed by RBI.

The RBI vide Circular No. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021, has issued Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Directions") applicable to Housing Finance Companies ("HFCs").

The NCDs issued by the Company to the public are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and the NCDs issued on a private placement basis are listed on the Wholesale Debt Market segment of the NSE. Accordingly, the Company has also complied with and continues to comply with Securities and

Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("ILNS Regulations") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Further, SEBI vide its notification SEBI/LAD-NRO/GN/2021/47, issued on September 7, 2021, amended the SEBI Listing Regulations and made Regulations 15 to 27 applicable to the Debt Listed Companies having an outstanding value of listed Non-Convertible debt securities of Rs. 500 crore and above i.e. High Value Debt Listed Entity ("HVDLE"), on comply or explain basis till March 31, 2023. Accordingly, the Company has been classified as HVDLE and the aforementioned Regulations have become applicable to the Company.

15. DEPOSITS

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

16. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company being an HFC, the provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate, giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company.

The details of investments made by the Company are given in the Notes to the Financial Statements.

17. DIRECTORS

Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Members of the Company at the Extraordinary General Meeting of the Company held on March 25, 2022, approved the appointment of Mr. Sujit Kumar Varma (DIN: 09075212) as an Independent Director of the Company, for an initial term of 5 years commencing from February 1, 2022 up to January 31, 2027.

The Company was in receipt of notice, in writing, from a member pursuant to Section 160 of the Companies Act, 2013, for the appointment of Mr. Sujit Kumar Varma for the office of Director of the Company.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Ankur Verma (DIN: 07972892), Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and is eligible for re-appointment. The Members of the Company may refer to the accompanying Notice of the AGM for the brief Resume of Mr. Verma.

Pursuant to the 'Fit and Proper' Policy adopted by the Company under Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("Master Directions"), the Company has received the 'Fit and Proper' declaration from Mr. Ankur Verma for his re-appointment as a Director of the Company, which has been taken on record by the Nomination and Remuneration Committee (NRC).

The Company has received declarations from the Independent Directors viz. Mr. Mehernosh B. Kapadia (DIN: 00046612), Ms. Anuradha E. Thakur (DIN: 06702919) and Mr. Sujit Kumar Varma (DIN: 09075212), stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standards of integrity. In terms of Section 150 of the Act, read with the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs, Manesar.

18. NUMBER OF MEETINGS OF THE BOARD

Seven meetings of the Board were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

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

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance and of the individual Directors as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the NRC. The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be.

The Board of the Company followed the criteria as specified in the Guidance Note on Board Evaluation ("Guidance Note") issued by the Securities and Exchange Board of India ("SEBI") for evaluating the performance of the Board as a whole, Committees of the Board, Individual Directors and the Chairman. The criteria for evaluation of the Board as a whole, *inter alia*, covered parameters such as Structure of the Board, Meetings of the Board, Functions of the Board and Board & Management. The criteria for evaluation of Individual Directors covered parameters such as knowledge and competency, fulfillment of functions, ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to mandate and composition, effectiveness of the committee, structure of the committee and meetings, 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 the assessment of the quality, quantity and timeliness of flow of information between the Company, the 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 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 familiarised with the operations of the Company and endeavors to provide relevant training to the Directors.

In accordance with the provisions of Section 178 of the Act, the Board of Directors have adopted a Policy on Board Diversity and Director Attributes and a 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 and to have in place, a transparent Board nomination process.

The Remuneration Policy for Directors, Key Managerial Personnel ("KMP") and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust.

The Remuneration Policy aims to ensure that the level and composition of the remuneration of the Directors, KMP and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

Salient features of the Remuneration Policy, *inter alia*, include:

- Remuneration in the form of Sitting Fees and Commission to be paid to Independent Directors and Non-Independent Non-Executive Directors, in accordance with the provisions of the Act and as recommended by the NRC;
- Remuneration to Managing Director / Executive Directors / KMP and all other employees is reasonable and sufficient to attract, retain and motivate them to run the Company successfully and retain talented and qualified individuals suitable for their roles, in accordance with the defined terms of remuneration mix or composition; and
- No remuneration would be payable to Directors for services rendered in any other capacity unless the services are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession and approval of the Central Government has been received, if required, for paying the same.

The Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'fit and proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, issued by RBI. The Company has received the 'Fit and Proper' declarations from all the Directors of the Company in April 2022, which have been taken on record by the NRC.

The Policy on Board Diversity and Director Attributes as also the Remuneration Policy of the Company are made available on the Company's website at https://www.tatacapital.com/content/dam/tata-capital/tchfl/TCHFL-Policy_on_Board_Diversity_and_Director_Attributes.pdf and https://www.tatacapital.com/content/dam/tata-capital/tchfl/TCHFL-Remuneration_Policy.pdf, respectively.

21. KEY MANAGERIAL PERSONNEL

During FY 2021-22, Mr. Jinesh Meghani, Company Secretary resigned with effect from close of business hours on September 15, 2021 and consequently ceased to be the KMP of the Company. Ms. Priyal Shah was appointed as the Company Secretary and the Key Managerial Personnel of the Company, with effect from December 31, 2021. Ms. Shah had tendered her resignation and accordingly she shall cease to be the Company Secretary and Key Managerial Personnel of the Company with effect from the close of business hours on June 11, 2022 or such earlier date as may be decided by the Company.

Accordingly, as on the date of this Report, Mr. Anil Kaul, Managing Director (DIN:00644761), Mr. Mahadeo Raikar, Chief Financial Officer and Ms. Priyal Shah, Company Secretary are the KMP 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, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22.

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 for FY 2021-22, Indian Accounting Standards ("IND AS") as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by Regulators as applicable to the Company and other accounting principles generally accepted in India have been followed and that there are no material departures therefrom.

b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and cash flows of the Company for the year;

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

d) they had prepared the annual accounts on a going concern basis;

e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and

f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Financial Statements of the Company have been prepared in accordance with Ind AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act.

There were Nil frauds reported by the auditors under section 143(12) of the Act.

23. VIGIL MECHANISM

The Company has established a Vigil Mechanism for its Directors and employees to report their concerns or grievances. The said mechanism, *inter alia*, encompasses the Whistle Blower Policy, the Fraud Risk Management Process, the mechanism for reporting of ethical concerns under the Tata Code of Conduct ("TCOC") and the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") and it provides for adequate safeguards against victimization of persons who use it.

The Vigil Mechanism provides access to Tata Capital's Ethics Committee for reporting concerns and grievances. It also provides access to the Compliance Officer under the Company's ABAC Policy and to the Chairperson of the Company's Audit Committee / the Chief Ethics Counsellor under the Company's Whistle Blower Policy. Information regarding the mechanism and the channels for reporting concerns are communicated to the relevant stakeholders. The Whistle Blower Policy, Vigil Mechanism, TCOC and the ABAC Policy documents are available on the website of the Company, www.tatacapital.com.

24. 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' Policy, which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, including the constitution of Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH Act"), is in place.

During FY 2021-22, no complaints were received under the provisions of the POSH Act.

25. AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which forms part of this Annual Report.

26. STATUTORY AUDITORS

At the Ninth AGM of the Company held on August 21, 2017, M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) ("BSR") were appointed as the Statutory Auditors of the Company for a term of five years, to hold office from the conclusion of the Ninth AGM till the conclusion of the Fourteenth AGM of the Company to be held in the year 2022. However, the Reserve Bank of India ("RBI") vide its Circular dated April 27, 2021 issued Guidelines for Appointment of Statutory Central Auditors ("SCAs")/Statutory Auditors ("SAs") of Commercial Banks (excluding Regional Rural Banks), Urban Co-operative Banks ("UCBs") and Non-Banking Financial Companies ("NBFCs") (including Housing Finance Companies) ("RBI Circular/Guidelines").

In terms of the aforementioned RBI Guidelines, the Statutory Auditors who have completed a tenure of 3 years cannot continue to hold office as Statutory Auditors, even though they may not have completed their present tenure as approved by the Members of the said entity. Accordingly, BSR resigned as Statutory Auditors of the Company with effect from November 12, 2021. Further, the RBI Guidelines stipulated that for entities with asset size of Rs. 15,000 crore and above as at the end of previous year, the statutory audit should be conducted under joint audit of a minimum of two audit firms.

Accordingly, pursuant to RBI Guidelines and based on the recommendation of the Audit Committee, the Board of Directors of the Company at its Meeting held on October 19, 2021, approved the appointment of M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. No. 101961W/W-100036) and M/s. T R Chadha & Co LLP, Chartered Accountants (ICAI Firm Registration No. 006711N/N-500028), as the Joint Statutory Auditors of the Company with effect from November 12, 2021 for a period of three consecutive years viz. FY 2021-22, FY 2022-23 and FY 2023-24, subject to the approval of the Members of the Company. Pursuant to Section 139(8)(i) of the Companies Act, 2013 and RBI Guidelines, the Members at the Extraordinary General Meeting ("EGM") of the Company held on November 12, 2021, approved the appointment of M/s. CNK & Associates LLP, Chartered Accountants and M/s. T R Chadha & Co LLP, Chartered Accountants, as the Joint Statutory Auditors of the Company to hold office with effect from conclusion of EGM held on November 12, 2021 till the conclusion of the fourteenth AGM of the Company.

The Board has recommended for the approval of the Members the appointment of M/s. CNK & Associates LLP, Chartered Accountants and M/s. T R Chadha & Co LLP, Chartered Accountants, as the Joint Statutory Auditors of the Company for further period of two years i.e. for FY 2022-23 and FY 2023-24. The Members of the Company may refer to the accompanying Notice of the AGM of the Company.

27. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

The Financial Statements of the Company have been prepared in accordance with IND AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Act. Further, the Company follows the Directions issued by RBI.

The Financial Statements have been prepared on an accrual basis under the historical cost convention. The Accounting Policies adopted in the preparation of the Financial Statements have been consistently followed in the previous year.

28. EXPLANATION ON STATUTORY AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. CNK & Associates LLP, Chartered Accountants and M/s. T R Chadha & Co LLP, Chartered Accountants, Joint Statutory Auditors, in their Reports dated April 19, 2022, on the Financial Statements of the Company for FY 2021-22.

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 M/s. Parikh & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company, for FY 2021-22. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed as Annexure 'B'.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Parikh & Associates in their Secretarial Audit Report dated April 19, 2022, on the secretarial and other related records of the Company, for FY 2021-22.

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, 2022 and May 16, 2022, being the date of this Report.

31. SIGNIFICANT AND MATERIAL ORDERS

During the period under review, there were no significant or material orders passed by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

32. RELATED PARTY TRANSACTIONS

The Company has adopted a Policy and a Framework on Related Party Transactions ("RPTs") for the purpose of identification, monitoring and approving such transactions in line with the requirements of the Act and the SEBI Listing Regulations. During the year under review, the RPT Policy had been amended to, *inter alia*, include the amendments of the SEBI Listing Regulations. The said Policy is available on the Company's website https://www.tatacapital.com/content/dam/tata-capital/tchfl/RPT_Policy.pdf

All the RPTs that were entered into during FY 2021-22, were in ordinary course of business and on an arm's length basis. There were no transaction requiring disclosure under Section 134(3)(h) of the Act. Hence, the prescribed Form AOC–2 does not form a part of this report.

During the year under review, the Company had not entered into any material transactions with related parties requiring approval of shareholders, in terms of the RPT Policy of the Company.

The details of RPTs as required to be disclosed by Indian Accounting Standard – 24 on "Related Party Disclosures" specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, are given in the Notes to the Financial Statements.

33. 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 its consumption of energy.

At Tata Capital regular Electrical audits as part of Energy Conservation activity are conducted and suggested measures are implemented to achieve and improve energy efficiency.

Several Office premises of Tata Capital have been retrofitted with LED lights to conserve electricity, as LED lights consume less electricity as compared to the conventional CFL bulbs. Air Conditioners' temperature across all Tata Capital Offices are maintained at the optimum ambient temperature (24-25-degree Celsius) resulting into savings of energy and also at some premises outgoing air conditioner duct design has been modified to provide better energy efficiencies.

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

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

iii. Capital investment on energy conservation equipment:

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

B. Technology absorption:

Given the nature of the activities of the Company and not being involved in any industrial or manufacturing activities, the above is not applicable to the Company.

C. Foreign Exchange Earnings and Outgo:

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. 5 crore.

34. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available under the Investor Relations tab on the Company's website at https://www.tatacapital.com/tchfl/investor-relations/annual-reports.html

35. 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 the 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, for the year ended March 31, 2022, is annexed as Annexure 'C'.

The details required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2022, are provided in a separate Annexure forming part of this Report. In terms of the first proviso to Section 136 of the Act, the Report and the Accounts, excluding the aforesaid Annexure, are being sent only through electronic mode to all the Members whose e-mail addresses are registered with the Depositories. Any shareholder interested in obtaining a copy of the same may write to the Secretarial department at the Registered Office of the Company and the soft copy of the same would be provided by an e-mail. None of the employees listed in the said Annexure is related to any Director of the Company.

36. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

37. CORPORATE GOVERNANCE

The Corporate Governance Report, with the Practicing Company Secretaries' Certificate thereon, for the year under review prepared in accordance with the Part C of Schedule V of SEBI Listing Regulations and as required under the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, forms part of this Annual Report.

38. SECRETARIAL STANDARDS

The Company is in compliance with SS -1 i.e. Secretarial Standard on Meetings of the Board of Directors and SS – 2 i.e. Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

39. UNCLAIMED AMOUNT

During FY 2021-22, no amount was required to be transferred to the IEPF. Further, pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), Ms. Priyal Shah, Company Secretary, has been appointed as the Nodal Officer of the Company, for the purpose of verification of claims and co-ordination with the IEPF Authority. The Contact details of Persons handling Investor Grievance are available on the website of the Company at www.tatacapital.com under 'Investor Relations' tab.

40. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from NHB, RBI, SEBI, the Registrar of Companies and other government and regulatory agencies and to convey their appreciation to TCL, the holding Company, the members, debenture holders, customers, bankers, lenders, vendors, and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation

for all the employees of the Company for their commitment, team work, professionalism and the resilience and dedication demonstrated by them during this difficult period of COVID-19 pandemic.

For and on behalf of the Board of Directors

Rajiv Sabharwal
Chairman
DIN: 00057333

Mumbai
May 16, 2022

Annexure A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

1. Brief outline on CSR Policy of the company.

Vision: To create shared value for the community at large in line with the Tata Group's core purpose.

Purpose: We endeavour to improve the lives of the community, especially the socially and economically underprivileged communities, by making a long term, measurable and positive impact through projects in the areas of:

i. Education
ii. Climate Action
iii. Health
iv. Skill Development

Sectors and Issues: In sectors and issues pertaining to the purpose mentioned above.

For details of the CSR Policy along with projects and programs, kindly refer to https://www.tatacapital.com/content/dam/tata-capital/tchfl/CSR%20Policy-TCHFL.pdf

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Anuradha E. Thakur	Chairperson (Independent Director)	2	2
2	Mr. Rajiv Sabharwal	Member (Non-Executive Director)	2	2
3	Mr. Ankur Verma	Member (Non-Executive Director)	2	NIL
4	Mr. Anil Kaul	Member (Managing Director)	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee: https://www.tatacapital.com/content/dam/tata-capital/tchfl/TCHFL%20Committees%20Composition.pdf

CSR Policy and CSR projects approved by the Board: https://www.tatacapital.com/content/dam/tata-capital/tchfl/CSR%20Policy-TCHFL.pdf

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.:** NIL

6. **Average net profit of the company as per section 135(5):**

Financial Year	Net Profit (net of dividend) (in Rs.)
FY 2018-19	1,79,56,13,849
FY 2019-20	5,00,96,16,387
FY 2020-21	5,98,01,22,634
Average Net Profit	**4,26,17,84,290**

7. **(a) Two percent of average net profit of the company as per section 135(5):**
Rs. 8,52,35,685.80/- rounded off to Rs. 8,52,50,000/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 8,52,50,000/-

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of Transfer	Name of the Fund	Amount.	Date of Transfer
8,52,50,000/-	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number
1	Clean Drinking Water	i	Yes	MH	Raigad	80,06,000	No	Help for Children in Need Foundation	CSR00001377
2	JalAadhar	iv	Yes	MH	Satara	33,91,600	No	BAIF Institute for Sustainable Livelihoods and Development	CSR00000259
3	JalAadhar	iv	No	TN	Kancheepuram	91,00,000	No	National Agro Foundation	CSR00000610
4	Aarogyatara – Eye Care	i	Yes	MH	Mumbai	20,50,000	No	Bhajandas Bajaj Foundation	CSR00000427
5	Cancer Care	i	Yes	MH	Mumbai	3,85,00,000	No	Alamelu Charitable trust	CSR00001539
6	Cancer Care	i	Yes	MH	Mumbai	50,00,000	No	Tata Memorial Hospital, Mumbai	CSR00001287
7	Cancer Care	i	No	UP	Meerut	18,80,000	No	CanSupport, Delhi	CSR00000673
8	Cancer Care	i	Yes	MH	Mumbai	30,00,000	No	St. Judes India Childcare Centre	CSR00001026
9	Cancer Care	i	Yes	MH	Mumbai	55,00,000	No	Shri Chaitanya Seva Trust	CSR00001017
10	Covid Response	i	No	KA	Doddaballapura	50,00,000	No	CBM India Trust	CSR00001156
11	Covid Vaccination	i	Yes	MH	Mumbai	21,75,000	No	Savitri Pratishthan	CSR00016465
12	Welfare for personnel in uniform	i and iii	Yes	MH	Mumbai	15,44,000	No	Habitat for Humanity	CSR00000402
	TOTAL					**8,51,46,600**			

*Project Name Description – JalAadhar is an integrated watershed development programme and Aarogyatara is an Eye Care & Treatment project.

(d) Amount spent in Administrative Overheads: Rs. 1,03,400/-

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 8,52,50,000/-

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	8,52,35,685.8 rounded off to 8,52,50,000
(ii)	Total amount spent for the Financial Year	8,52,50,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	14,314.20
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	14,314.20

9. **(a) Details of Unspent CSR amount for the preceding three financial years:** NIL

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

(1)	(2)	(3)	(4)	(5)	(6)
Sr. No	**Capital Assets**	**Date of Creation or acquisition**	**Amount of CSR spent for creation or acquisition of capital asset (In Rs.)**	**Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.**	**Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)**
1	Threshing Yard, 15 m X 15 m = 225 sqmt (PCC)	February 14, 2022	12,00,000	Village Watershed Committee, Ammanambakkam, Veliyambakkam villages Velyampakkam, post, Vandavasi taluk, Thiruvannamalai district, Tamilnadu. Manimangalam village, Badhur post, Vandavasi taluk, Thiruvannamalai district, Tamilnadu	Capital Asset: Threshing Yard, 15 m X 15 m = 225 sqmt (PCC) Location: Same as mentioned in column no. 5
2	Solar Lights, 10 Nos, 15 Watts light	February 15, 2022	2,70,000	Village Watershed Committee, Ammanambakkam, Veliyambakkam villages Velyampakkam, post, Vandavasi taluk, Thiruvannamalai district, Tamilnadu. Manimangalam village, Badhur post, Vandavasi taluk, Thiruvannamalai district, Tamilnadu	Capital Asset : Solar Lights, 10 Nos, 15 Watts light Location: Same as mentioned in column no. 5

(1)	(2)	(3)	(4)	(5)	(6)
Sr. No	**Capital Assets**	**Date of Creation or acquisition**	**Amount of CSR spent for creation or acquisition of capital asset (In Rs.)**	**Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.**	**Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)**
3	Fat Analyser, Eko milk Ultra Pro- 100 ml capacity	December 23, 2021	25,000	D Mohana, Veliyambakkam village & post, Vandavasi Tk, Thiruvanamalai Dt	Capital Asset: Fat Analyser, Eko milk Ultra Pro- 100 ml capacity Location: Same as mentioned in column no. 5
4	TATA Shakti GI Sheet for goat shed	September 26,2021	16,560	Gulashan Ramjan Shaikh At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	Capital Asset: 08 TATA Shakti GI Sheet - (0.45 mm *12 ft*4ft) Location: Same as mentioned in column no. 5
5	Sewing Machine & Pico Fall Machine	September 28,2021	18,000	Rekha Padmakar Kortikar At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	Capital Asset: Sewing Machine - Novel T 1 tailor model sewing machine with novel moter Pico Fall machine - Novel pico model sewing machine with novel motor Location: Same as mentioned in column no. 5
6	Poultry Housing	September 30,2021	8,550	Yashoda Ramhau Pawar At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	Capital Asset: Poultry Housing - (W*L*H) (4*6*5) size make by local fabricator Location: Same as mentioned in column no. 5
			8,550	Aasha Tanaji Chavhan At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	Capital Asset: Poultry Housing - (W*L*H) (4*6*5) size make by local fabricator Location: Same as mentioned in column no. 5
			8,550	Poonam Dattatrey Dirgude At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	Capital Asset: Poultry Housing - (W*L*H) (4*6*5) size make by local fabricator Location: Same as mentioned in column no. 5

(1)	(2)	(3)	(4)	(5)	(6)
Sr. No	**Capital Assets**	**Date of Creation or acquisition**	**Amount of CSR spent for creation or acquisition of capital asset (In Rs.)**	**Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.**	**Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)**
			8,550	Rashid Baban Pathan At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	Capital Asset: Poultry Housing - (W*L*H) (4*6*5) size make by local fabricator Location: Same as mentioned in column no. 5
			8,550	Sangita Dilip Vairat At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	Capital Asset: Poultry Housing - (W*L*H) (4*6*5) size make by local fabricator Location: Same as mentioned in column no. 5
			8,550	Anita Ashtosh Ahivale At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	Capital Asset: Poultry Housing - (W*L*H) (4*6*5) size make by local fabricator Location: Same as mentioned in column no. 5
			8,550	Sindhu Prakash Chavhan At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	Capital Asset: Poultry Housing - (W*L*H) (4*6*5) size make by local fabricator Location: Same as mentioned in column no. 5
7	Spray Pump	November 24, 2021	8,972	Yogesh Shamrao Rokade At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	Capital Asset: Spray Pump - ASPEE - company Spray pump, 0.25 hp Location: Same as mentioned in column no. 5
8	Papad Making Machine	February 13, 2022	5,200	Nilam Shamrao Bodare At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	Capital Asset: Papad Making Machine - 0.5 Hp motor, Laxmi company Location: Same as mentioned in column no. 5
9	Black & white Printer	October 1, 2021	18,000	Shrikant Himmat Chavhan	Capital Asset: Printer - HP Laser jet M -100

(1)	(2)	(3)	(4)	(5)	(6)
Sr. No	**Capital Assets**	**Date of Creation or acquisition**	**Amount of CSR spent for creation or acquisition of capital asset (In Rs.)**	**Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.**	**Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)**
				At. Post. Shinde Vasti, Karanjkhop Tal. Koregoan Dist. Satara	MFP multifunction Printer Location: Same as mentioned in column no. 5
10	Day care unit	September 8, 2021 to November 24, 2021^.	1,34,15,000	Ranchi Cancer Hospital and Research Centre Plot No. 580, Sukurhurtu Road, Kadma, Kanke, Ranchi - 834006	Capital Asset: Chemo chairs and Beds, Bio Safety cabinets, Infusion pumps, Syringe Pump, Basic para monitors, Defib, Trolley & Instruments and Nursing items Location: Same as mentioned in column no. 5
11	Major OT Equipment	September 8, 2021 to January 18, 2022^.	1,10,56,000		Capital Asset: OT Table, OT Light with Monitor arm with Slave Monitor, OT Pendants, Transport Ventilator, Anaesthesia w/station, Diathermy 400 Watts, Defibrillator, Transport Monitor, Syringe Pump, PCA pump, Trollies and Nursing Items, Patient and Fluid Warmer, Nerve locator, medicine cart and vaccum suction Location: Same as mentioned in column no. 5
12	Radiology Equipment	August 18, 2021^.	1,40,29,000		Capital Asset: Digital Mammography Location: Same as mentioned in column no. 5
13	Immobilization devices	February 10, 2022	50,00,000	Tata Memorial Hospital Dr. Ernest Borges Road, Parel, Mumbai-400012	Capital Asset: Immobilization devices Location: Same as mentioned in column no. 5

(1)	(2)	(3)	(4)	(5)	(6)
Sr. No	**Capital Assets**	**Date of Creation or acquisition**	**Amount of CSR spent for creation or acquisition of capital asset (In Rs.)**	**Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.**	**Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)**
14	Neurosurgery Operating Microscope	December 3, 2021	55,00,000	Shri Chaitenya Sewa Trust Bhaktivendanta Hospital & Research Institute, Shristi complex, Sector-1, Mira Road (E), Thane, Pin -401107	Capital Asset: Neurosurgery Operating Microscope Location: Same as mentioned in column no. 5

^Date of Payment by Ranchi Cancer Hospital and Research Centre towards procurement of the Capital Assets. Assets are scheduled for installation in the month of June 2022.

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** NA

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

Ankur Verma
Member, CSR Committee
(Non-Executive Director)

Rajiv Sabharwal
Member, CSR Committee
(Non-Executive Director)

Anil Kaul
Member, CSR Committee
(Managing Director)

Annexure B

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

(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, to the extent 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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, 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, 2022 according to the provisions of:

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

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

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(f) 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; (Not applicable to the Company during the audit period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).

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

- The National Housing Bank Act, 1987, the Housing Finance Companies (NHB) Directions, 2010 and all the Rules, Regulations, Circulars and Guidelines prescribed by the National Housing Bank for Housing Finance Companies
- Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021
- 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
- SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
- Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations of the Reserve Bank of India

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.

(ii) The Listing Agreement entered by the Company with National Stock Exchange of India Limited and BSE Limited with respect to Non Convertible Debentures issued by the Company read with the 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 for meetings other than those held at shorter notice, 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.

As per the minutes, the 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, guidelines, standards etc.

A. During the year, the Company had issued and redeemed the following Non-Convertible Debentures, on a private placement basis:

   a. Issued 36280 Secured Redeemable Non-Convertible Debentures for an aggregate amount of Rs. 3628 crore.
   b. Issued 1671 Unsecured, Redeemable, Non-Convertible, Subordinated Debentures as Tier-II Capital for an aggregate amount of Rs. 321 crore.
   c. Redeemed Secured Redeemable Non-Convertible Debentures for an aggregate amount of Rs. 708 crore.
   d. Redeemed Market Linked Non-Convertible Debentures for an aggregate amount of Rs. 6.14 crore
   e. Redeemed Unsecured, Redeemable, Non-Convertible, Subordinated Debentures as Tier-II Capital for an aggregate amount of Rs. 60.20 crore

B. During the year, the Company had issued and redeemed the following Commercial Papers ("CPs"):

   a. Issued 89000 units of CPs at face value for an aggregate amount of Rs. 4450 crore.

   b. Redeemed 60,000 units CPs at face value for an aggregate amount of Rs. 3000 crore.

For **Parikh & Associates**
Company Secretaries

Jigyasa Ved
Partner
FCS No: 6488 CP No: 6018
UDIN: F006488D000154515
PR No.: 1129/2021

Place: Mumbai
Date: 19.04.2022

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

Jigyasa Ved
Partner
FCS No: 6488 CP No: 6018
UDIN: F006488D000154515
PR No.: 1129/2021

Place: Mumbai
Date: 19.04.2022

Annexure C

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 2021-22 is, as under:

Name of Director(s)	Ratio to Median
Mr. Mehernosh B. Kapadia	3.31:1
Ms. Anuradha E. Thakur	5.28:1
Mr. Sujit Kumar Varma*	-
Mr. Ankur Verma#	-
Mr. Anil Kaul	58.97:1

Note:
**Mr. Sujit Kumar Varma was appointed as the Independent Director of the Company with effect from February 1, 2022 and hence ratio of the remuneration to the median remuneration of the employees has not been stated.*
#In line with the internal guidelines of the Company, no payment is made towards commission to Non-Executive Directors of the Company, who are in full-time employment with any other Tata Company.

Mr. Rajiv Sabharwal, Chairman and Non-Executive Director, is the Managing Director & CEO of Tata Capital Limited ("TCL"), the holding Company and did 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/decrease in the remuneration of Directors in FY 2021-22:

Name of Director(s)	% Increase in Remuneration
Mr. Mehernosh B. Kapadia	-1.43%
Ms. Anuradha E. Thakur	65.91%
Mr. Sujit Kumar Varma*	-
Mr. Ankur Verma#	-
Mr. Anil Kaul	15.81%

Note:
**Mr. Sujit Kumar Varma was appointed as the Independent Director of the Company with effect from February 1, 2022 and hence the percentage increase / decrease in his remuneration, has not been stated.*
#In line with the internal guidelines of the Company, no payment is made towards commission to Non-Executive Directors of the Company, who are in full-time employment with any other Tata Company.

Mr. Rajiv Sabharwal, Chairman and Non-Executive Director, is the Managing Director & CEO of TCL and did not draw any remuneration from the Company. In view of the same, the percentage increase/decrease in his remuneration, has not been computed.

The percentage increase/decrease in the remuneration of the Chief Financial Officer ("CFO) and Company Secretary ("CS") for FY 2021-22:

Mr. Mahadeo Raikar, was appointed as the CFO of the Company, with effect from August 17, 2020 and Ms. Priyal Shah, was appointed as the CS of the Company, with effect from December 31, 2021. Hence, the percentage increase / decrease in their remuneration, has not been computed.

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

There is an increase in the median remuneration of employees in FY 2021-22 by 22.58% as compared to FY 2020-21.

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

The permanent employees on the rolls of Company as on March 31, 2022, were 1,432.

5. 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 2021-22 is 45.19% and the percentage increase in the overall managerial remuneration is 13.07%. There are no exceptional circumstances for increase in the Managerial Remuneration.

6. 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 adopted by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Tata Capital Housing Finance Limited ("TCHFL"), a wholly-owned subsidiary of Tata Capital Limited, is registered as a Housing Finance Company with the National Housing Bank offering home loans, loan against property and builder loans.

1. Industry structure and developments

Housing Finance Companies ("HFCs"), along with Non-Banking Financial Companies ("NBFCs") and banks, are critical pillars for financial services in India. They play an important role in reaching out to a hitherto under/unserved and thereby broad basing the formal lending ecosystem, and at the same time, bringing the benefits of formalization of financial ecosystem to the '*Bharat'* we know. HFCs play an important role in the Indian financial system by complementing and competing with banks, specializing in credit delivery to home buyers, provide an opportunity to those businesses which want to monetize their real estate assets and developers. They develop strong niches with their specialized credit delivery models that even larger players including banks have found hard to match.

India's mortgage market is Rs. 23.3 lakh crores. With urbanization set to rise by 40% of population by the year 2030, more than 50% of India's current population below the age of 25 and over 65% below the age of 35, rising disposable income and advantage of demographic dividend, all the indicators time and again point to a direction that this market is huge, untapped and is poised for growth. Pradhan Mantri Awas Yojana (PMAY) has been a key catalyst in promoting housing especially affordable. With an aim to provide a boost to the 'Housing for All' mission, the finance minister has recommended that over 80 lakh affordable houses will be constructed and delivered by the year 2023. Smart city mission & AMRUT will help change urbanization wind in favor of tier 2 & 3 towns.

Given the Covid-19-induced disruptions, the industry saw a moderation in the growth rate with FY 2021 registering a growth rate of 9% in the overall on-book housing portfolio compared to 12% growth in FY 2020. The growth was driven by the pick-up in disbursements from Q2 FY 2021, after a lull in Q1 FY 2021. Thereafter, disbursements were hit by the second wave in Q1 FY 2022 and the portfolio saw marginal QoQ growth. Disbursements picked up pace again in Q2 FY 2022 and the industry registered a YoY growth of 11%. As per ICRA's estimates, the overall on-book housing loan portfolio of NBFCs/HFCs and banks stood at Rs. 23.3 lakh crore as on September 30, 2021. The market share of HFCs in the total housing credit increased marginally to 33% as on September 30, 2021 from 32% as on June 30, 2021. For HFCs to achieve a healthy growth, access to adequate funding would be critical as demand is expected to be strong in the near to medium term. Given the last three years of moderation in growth, the pent-up demand has helped the industry witness growth in the portfolio in FY 2022 with the trend expected to continue in FY 2023 as well. ICRA retains its growth estimate of 8-10% for the on-book portfolio of HFCs in FY 2022. Further, ICRA estimates a growth rate of 9-11% for the on-book portfolio of HFCs in FY 2023.

Historically, companies in the affordable housing finance segment had been growing at high rates, partly aided by the lower base and support from the Government's thrust on 'housing for all'. Although the growth rate has moderated over the past few years, it remains higher than the overall HFCs, supported by robust demand and liquidity support from National Housing Bank (NHB). The segment reported a YoY growth of 21% in Q2 FY2022 following the growth of 12% in Q1 FY2022.

The long-term growth outlook for AHFCs remains favorable, given the large underserved market, favorable demographic profile, housing shortage and Government support in the form of tax sops and subsidies.

2. COVID-19 PANDEMIC AND OUR RESPONSE

Consequent to the outbreak of the COVID-19 pandemic wave 2, the Indian government announced a country wide lockdown in April 2021. Subsequently, the national lockdown was lifted by the Government, regional lockdowns continue in various states and nationwide lockdown was withdrawn gradually.

The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets.

In response to COVID 19, Governments across the world have taken massive fiscal measures to protect the economic activity. Regulators too have initiated multiple monetary and regulatory measures.

The extent to which the global pandemic will impact the Tata Capital Housing Finance's performance is uncertain.

Your Company has taken, amongst others, the following steps to combat this pandemic:

- We have accorded topmost priority to safety and well-being of the employees: Tata Capital has ensured that employees were immediately moved to "Work from Home" arrangement in compliance with the Government's rules. Facilitated vaccination of all employees and its relatives to reduce the impact of the COVID 19 on the health of the employees.

- In order to address this risk and to seamlessly carry out normal operations, Tata Capital immediately activated its Business Continuity Plan.

- Enhanced focus on credit quality and monitoring of the portfolio: Ensured portfolio monitoring through analytics, strengthening of collection teams, enhanced customer interactions through digital channels and strengthening of underwriting and credit controls. This helped us to maintain collection efficiency during the pandemic.

- Strengthened Customer focus: Took proactive measures to encourage payments through digital channels. Various mediums of communications were initiated by us to ensure interaction and engagement with the customers.

- Operating Costs: Focus on enhancing operating leverage by running slew of initiatives across expense lines including re-negotiations with vendors.

- Information Technology team ensured uninterrupted availability of core-systems, bandwidth and set-up virtual private networks for making platforms available to multiple users.

- Maintaining Sufficient Liquidity: Ensured adequate liquidity and has honored all its debt obligations. The Company's capital and liquidity positions remain strong and would continue to be an area of focus during this period.

Tata Capital has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors / information available, up to the date of approval of the financial statements for the year ended March 31, 2022. In order to cover the impact of COVID-19 on the future expected credit losses, TCHFL has made a provision of Rs. 75 crore as on March 31, 2022. (For the year ended March 31, 2021 Rs. 125 crore).

3. Financial Performance of the Company

During FY 2021-22, the Company disbursed Mortgage Loans amounting to Rs. 11,557 crore (FY 2020-21: Rs. 5,161 crore), representing an increase of 124%. The Company's loan portfolio stood at Rs. 29,311 crore as on March 31, 2022 (Rs. 25,442 crore as on March 31, 2021), representing an increase of 15%. The Cost to Income ratio increased to 32.5% in FY 2021-22, as compared to 28.8% in FY 2020-21 and the Net Profit after Tax for the year increased by 60%, from Rs. 355 crore in FY 2020-21 to Rs. 569 crore in FY 2021-22, primarily on account of higher NIM. Gross NPA and Net NPA were 1.6% and 0.7%, respectively, as on March 31, 2022 (2.1% and 0.9%, respectively, as on March 31, 2021).

The Company's Gross Interest Income decreased to Rs. 2,857 crore in FY 2021-22 from Rs. 2,919 crore in FY 2020-21, representing a decrease of 2%. Interest expenses decreased by 14% to Rs. 1,532 crore in FY 2021-22 from Rs. 1,789 crore in FY 2020-21.

Net interest income of the Company increased by 15%, from Rs. 1,000 crore in FY 2020-21 to Rs. 1,154 crore in FY 2021-22. Net Interest Margin as a percentage of average assets, stood at 4.3% for FY 2021-22. For FY 2021-22, total Other Income included Investment Income of Rs. 26 crore, Fee Income of Rs. 47 crore and Other Income of Rs. 61 crore.

Other expenses increased by 29% from Rs. 148 crore in FY 2020-21 to Rs. 192 crore in FY 2021-22. Impairment provision on the asset book during the year ended March 31, 2022 was Rs. 163 crore. The provision for taxation during the year was Rs. 191 crore.

An amount of Rs. 114 crore is transferred to the Special Reserve Fund for FY 2021-22, pursuant to Section 29C of the National Housing Bank Act, 1987. An amount of Rs. 368 crore is proposed to be carried to the Balance Sheet after appropriations.

4. RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes a Committee of the Board and Senior Management Committee. The Risk Management process is governed by the Group level comprehensive Enterprise Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring as an ongoing process that is supported by a robust risk reporting framework. Risk Management Framework of the Company covers Credit Risk, Market Risk, Operational Risk, Fraud Risk and other risks. The Risk Management Practices of Tata Capital are compliant with ISO 31000:2009, which is the International Standard for Risk Management that lays down Principles, Guidelines and Framework for Risk Management in an organization.

The Risk Management Committee of the Board is set up to assist the Board in its oversight of various risks, review of compliance with risk policies, monitoring of risk tolerance limits, review and analyse the risk exposures related to specific issues and provides oversight of risk across the organization.

The Credit Risk management structure includes separate credit policies which define customer assessment criteria, prudential limits and Delegation of Authority ("DoA") metrics, etc. and cover risk assessment for new product offerings. Concentration Risk is managed by analyzing counter-party, industry sector, geographical region, single borrower and borrower group. Structured Monitoring and Reporting framework is in place for account specific and portfolio reviews. Periodic scenario analysis is 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 Asset Liability 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 and corrective actions are implemented on KRI exceptions. An oversight committee of Senior Management representatives viz. the Operational Risk Management Committee, 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 comprising representatives of the Senior Management, reviews matter relating to fraud risk, including corrective and remedial actions as regards people and processes.

Tata Capital has adopted the "Framework for Improving Critical Infrastructure Cyber Security" published by the National Institute of Standards and Technology ("NIST") and complies with regulatory guidelines. Various measures are adopted to effectively protect against phishing, social media threats and rogue mobile systems.

5. Opportunities and Threats

The Housing Finance sector in India registered steady growth for over a decade till 2019. However, challenging macroeconomic environment and covid-19 induced disruptions have induced a slowdown in growth numbers in FY20 and FY21. Despite the challenges, rising disposable incomes and India's low mortgage penetration promise an immense growth potential in the sector. HFCs have played an important role by providing funding to the unbanked sector by catering to the financial needs of the customers with regard to housing and construction. In the current year, the challenges for HFCs have moved from liquidity to asset quality with the COVID-19 outbreak and the impact on customers repayment capacity to repay loans. Liquidity covers of the HFCs are largely dependent on the repayments that they receive from their customers. In order to revive the economy, the RBI had announced numerous measures to inject liquidity and keep the cost of funds benign to increase credit offtake and promote economic growth.

In first half of FY 2020-21, collections were impacted, due to the announcement of lock down and rescheduling of payments announced by the regulator on repayments between March 1, 2020 to August 31, 2020. With the increase in economic activity, post partial lockdowns being lifted, collection efficiencies across the lending entities had improved post September 2020.

The second wave of COVID-19 and its potential impact has now raised questions on the economic growth and credit offtake in India. Imposition of sudden lock downs / delay in vaccination program, could result in a deeper economic recession in near future posing threats for our business and may impact disbursals and consequent growth in the portfolio. The pressure on asset quality is expected to mount due to lockdown coupled with cash flow and liquidity issues.

The Economist fraternity is expecting a sharp V-shaped recovery in the economy and are projecting India's GDP to grow in double digits which will result in increase in credit offtake and consumer spending. With its strong parentage, brand recognition, liquidity, and strong distribution network, Tata Capital is poised to capitalize on this opportunity. Further, we have a robust risk management framework with a deep understanding of underwriting and credit controls which will help us to mitigate the risk of deterioration in asset quality

6. Evolving Regulatory Landscape

Over the past few years, financial services as a sector has come under increased scrutiny and therefore, greater regulatory supervision. This is especially true for HFCs, as over the years, the sector has undergone considerable evolution in terms of size, complexity and interconnectedness within the financial sector. Some of the key regulations and guidelines aimed at bringing this regulatory convergence between the Banks and HFCs are:

- RBI circular dated November 12, 2021 pertaining to asset classification of NBFCs, whereby certain aspects such as classification of an account as Special Mention Account (SMA) and Non-Performing Asset (NPA) were clarified / harmonized. This has again been brought to ensure uniformity in the implementation of IRACP norms across all lending institutions.
- RBI has tightened the norms around appointment of Auditors with issue of 'Guidelines on appointment of Statutory Auditors' with a view to strengthen governance relating to appointment of auditors and to improve the overall quality and standards of financial reporting of RBI regulated entities. It sets out the criteria for audit firms regarding the number of audits they can take at a time and how they should conduct it, while requiring joint audits for entities with asset size of more than Rs. 15,000 crores.
- Extending Risk-Based Internal Audit framework to NBFCs to enhance the quality and effectiveness of their internal audit systems and processes. It requires internal audit function to broadly assess and contribute to the overall improvement of the Organization's governance, Risk Management and control processes using a systematic and disciplined approach.

7. 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 its size and the nature of its operations.

8. Internal Financial Controls

The Management had reviewed 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 Organisations of the Treadway Commission ("COSO"). Entity Level Control framework document based on COSO 2013 framework has been documented. The documentation of process maps, key controls, standard operating procedures and risk registers has been completed for all businesses and shared service functions. Further, during FY 2021-22, Management testing has been conducted on a sample basis for all key processes. The Internal Audit team has also conducted a review of the Internal Financial Controls. Remedial action has been taken or agreed upon with a finite closure date for controls where weaknesses were identified. There are no material unaddressed Internal Financial Controls related observations outstanding, as at March 31, 2022. Based on the above, the Board believes that adequate Internal Financial Controls exist and are operating effectively.

9. Material developments in Human Resources / Industrial Relations front, including number of people employed

Tata Capital Housing Finance Limited had 1432 permanent employees as at March 31, 2022.

Tata Capital firmly believes that Human Capital is its most important asset. During the COVID-19 pandemic, the health, safety and wellbeing of our employees and their families remained our top priority. A series of engagement interventions across identified key themes were undertaken to assist employees deal with the sudden and unprecedented changes brought about during this period.

The Company has embarked on its journey of “Happiness at the workplace” which has enabled to look at employee engagement in a more holistic way.

Continuing with its journey of “Happiness at the workplace”, Tata Capital conducted the Employee Engagement and Happiness Survey - 2022. The company had an impressive participation rate of 87% and the Engagement score was 85% which was higher than the comparative benchmarks identified. This survey was an important step in the Company’s journey to create a more positive and an even more joyful workplace by continuously seeking employee feedback. As a critical step post the survey, action planning is being ensured and several initiatives are being deployed to further strengthen engagement across Tata Capital.

During the period under review, Tata Capital has experienced unprecedented changes and this meant that adapting to the new norm was critical. The Company continued to deploy robust learning programs through Instructor Led Virtual Training (ILVT) sessions complimented by digital learning to ensure continuous development of the employees. Learn, unlearn and relearn continues to be the Company’s mantra.

The Advanced Learning Management System & the Learning App at Tata Capital continue to be a central depository and source to promote anytime, anywhere learning. We have now added and built the learning library with even more functional and behavioral modules that are byte sized, relevant and applicable with dedicated digital learning campaigns to enhance the Learner Engagement and a higher e-learning coverage.

In addition, several leadership development programs were conducted in collaboration with reputed partners.

Corporate Governance Report

I. Company's Philosophy on Corporate Governance

The Company recognises 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, investors, regulators and other stakeholders. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better these practices by adopting best practices.

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

As a part of the Tata Group, the Company has a strong legacy of fair, transparent and ethical governance practices. The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence, the Key Performance Metrics 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 a Vigil Mechanism, a Fair Practices Code, an Affirmative Action Policy, a Policy against Sexual Harassment at the Workplace, a Fit and Proper Policy for ascertaining the fit and proper criteria of the directors at the time of appointment and on a continuing basis, a Policy on Board Diversity and Director Attributes, a Code of Conduct for Non-Executive Directors, an Occupational Health and Safety Management System, Anti-Bribery and Anti-Corruption Policy and Whistle blower Policy

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

II. Board of Directors

a) As on March 31, 2022, the Company had 6 (six) Directors. Out of the 6 (six), 3 (three) were Independent, Non-Executive Directors; 2 (two) were Non-Independent, Non-Executive Directors and 1 (one) is an Executive Director. The composition of the Board of Directors of the Company is in compliance with the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (as applicable to high value debt listed entity).
The profile of Directors can be found on the Company's website www.tatacapital.com.

b) None of the Directors on the Board hold Directorships in more than 7 (seven) equity listed companies. Further, none of the Independent Directors ("IDs") of the Company serves as an ID in more than 7 (seven) equity listed companies. None of the IDs serve as a whole-time director / managing director in any listed entity. None of the Directors holds directorship in more than 20 (twenty) Indian companies, with not more than 10 (ten) public limited companies. None of the Directors is a member of more than 10 committees or acts as chairperson of more than 5 committees (being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26(1) of SEBI Listing Regulations across all the public limited companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022, have been made by the Directors.

c) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

d) 7 (Seven) Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: April 19, 2021, June 4, 2021, July 23, 2021, October 19, 2021, December 15, 2021, January 21, 2022 and March 4, 2022. The necessary quorum was present for all the meetings.

e) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2022 and list of core skills / expertise / competencies identified by the Board of Directors are given herein below:

Name of the Director (DIN)	Category	Skills / Expertise / Competencies	Number of Board Meetings attended during FY 2021-22	Whether attended last AGM held on June 24 2021	Number of Directorships in other Public Companies*		Number of Committee positions held in other Public Companies**		Directorships in other listed entity (Category of Directorship)
					Chairperson	Member	Chairperson	Member	
Mr. Rajiv Sabharwal, (Chairman) (00057333)	Non-Independent, Non-Executive	Leadership, Strategy, Finance, Risk, Treasury, Credit, Private	7	Yes	2	5	-	2	1. Tata Cleantech Capital Limited (Debt Listed) @

Name of the Director (DIN)	Category	Skills / Expertise / Competencies	Number of Board Meetings attended during FY 2021-22	Whether attended last AGM held on June 24 2021	Number of Directorships in other Public Companies*		Number of Committee positions held in other Public Companies**		Directorships in other listed entity (Category of Directorship)
					Chairperson	Member	Chairperson	Member	
		Equity, Governance, Regulatory Affairs, Retail Banking, Banking Operations.							2. Tata Capital Financial Services Limited (Debt Listed) @ 3. Tata Capital Limited (Debt Listed) ^ 4. Tata Realty and Infrastructure Limited (Debt Listed) @
Mr. Mehernosh B. Kapadia (00046612)	Non-Executive - Independent	Leadership, Strategy, Finance, Legal, Compliance, Corporate Communications, Administration, Information and Technology, Secretarial, Governance.	6	Yes	-	4	4	5	1. Siemens Limited # 2. HDFC ERGO General Insurance Company Ltd (Debt Listed) #
Ms. Anuradha E. Thakur (06702919)	Non-Executive - Independent	Leadership, Strategy, Banking operations, Financial Services, Governance, Regulatory Affairs, Compliance, Accounts.	7	Yes	-	2	1	3	1. Privi Speciality Chemicals Limited# 2. Tata Capital Financial Services Limited (Debt Listed) #
Mr. Sujit Kumar Varma & (09075212)	Non-Executive Independent	Leadership, Strategy, Risk Management, Regulatory compliance, Banking operations, Accounts, Governance.	1	NA	-	4	1	1	-
Mr. Ankur Verma (07972892)	Non-Executive, Non-Independent	Leadership, Investment Banking, Corporate Strategy, Finance, Governance.	6	No	-	5	-	5	1. Tata Teleservices (Maharashtra) Limited @ 2. Tata Elxsi Limited @
Mr. Anil Kaul (00644761)	Executive (Managing Director)	Leadership, Strategy, Governance, Institutional Banking, Sales, Finance, Credit and Operations.	7	Yes	-	-	-	-	-

& *Mr. Sujit Kumar Varma has been appointed as Independent Director w.e.f. February 1, 2022.*

@ *Non-Independent, Non-Executive,* # *Independent, Non-Executive,* ^ *Executive (Managing Director & CEO)*

* *Excludes directorship in the Company, private companies, foreign companies and companies under Section 8 of the Act.*

***Pertains to memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship Committee of Indian public companies (excluding the Company) as per Regulation 26(1)(b) of the SEBI Listing Regulations. Further, number of memberships in Audit/Stakeholder Committee includes Chairpersonship, wherever applicable.*

f) The Board believes that the skills / competencies / expertise, as mentioned in the above table are required for the business of the Company and the Directors of the Company possess these skills / competencies / expertise for it to function effectively.

g) During FY 2021-22, 1 (one) meeting of the Independent Directors was held on March 30, 2022, wherein all the Independent Directors attended the meeting. The Independent Directors, *inter alia*, reviewed the performance of the Non-Independent Directors, Board as a whole and the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors.

h) The Board periodically reviews the compliance reports of all laws applicable to the Company. During FY 2021-22, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

i) None of the Directors are related inter-se.

j) None of the Non- Executive Directors hold any shares in the Company. The Company has not issued any convertible instruments.

III. Committees of the Board

The Board has constituted Committees with specific terms of reference to focus on specific areas. These include the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, the Asset Liability Committee, the Information Technology Strategy Committee, the Corporate Social Responsibility Committee, the Stakeholders Relationship Committee, Lending Committee and Working Committee.

The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by Resolutions passed through circulation which are noted by the Board/respective Committees of the Board at their next meetings. The Minutes and the gist of minutes of meetings of all Committees of the Board are circulated to the Board of Directors for noting.

i. Audit Committee

<u>Composition, Meetings and Attendance</u>

During FY 2021-22, 6 (Six) meetings of the Audit Committee were held on the following dates: April 19, 2021, July 23, 2021, September 22, 2021, October 19, 2021, January 21, 2022 and March 10, 2022.

The composition of the Audit Committee as on date of this Report and the attendance details of meetings during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Ms. Anuradha E. Thakur *	Chairperson and Independent Director	6	6

Mr. Mehernosh B. Kapadia*	Independent Director	6	5
Mr. Sujit Kumar Varma**	Independent Director	1	1
Mr. Ankur Verma	Non – Executive Director	6	5

**Ms. Anuradha E. Thakur was appointed as the Chairperson of the Audit Committee, in place of Mr. Mehernosh B. Kapadia, with effect from April 7, 2021. Mr. Mehernosh B. Kapadia continued to be Member of the Audit Committee with effect from April 7, 2021.*

***Mr. Sujit Kumar Varma was appointed as the member of the Audit Committee with effect from February 1, 2022.*

The composition of the Audit Committee is in line with the provisions of Section 177 of the Act and the Regulation 18 of the SEBI Listing Regulations. All the Members have the ability to read and understand financial statements and have relevant finance and / or audit experience.

The previous AGM of the Company was held on June 24, 2021 and was attended by Ms. Anuradha E. Thakur, Chairperson of the Audit Committee.

Terms of reference

The Board has adopted an Audit Committee Charter which defines the composition of the Audit Committee, its authority, role, responsibilities and powers and reporting functions in accordance with the Act, SEBI Listing Regulations and directions issued by the Reserve Bank of India ("RBI"). The Charter is reviewed from time to time and is available on the website of the Company, www.tatacapital.com

The responsibilities of the Audit Committee, *inter alia*, include:

- Review of the financial reporting process, the system of internal financial controls, the audit process, the Company's process for monitoring compliance with laws and regulations and the Tata Code of Conduct;
- To recommend the appointment and removal of the Auditors and their remuneration and discuss with the Auditors the nature and scope of their audit before commencement;
- To examine the financial statements, financial results and the Auditors' Report thereon;
- To review and evaluate the Company's financial and risk management systems;
- To review the adequacy and performance of Risk Based Internal Audit function;
- To perform activities and carry out functions as laid down in the Framework for Related Party Transactions adopted by the Board;
- To review findings of internal investigations, frauds, irregularities, etc.; and
- To review the functioning of and compliance with the Company's Whistle Blower Policy.

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

Besides the Members of the Committee, meetings of the Audit Committee are attended by the Managing Director, the Chief Financial Officer, the Company Secretary, the Statutory Auditors and the Head - Internal Audit. The Head - Internal Audit of the Company functionally reports to the Audit Committee to ensure independence of operations.

ii. Nomination and Remuneration Committee ("NRC")

Composition, Meetings and Attendance

During FY 2021-22, 2 (Two) meetings of the NRC were held on the following dates: April 19, 2021 and June 4, 2021.

The composition of the NRC as on date of this Report and the attendance details of meetings during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Mr. Mehernosh B. Kapadia	Chairman and Independent Director	2	2
Ms. Anuradha E. Thakur	Independent Director	2	2
Mr. Sujit Kumar Varma*	Independent Director	NA	NA
Mr. Rajiv Sabharwal	Non-Executive Director	2	2

**Mr. Sujit Kumar Varma was appointed as the member of the Nomination and Remuneration Committee with effect from February 1, 2022.*

The composition of the NRC is in line with the provisions of Section 178 of the Act and Regulation 19 of SEBI Listing Regulations.

The previous AGM of the Company was held on June 24, 2021 and was attended by Mr. Mehernosh B. Kapadia, Chairman of the NRC.

Terms of reference

The responsibilities of the NRC, inter alia, include:
- To formulate the criteria for determining qualifications, fit & proper status, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration for the directors, Key Managerial Personnel's, the Executive team and other employees;
- To specify the manner and criteria for effective evaluation of performance of Board, its Committees and individual Directors including Independent Directors;
- To devise a policy on diversity of Board of Directors;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board, their appointment and removal;

- To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- To recommend to the Board, all remuneration, in whatever form, payable to Senior Management; and
- To decide commission payable to the Directors, subject to prescribed limits and approval of shareholders.

Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for Independent Directors is based on various factors which includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

iii. Risk Management Committee ("RMC")

Composition, Meetings and Attendance

During FY 2021-22, 4 (Four) meetings of the RMC were held on the following dates: May 26, 2021, August 5, 2021, November 9, 2021 and January 31, 2022.

The composition of the RMC as on date of this Report and the attendance details of meetings during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Ms. Anuradha E. Thakur*	Chairperson and Independent Director	4	4
Mr. Mehernosh B. Kapadia*	Independent Director	4	4
Mr. Sujit Kumar Varma**	Independent Director	NA	NA
Mr. Rajiv Sabharwal	Non-Executive Director	4	4
Mr. Ankur Verma	Non-Executive Director	4	3
Mr. Anil Kaul	Managing Director	4	4

******Ms. Anuradha E. Thakur was appointed as the Chairperson of the Risk Management Committee, in place of Mr. Mehernosh B. Kapadia, with effect from April 7, 2021. Mr. Mehernosh B. Kapadia continued to be Member of the Risk Management Committee with effect from April 7, 2021.*

*******Mr. Sujit Kumar Varma was appointed as the member of the Risk Management Committee with effect from February 1, 2022.*

The composition of the RMC is in line with the provisions of Regulation 21 of SEBI Listing Regulations.

Terms of reference

The responsibilities of the RMC, inter alia, include:

- To assist the Board in its oversight of various risks;

- To review and analyse risk exposure related to specific issues and provide oversight of risk across the Company;
- To formulate a detailed Risk Management Policy and oversee the implementation of the same, including evaluating the adequacy of risk management systems;
- To ensure whether appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; and
- To review the appointment, removal and terms of remuneration of the Chief Risk Officer.

iv. Asset Liability Committee ("ALCO")

Composition, Meetings and Attendance

During FY 2021-22, 4 (Four) meetings of the ALCO were held on the following dates: May 26, 2021, August 5, 2021, November 9, 2021 and January 31, 2022.

The composition of the ALCO as on date of this Report and details of attendance at the ALCO meetings held during FY 2021-22 is, given below

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Mr. Mehernosh B. Kapadia	Chairman and Independent Director	4	4
Mr. Rajiv Sabharwal	Non-Executive Director	4	4
Mr. Ankur Verma	Non-Executive Director	4	3
Mr. Anil Kaul	Managing Director	4	4

Terms of reference

The responsibilities of the ALCO, *inter alia*, include to oversee:
- Asset Liability Management;
- Debt composition and plan of the Company for fund raising; and
- Resource Raising Policy of the Company.

v. Information Technology Strategy Committee ("ITSC")

Composition, Meetings and Attendance

During FY 2021-22, 2 (Two) meetings of the ITSC were held on the following dates: August 18, 2021 and February 15, 2022.

The composition of the ITSC as on date of this Report and details of attendance at the ITSC meetings held during FY 2021-22 is, given below

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Mr. Mehernosh B. Kapadia	Chairman and Independent Director	2	2
Mr. Rajiv Sabharwal	Non-Executive Director	2	2

Mr. Anil Kaul	Managing Director	2	2
Ms. Mehjabeen Aalam*	Business Chief Information Officer	2	2

**Ms. Mehjabeen Aalam was appointed as Business Chief Information Officer with effect from June 4, 2021 in place of Mr. Pramod Nair.*

Terms of reference

The responsibilities of the ITSC, *inter alia*, include:

- To approve the IT strategy and policy documents;
- To institute an effective governance mechanism and risk management process for all outsourced IT operations and to do all such acts as may be required under the IT Directions in respect of the outsourced IT operations;
- To recommend the appointment of IT / Information Systems ("IS") Auditor; and
- To review the IT / IS Audit report and provide its observation / recommendations to the Board.

vi. Corporate Social Responsibility ("CSR") Committee

Composition, Meetings and Attendance

During FY 2021-22, 2 (Two) meetings of the CSR were held on the following dates: May 5, 2021 and March 25, 2022.

The composition of the CSR Committee as on date of this Report and details of attendance at the CSR meetings held during FY 2021-22 is, given below

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Ms. Anuradha E. Thakur	Chairperson and Independent Director	2	2
Mr. Rajiv Sabharwal	Non-Executive Director	2	2
Mr. Ankur Verma	Non-Executive Director	2	0
Mr. Anil Kaul	Managing Director	2	2

Terms of reference

The responsibilities of the CSR Committee, *inter alia*, include:

- To formulate and recommend to the Board, a CSR Policy which shall include the guiding principles for selection, implementation and monitoring of activities to be undertaken by the Company as specified in Schedule VII of the Act ("CSR Activities");
- To formulate and recommend to the Board an Annual Action Plan in pursuance of the CSR Policy and in accordance with the applicable Rules. Recommend alteration in such Plan to the Board of Directors, at any time during the financial year, based on the reasonable justification to that effect;
- To recommend the amount of expenditure to be incurred on CSR activities;

- To monitor the CSR Policy of the Company from time to time and instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
- To oversee the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen; and
- To oversee activities impacting the quality of life of the beneficiaries of the CSR projects.

vii. Stakeholders Relationship Committee ("SRC")

Composition, Meetings and Attendance

During FY 2021-22, 1 (one) meeting of the SRC was held on February 15, 2022.

The composition of the SRC as on date of this Report and details of attendance at the SRC meeting held during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Mr. Rajiv Sabharwal	Chairman and Non-Executive Director	1	1
Mr. Mehernosh B. Kapadia	Independent Director	1	1
Mr. Anil Kaul	Managing Director	1	1

Terms of reference

The responsibilities of the SRC, *inter alia*, is to consider and resolve the grievances/ complaints of security holders of the Company.

The previous AGM of the Company was held on June 24, 2021 and was attended by Mr. Rajiv Sabharwal, Chairman of the SRC.

a) **Name, designation and address of the Compliance Officer under SEBI Listing Regulations:**

Ms. Priyal Shah, Company Secretary
11th Floor, Tower A, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400013
Telephone No.: 022 6606 9000
Email: tchflsecretarial@tatacapital.com

b) **Details of Complaints received from the Debenture holders and redressed during the FY 2021-22 are as follows:**

Sr. No.	Description	Opening at the beginning of the Financial Year	Received during the Financial Year	Resolved during the Financial Year	Closing at the end of the Financial Year
1.	Complaints	Nil	1	1	Nil
	Total	**Nil**	**1**	**1**	**Nil**

c) During FY 2021-22, no complaints were received from the Equity Shareholders of the Company.

viii. Lending Committee ("LC")

Composition, Meetings and Attendance

During FY 2021-22, 24 (Twenty Four) meetings of the LC were held on the following dates: April 27, 2021, May 7, 2021, May 25, 2021, June 26, 2021, July 9, 2021, July 27, 2021, August 9, 2021, August 23, 2021, September 8, 2021, September 23, 2021, September 28, 2021, October 11, 2021, October 25, 2021, November 12, 2021, November 26, 2021, December 10, 2021, December 20, 2021, December 28, 2021, January 28, 2022, February 11, 2022, February 25, 2022, March 8, 2022, March 11, 2022 and March 25, 2022.

The composition of the LC as on date of this Report and details of attendance at the LC meeting held during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Mr. Sujit Kumar Varma*	Chairman and Independent Director	24*	5
Mr. Rajiv Sabharwal*	Non-Executive Director	24	24
Ms. Anuradha E. Thakur	Independent Director	24	24
Mr. Ankur Verma	Non-Executive Director	24	18
Mr. Anil Kaul	Managing Director	24	23

**Mr. Sujit Kumar Varma was appointed as the member of the Lending Committee with effect from February 1, 2022. Post his appointment, 5 meetings of the Lending Committee were held. Mr. Varma was appointed as Chairman of the Lending Committee in place of Mr. Rajiv Sabharwal with effect from April 25, 2022. Mr. Rajiv Sabharwal continues as Member of the Lending Committee.*

Note: Mr. Mehernosh B. Kapadia ceased to be the Member of the Lending Committee with effect from April 7, 2021.

Terms of reference

The responsibilities of the Lending Committee, inter alia, include approving financing proposals related to lending / investment business of the Company.

ix. Working Committee

The composition of the Working Committee as on the date of this Report is, given below:

Name of the Member(s)	Category
Mr. Rajiv Sabharwal	Non-Executive Director
Mr. Mehernosh B. Kapadia	Independent Director
Mr. Sujit Kumar Varma*	Independent Director
Mr. Anil Kaul	Managing Director

**Mr. Sujit Kumar Varma was appointed as the member of the Working Committee with effect from February 1, 2022.*

No meeting of the Working Committee was held in FY 2021-22.

Terms of reference

The responsibilities of the Working Committee, *inter alia,* include exploring and evaluating market appetite, potential pricing, structure of the proposed issuance and timing, negotiation of various other terms in connection with the issuance of masala bonds, non-convertible debentures to public and raising of funds through external commercial borrowings.

IV. Remuneration of Directors

a. Non-Executive Directors

The Company paid Sitting fees to the Non-Executive Directors ("NEDs") and Independent Directors ("IDs") for attending meetings of the Board and the Committees of the Board and will pay Commission for the FY 2021-22, within the maximum prescribed limits to the NEDs and IDs who were Directors of the Company during FY 2021-22, as recommended by the NRC and approved by the Board at their respective meetings held on May 16, 2022. The details of the same are, as under:

Name of the Director(s)	Sitting Fees paid for attending Board and Committee Meetings held during FY 2021-22	Commission to be paid for FY 2021-22
Mr. Mehernosh B. Kapadia, Independent Director	Rs. 7,50,000	Rs. 20,00,000
Ms. Anuradha E. Thakur, Independent Director	Rs. 13,80,000	@Rs. 30,00,000
*Mr. Sujit Kumar Varma, Independent Director	Rs. 2,40,000	**5,00,000
#Mr. Ankur Verma, Non-Executive Director	Rs. 7,00,000	--

@The approval of the Members of the Company by way of Special Resolution is being sought at the ensuing AGM of the Company pursuant to Regulation 17(6)(ca) of the SEBI Listing Regulations.
*Appointed with effect from February 1, 2022.
**Pro-rated for tenor in FY 2021-22.
#In line with the internal guidelines of the Company, no payment is made towards commission to Non-Executive Directors of the Company, who are in full-time employment with any other Tata Company.

Mr. Rajiv Sabharwal, Chairman and Non-Executive Director, is the Managing Director & CEO of TCL and did not draw any remuneration from the Company.

The Remuneration Policy of the Company which, *inter alia*, lays down the criteria of making payments to non-executive directors is available on the website of Company at https://www.tatacapital.com/content/dam/tata-capital/tchfl/TCHFL-Remuneration_Policy.pdf

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

b. Managing Director

Terms of Appointment and Remuneration of Mr. Anil Kaul, Managing Director:

Period of Contract	July 18, 2018 to July 17, 2023
Notice Period and Severance Fees	The Contract with the Managing Director may be terminated earlier by either party giving the other Party six months' notice of such termination or the Company paying six months' remuneration and other pro-rated incentive / commission (at the discretion of the Board), in lieu of such notice. There is no separate provision for payment of Severance fees.
Employee Stock Options ("ESOP")	Cost of Employee Stock Options of TCL: Rs. 1,39,70,949/-
Salary for FY 2021-22	Rs. 2,61,01,997/-
Incentive Remuneration for FY 2021-22 to be paid in FY 2022-23	Rs. 1,75,00,000/-
Perquisites and allowances	Rs. 17,86,000/-
Retirement benefits	Rs. 35,33,211/-

V. General Body Meetings

i. General Meeting

a. Annual General Meeting

Financial Year	Date	Time	Venue	Special Resolutions passed
2018-19	June 17, 2019	5:30 p.m.	Board Room, 12th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	1. Issue and Offer of Compulsorily Convertible Cumulative Preference Shares on a Right Basis, to Tata Capital Limited 2. Loan to the TCL Employee Welfare Trust
2019-20	August 17, 2020	4:45 p.m.	Meeting conducted through Video Conferencing ("VC")	Nil
2022-21	June 24, 2021	11:00 a.m.	Meeting conducted through VC	Nil

b. **Extraordinary General Meeting (“EGM”)**

During FY 2021-22, two EGMs were held through VC on November 12, 2021 at 11.30 a.m. and on March 25, 2022 at 2.30 p.m. At the EGM held on November 12, 2021, a special resolution was passed for approval of payment of Commission to Non-Executive and Independent Directors of the Company. At the EGM held on March 25, 2022 a special resolution was passed for appointment of Mr. Sujit Kumar Varma as an Independent Director of the Company.

c. Whether any special resolution passed last year through postal ballot – details of voting pattern – None.

d. Person who conducted the postal ballot exercise – Not applicable.

e. Whether any special resolution is proposed to be conducted through postal ballot – None.

f. Procedure for postal ballot – Not applicable.

VI. Means of Communication

The ‘Investor Relations’ section on the Company’s website (www.tatacapital.com) keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, Contact details of persons responsible for investor grievances, etc. The debenture holders can also send in their queries/complaints at the designated email address at tchflncdcompliance@tatacapital.com. Financial Results are normally published in Business Standard Newspaper.

VII. General Information for Shareholders and Debenture holders

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is U67190MH2008PLC187552.

i. Details of Debenture Trustees and the Registrar and Transfer Agents of the Company are, given below:

Debenture Trustees
Vistra ITCL India Limited The IL&FS Financial Centre, Plot C - 22, G Block, 6th Floor, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 Website: www.vistraitcl.com, Tel: +91 22 69300000, Fax: +91 22 2653 3297 e-mail: itclcomplianceofficer@vistra.com
IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001 Website: www.idbitrustee.com, Tel: +91 22 4080 7000, Fax: +91 22 6631 1776 e-mail: itsl@idbitrustee.com

Registrar and Transfer Agents
Non – Convertible Debentures issued on a Private Placement basis
TSR Consultants Private Limited (Formerly known as TSR Darashaw Consultants Private Limited) C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai - 400083 Website: www.tcplindia.co.in , Phone No.: 022- 66568484 E-mail: csg-unit@tcplindia.co.in
Equity Shares and Non - Convertible Debentures issued to the Public
KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, Telangana. Website: www.kfintech.com and/or https://ris.kfintech.com/, Toll free no: 1- 800-309-4001 e-mail: einward.ris@kfintech.com

ii. **Annual General Meeting for FY 2021-22:**
Date: June 27, 2022
Time: 10:00 a.m.
Venue: Through Video Conferencing

iii. **Financial Year:** April 1, 2021 to March 31, 2022

iv. **Dividend Payment date**: Not Applicable

v. **Listing on Stock Exchange and Listing Fees:**

Name and Address of the Stock Exchange	Type of Securities Listed
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Non-Convertible Debentures issued to the Public and on a Private Placement Basis
BSE Limited P. J. Towers, Dalal Street, Mumbai - 400 001	Non-Convertible Debentures issued to the Public

Listing Fees as applicable have been paid for FY 2021-22 and FY 2022-23.

vi. **Stock Codes/Symbol:** Not Applicable*

vii. **Market Price data - high, low during each month in last financial year –** Not Applicable*

viii. **Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc. –** Not Applicable*

ix. **In case of securities are suspended from trading, the directors report shall explain the reason thereof. –** Not Applicable

x. **Share Transfer System:**
In terms of Regulation 61(4) read with Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form. All requests for transfer and/or dematerialisation of securities held in physical form, should be lodged with the office of the Company's Registrar & Share Transfer Agent for dematerialisation.

xi. **Distribution of Equity shareholding as on March 31, 2022:**
The Company is a wholly owned subsidiary of TCL. The entire equity shareholding of the Company is held by TCL and its nominees.

xii. **Dematerialization of shares and liquidity:**

All the Equity shares of the Company are in dematerialized form as on March 31, 2022. Under the Depository System, the International Securities Identification Number ("ISIN") allotted to the Company's equity shares is INE033L01010.

xiii. **Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:** Not Applicable

xiv. **Commodity price risk or foreign exchange risk and hedging activities:**

The Company is exposed to foreign currency exchange rate fluctuation risk for its foreign currency borrowing. The Company's borrowings in foreign currency are governed by RBI guidelines. The Company hedges its entire External Commercial Borrowing ("ECB") exposure for the full tenure of the ECB as per Board approved policy. Further, the Company is not exposed to commodity price risk.

xv. **Plant locations: -** Not Applicable

xvi. **Address for correspondence:**
11th Floor, Tower A, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400013.

xvii. **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal:**
Details pertaining to Credit Ratings obtained by the Company are included in the Directors' Report.

xviii. **Transfer of Unclaimed / Unpaid Amounts to the Investor Education and Protection Fund:**

During the year under review, no amount was due for transfer to Investor Education and Protection Fund.

**The equity shares of the Company are not listed on the stock exchanges and hence certain details are not applicable to the Company.*

VIII. Other Disclosure:

Particulars	Details
Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.	There were no material related party transactions during the year under review that have a conflict with the interest of the Company.
Details of non - compliance by the Company, penalty, strictures imposed on the Company by the Stock Exchange, or Securities and Exchange Board of India or any statutory authority on any matter related to capital markets, during the last three years.	Nil
Details of establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.	The Company has a Whistle Blower Policy and has established necessary Vigil Mechanism for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.
Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.	Details of compliance with non-mandatory and mandatory requirements are mentioned in point no. X and XI of this report, respectively.
Web link where policy for determining 'material' subsidiaries is disclosed.	The Company does not have a subsidiary Company.
Web link where policy on dealing with related party transactions.	The Company has a policy on dealing with related party transactions which is disclosed on its website at https://www.tatacapital.com/content/dam/tata-capital/tchfl/RPT_Policy.pdf
Disclosure of commodity price risks and commodity hedging activities.	Not Applicable
Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI Listing Regulations.	Not Applicable

<table>
<tr><td>Certificate from a Company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority</td><td>The Company has obtained certificate from M/s. Parikh & Associates, Practising Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same is reproduced at the end of this report and marked as Annexure I.</td></tr>
<tr><td>Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof.</td><td>During FY 2021-22, all the recommendations of the various Committees of the Board were accepted by the Board.</td></tr>
<tr><td>Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.</td><td>M/s. B S R & Co. LLP, Chartered Accountants (“BSR”) (ICAI Firm Registration Number: 101248W/W-100022) resigned as the Statutory Auditors with effect from November 12, 2021 due to the ineligibility to continue as statutory auditors in terms of RBI circular dated April 27, 2021.

In view of the above, M/s. CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W/W-100036) and M/s. T R Chadha & Co LLP, Chartered Accountants (ICAI Firm Registration No. 006711N/N-500028), have been appointed as the Statutory Auditors of the Company with effect from the conclusion of the Extraordinary General Meeting of the Company held on November 12, 2021.

The particulars of payment of fees to Statutory Auditors is given below:

<table>
<tr><th>Particulars</th><th>Amount (Rs. In lakh)</th></tr>
<tr><td>Services as statutory auditors (including quarterly audits)</td><td>80</td></tr>
<tr><td>Tax audit fees</td><td>10</td></tr>
<tr><td>Certification and other services</td><td>19</td></tr>
<tr><td>Total</td><td>109</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><td></td><td colspan="3">(The above payments exclude out-of pocket, travelling expenses and Goods and Service tax).

Further, no fees were paid to any entity in the network firm/network entity of which the Statutory Auditor is a part.</td></tr>
<tr><td rowspan="2">Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.</td><td>Number of complaints filed during the financial year.</td><td>Number of complaints disposed of during the financial year.</td><td>Number of complaints pending as on end of the financial year.</td></tr>
<tr><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Disclosure by listed entity of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.</td><td colspan="3">Nil</td></tr>
<tr><td>Familiarization Program</td><td colspan="3">Details of familiarisation programmes imparted to Independent Directors is disclosed on its website at www.tatacapital.com/content/dam/tata-capital/tchfl/TCHFL%20-%20Familiarisation%20Programme%20for%20-Independent%20Directors.pdf</td></tr>
</table>

IX. Non-compliance of any requirement of corporate governance report of sub-paras above, with reasons thereof shall be disclosed – None as on March 31, 2022.

X. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

The Company has adopted the following discretionary requirements as specified in Part E of Schedule II:

i. The Company has adopted regime of financial statement with unmodified audit opinion.
ii. The Company has appointed separate post of Chairman and the Managing Director, such that Chairman is a Non-Executive Director and not related to the Managing Director.
iii. The Internal Auditor of the Company directly reports to Audit Committee of the Company.

XI. The disclosures of the compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (a) to (i) of Regulation 62(1A) of SEBI Listing Regulations shall be made in the section on corporate governance of the annual report. As on March 31, 2022, the Company is in compliance with all the mandatory requirements specified in Regulation 17 to 27 of SEBI Listing Regulations which have become applicable to the Company as a High Value Debt Listed Entity effective September 7, 2021 on a *'comply or explain'* basis until March 31, 2023, the Company has provided the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchanges under Regulation 27(2)(a) of SEBI Listing Regulations for the quarters ended September 30, 2021 and December 31, 2021.

XII. Declaration signed by the Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

The Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website (www.tatacapital.com).

All the Directors on the Board and Senior Management Personnel of the Company have affirmed compliance with the respective Codes. A declaration signed by the Managing Director to this effect is reproduced at the end of this report and marked as ***Annexure II***.

XIII. Compliance certificate from either the auditors or practicing Company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

The Company has obtained compliance certificate from the Practising Company Secretaries M/s. Parikh & Associates, on corporate governance. The same is reproduced at the end of this report and marked as ***Annexure III***.

XIV. Disclosures with respect to demat suspense account / unclaimed suspense account: Not Applicable

Annexure I

CERTIFICATE

(pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Tata Capital Housing Finance Limited
11th Floor, Tower A,
Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai - 400013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tata Capital Housing Finance Limited** having CIN **U67190MH2008PLC187552** and having registered office at 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company *
1.	Mr. Mehernosh Kapadia	00046612	24/10/2017
2.	Mr. Rajiv Sabharwal	00057333	11/01/2018
3.	Mr. Anil Kaul	00644761	18/07/2018
4.	Ms. Anuradha Eknath Thakur	06702919	16/02/2015
5.	Mr. Ankur Verma	07972892	12/04/2018
6.	Mr. Sujit Kumar Varma	09075212	01/02/2022

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

Jigyasa N. Ved
Partner
FCS: 6488 CP: 6018
UDIN: F006488D000329681
PR No.: 1129/2021
Mumbai, 16.05.2022

Annexure II

DECLARATION BY THE MANAGING DIRECTOR

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the financial year ended March 31, 2022.

For **Tata Capital Housing Finance Limited**

Anil Kaul
Managing Director

Mumbai
May 16, 2022

Annexure III

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
TATA CAPITAL HOUSING FINANCE LIMITED

We have examined the compliance of the conditions of Corporate Governance by Tata Capital Housing Finance Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (a) to (i) of sub-regulation (1A) of Regulation 62 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and as made applicable to the Company effective September 7, 2021 on a comply or explain basis until March 31, 2023, and the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange under Regulation 27(2)(a) of SEBI Listing Regulations.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic and as disclosed in the Corporate Governance report, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

Jigyasa N. Ved
Partner
FCS: 6488 CP: 6018
UDIN**: F006488D000329635**
PR No.: 1129/2021
Mumbai, 16.05.2022

TATA CAPITAL HOUSING FINANCE LIMITED

FINANCIALS

FY 2021-22

CNK & Associates LLP
Chartered Accountants
Narain Chambers, 5th Floor
M.G. Road
Vile Parle East
Mumbai-400057
Tel: 022-62507600

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000

Independent Auditors' Report

To the Member of
Tata Capital Housing Finance Limited

Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of Tata Capital Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor’s Response</th></tr>
<tr><td>a.</td><td>Impairment on Financial Instruments

Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach.
ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgement and estimates include:
1. Estimating the behavioral life of the product
2. Data inputs in relation to ECL model
3. Application of the macroeconomic factors on a forward-looking basis
4. Modification of assets in terms of restructuring
5. Determination of loan book segmentation based on homogeneity, probability of defaults, loss given defaults and exposure at default.
6. Management Overlay based on risk assessment and qualitative adjustments
7. Compliance with RBI circulars and assess the level of credit impairment of financial instrument.
8. Disclosures as required by IND AS 109 and RBI Circular

Refer Note 38 and 39 of the financial statements.</td><td>Read and assessed the Company’s accounting policies for impairment of financial instruments (Refer Point xi - Basis for preparation in Significant Account Policies) and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors.

Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Resolution Framework 2.0- Resolution of COVID-19-related Stress of Micro, Small and Medium Enterprises" issued by RBI on May 5, 2021 and tested the implementation of such policy on a sample basis.

We have evaluated the management response upon implementation of various RBI circulars and tested the implementation of requirements as per these circulars on sample basis.

We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes.

We tested the relevant manual controls, general IT and application controls over key systems used in the ECL process.

Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.

We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status.</td></tr>
</table>

		Tested a sample of performing (stage 1) loans to assess whether any Significant Increase in Credit Risk indicators were present requiring them to be classified under higher stages. Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. We tested the arithmetical accuracy of computation of ECL provision performed by the Company. We assessed the disclosures included in the Ind-AS financial statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures and also as per RBI Guidelines.
b.	**Evaluation of Company's IT systems and Controls** The Corporation's key financial accounting and reporting processes are highly dependent on information systems including automated controls in information systems, such that there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being misstated. We identified 'IT systems and controls' as key audit matter because of the high level of automation being used by management and the scale and complexity of the IT architecture.	Our audit procedures include assessment and identification of key IT applications, and further verifying, testing, and reviewing the design and operating effectiveness of the IT system on the basis of reports /returns and other financial and non-financial information generated from the system on a test check basis. Our audit procedures included: a) Obtained an understanding of the IT control environment, IT policies during the audit period. b) Testing IT general controls related to User and Application controls, Change Management Controls and Data backup. Where we identified the need to perform additional procedures, we placed reliance on manual reconciliations between systems and other information sources.

4. Other Information

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

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The above information is not made available to us as at the date of this Auditor's report. We have nothing to report in this regard.

5. Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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.

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

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

6. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

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

7. Other Matter

The Financial Statement also includes figures of the Company for the year ended March 31, 2021, audited by the predecessor firm of statutory auditor vide its report dated April 19, 2021, in which the predecessor auditor has expressed an unmodified opinion. Accordingly, we do not express any conclusion on aforesaid financial statement for the said year and have relied upon the said reports for the purpose of our report on this financial statement.

8. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. As required by section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under section 133 of the Act.
e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none

of the directors are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statement.

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

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Financial Statements - Refer Note 31 of Financial Statements;

b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 6 of Financial Statements;

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

d) (i) The Management has represented that, to the best of its (knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

e) As stated in Note 21.3 to the financial statements, the interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

IV. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, as amended:
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act.

For **C N K & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.
101961W/W100036

Himanshu Kishnadwala
Partner
Membership No. 037391
UDIN: 22037391AHIIEG7607
Place: Mumbai
Date: April 19, 2022

For **T R Chadha & Co LLP**
Chartered Accountants
ICAI Firm Registration No.
006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN:22075363AHKEWV4746
Place: Mumbai
Date: April 19, 2022

Annexure A to the Independent Auditor's Report of even date

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of use assets;

(B) The Company has maintained proper records showing full particulars of intangible assets;

b. The Company has a program of physical verification of these Property, Plant and Equipment whereby all these assets are verified once in three years. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. For the assets where physical verification exercise was completed, no material discrepancies were noticed on such verification;

c. The title deeds of the immovable properties disclosed in the financial statements included under property, plant and equipment are held in the name of the Company;

d. The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;

e. As disclosed by the management in note 49 and as confirmed by us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder;

ii. (a) The Company is a service company primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus, the provision of clause 3(ii)(a) of the Order is not applicable to the Company;

(b) The Company has been sanctioned working capital limit in excess of Rs 5 crore in aggregate during the year from banks or financial institutions on the basis of security of current assets and the quarterly returns/statements filed by the company with such Banks and Financial institutions. As disclosed by the management in note 15.7 of the financial statements and as verified by us the same are in agreement with the books of accounts of the Company.;

iii. The Company has granted secured and unsecured loans to companies, firms, Limited Liability Partnerships and to others parties during the year in respect of which;

(a) Since the Company is principally engaged in providing loans reporting under clause 3(iii)(a) of the Order is not applicable;

(b) In our opinion, the terms and conditions of the loans granted during the year are in normal course of business during the year are, prima facie not prejudicial to the Company's interest;

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation except for certain cases, the summary of which are as disclosed by the management in Note 39(A)(i)(1)(a) of notes of the Financial Statements.

For the purpose of the above disclosure, the company has considered the Reserve Bank of India circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 on Resolution Framework for COVID-19 related stress and RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (as amended time to time) wherein moratorium is to be granted to customers in relation to repayment of dues, due to which the repayment schedule of such customers has been modified to that extent;

(d) In respect of loans granted by the Company, the overdue amount remaining outstanding as at the balance sheet date is as reported in Note 39(A)(i)(1)(a) of notes of the Financial Statements. The total amount overdue for more than 90 days amounts to Rs. 46,952 Lakhs with respect to 2,338 borrowers. The Company has taken reasonable steps in its normal course of business for recovery of overdue principal and interest in respect of such loans;

(e) As Company is principally engaged in providing loans, hence the reporting under clause 3(iii)(e) of the Order is not applicable;

(f) The Company has not granted any loans or advances, in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year except loan given to TCL Employee Welfare Trust (a related party) which is repayable on demand aggregating to Rs 237 lakhs. The same accounts for less than 0.01% of total gross loans and advances as at March 31, 2022.;

iv. The Company has not granted any loans, made investments, or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company;

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company;

vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company;

vii. a. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, value added tax, duty of customs and duty of excise;

There were no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues which were in arrears as at 31 March 2022 for a period of more than six months from the date they become payable;

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of Act	Forum	Period (AY)	Amount in Rupees
Income Tax Act	CIT Appeals	AY 2018-19	51.24 Lakhs

viii. As disclosed by the management in note 49 and as verified by us there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

ix. (a) The Company has not defaulted in the repayment of loans or other borrowings to or in the payment of interest thereon to any lender, during the year;

(b) As disclosed by the management in note 15.6 and as confirmed by us, the Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority;

(c) Term loans availed by the Company have been generally applied for the purpose for which they were raised - idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets recoverable on demand. The Company has not raised any money by way of initial public offer or further public offer during the year;

(d) On an overall examination of financial statements of the company, funds raised on short term basis have, prima facie , not been used during the year for Long Term purposes by the company.

(e) The company does not have any subsidiary or joint ventures. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates companies;

(f) The company does not have any securities held in its associates and accordingly, the provisions of clause 3 (ix) (f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi. (a) We report that no fraud by the company has been noticed or reported during the year nor have we been informed of any such case by the management. As regards to fraud on the company, there have been 16 instances aggregating to Rs.1,119 Lakhs wherein frauds have been perpetrated by the borrowers of the Company as disclosed in note 41.15 of the financial statements.;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year;

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii. In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to all applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards;

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports issued to the Company for the period under audit;

xv. During the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;

xvi. (a) As the Company is a Non-Banking Financial institution and registered under National Housing Bank (NHB) Act, 1987, it has been exempted from the requirement of registration under section 45-IA of the Reserve Bank of India Act; 1934.

(b) The Company has a valid certificate of registration from National Housing Bank;

(c) The Company is not a core investment company and hence reporting under clause (xvi)(c) of the Order is not applicable;

(d) There is only one core investment company as a part of the group;

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;

xviii. As per RBI circular no. RBI/2021-22/25 Ref No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 the Statutory Auditors have resigned upon completion of their term of appointment as per the requirement of the said circular. There has not been any issues, concerns or objections raised by the outgoing auditors, based on our communication with outgoing auditor as required under ICAI Code of Ethics;

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due;

xx. As disclosed by management in note 30.3 of the financial statements and as verified by us, the gross amount required to be spent by company towards Corporate Social Responsibility (CSR) during the year has been duly spent during the year hence reporting under clause (xx)(a) and clause (xx)(b) of the Order is not applicable;

xxi. Reporting under clause xxi of the Order is not applicable as the same is required to be reported only in case of consolidated financial statement.

For **C N K & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.
101961W/W100036

Himanshu Kishnadwala
Partner
Membership No. 037391
UDIN: 22037391AHIIEG7607
Place: Mumbai
Date: April19, 2022

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Registration No.
006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN:22075363AHKEWV4746
Place: Mumbai
Date: April 19, 2022

ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TATA CAPITAL HOUSING FINANCE LIMITED-

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **TATA CAPITAL HOUSING FINANCE LIMITED** ("the Company") as of March 31, 2022 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 issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of Internal Financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **C N K & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.
101961W/W100036

Himanshu Kishnadwala
Partner
Membership No. 037391
UDIN: 22037391AHIIEG7607
Place: Mumbai
Date: April 19, 2022

For **T R Chadha & Co LLP**
Chartered Accountants
ICAI Firm Registration No.
006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN:22075363AHKEWV4746
Place: Mumbai
Date: April 19, 2022

Tata Capital Housing Finance Limited

Balance Sheet
as at March 31, 2022

(Rs. in lakh)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	**70,526**	56,829
(b) Bank balances other than (a) above	4	**47**	32
(c) Derivative financial instruments	6	**-**	16
(d) Receivables			
(i) Trade receivables	5	**1,626**	544
(ii) Other receivables		**-**	-
(e) Loans	7	**28,49,575**	24,69,453
(f) Investments	8	**1,78,616**	1,50,476
(g) Other financial assets	9	**399**	418
Total Financial assets		**31,00,789**	26,77,768
(2) Non-Financial assets			
(a) Current tax assets (Net)	10.2	**442**	85
(b) Deferred tax assets (Net)	10	**14,970**	14,919
(c) Investment Property	11	**348**	359
(d) Property, plant and equipment	11	**2,187**	1,548
(e) Capital work-in-progress	11.1	**352**	-
(f) Intangible assets under development	11.2	**56**	121
(g) Other intangible assets	11	**602**	643
(h) Right of use assets	40	**3,625**	2,949
(i) Other non-financial assets	12	**1,297**	1,792
Total Non-Financial assets		**23,879**	22,416
Total Assets		**31,24,668**	27,00,184
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments	6	**1,143**	1,396
(b) Payables			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	13.1	**118**	28
- Total outstanding dues of creditors other than micro enterprises and small enterprises	13	**10,062**	9,576
(ii) Other payables			
- Total outstanding dues of micro enterprises and small enterprises		**-**	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**-**	-
(c) Debt Securities	14	**12,37,868**	8,04,244
(d) Borrowings (Other than debt securities)	15	**13,78,404**	14,65,365
(e) Subordinated liabilities	16	**1,05,490**	78,538
(f) Lease Liabilities	40	**4,041**	3,349
(g) Other financial liabilities	17	**20,538**	19,258
Total Financial liabilities		**27,57,664**	23,81,754
(2) Non-Financial liabilities			
(a) Current tax liabilities (Net)	10.3	**4,643**	5,752
(b) Provisions	18	**2,834**	2,516
(c) Other non-financial liabilities	19	**2,846**	2,258
Total Non-Financial liabilities		**10,323**	10,526
(3) Equity			
(a) Equity share capital	20	**54,756**	54,756
(b) Other equity	21	**3,01,925**	2,53,148
Total Equity		**3,56,681**	3,07,904
Total Liabilities and Equity		**31,24,668**	27,00,184
Summary of significant accounting policies	2		
See accompanying notes forming part of the financial statements	3-50		

In terms of our report of even date

For CNK & Associates LLP
Chartered Accountants
Firm's Registration No: 101961W/ W-100036

For T R Chadha & Co LLP
Chartered Accountants
Firm's Registration No: 006711N/N500028

For and on behalf of the Board of Directors
Tata Capital Housing Finance Limited

Himanshu Kishnadwala
Partner
Membership No: 037391

Vikas Kumar
Partner
Membership No: 075363

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)

Mehernosh B. Kapadia
Director
(DIN No. : 00046612)

Anuradha E. Thakur
Director
(DIN No. : 06702919)

Sujit Kumar Varma
Director
(DIN No. : 09075212)

Ankur Verma
Director
(DIN No. : 07972892)

Anil Kaul
Managing Director
(DIN No. : 00644761)

Mumbai
19 April 2022

Mahadeo Raikar
Chief Financial Officer

Priyal Shah
Company Secretary

Tata Capital Housing Finance Limited

Statement of Profit and Loss
for the year ended March 31, 2022

(Rs. in lakh)

	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I	**Revenue from operations**			
(i)	Interest Income	22	**2,72,251**	2,82,021
(ii)	Fees and commission Income	23	**4,712**	4,001
(iii)	Net gain on fair value changes	24	**2,492**	3,564
(iv)	Net gain on derecognition of financial instruments measured at amortised cost	25	**87**	-
II	**Other income**	26	**6,148**	2,328
III	**Total Income (I+II)**		**2,85,690**	2,91,914
IV	**Expenses**			
(i)	Finance costs	27	**1,53,219**	1,78,947
(ii)	Impairment on financial instruments	29	**16,301**	35,682
(iii)	Employee benefits expenses	28	**19,144**	13,056
(iv)	Depreciation, amortisation and impairment	11	**1,814**	1,583
(v)	Other expenses	30	**19,178**	14,847
	Total expenses (IV)		**2,09,656**	2,44,115
V	**Profit before exceptional items and tax (III-IV)**		**76,034**	47,799
VI	**Exceptional Items**		**-**	-
VII	**Profit before tax (V-VI)**		**76,034**	47,799
VIII	Tax expense			
	(1) Current tax	10.1	**19,336**	14,014
	(2) Deferred tax	10.1	**(155)**	(1,740)
	Total tax expense		**19,181**	12,274
IX	**Profit for the year (VII-VIII)**		**56,853**	35,525
X	**Other Comprehensive Income**			
	(i) Items that will be reclassified subsequently to statement of profit or loss			
	(a) The effective portion of gains / (loss) on hedging instruments in a cash flow hedge reserve		**415**	(207)
	(b) Income tax relating to effective portion of gain / (loss) on hedging instrument in a cash flow hedge		**(104)**	52
	(ii) Items that will not be reclassified subsequently to statement of profit or loss			
	(a) Remeasurement of defined employee benefit plans		**52**	289
	(b) Income tax relating to items that will not be reclassified to profit or loss		**(13)**	(73)
	Total Other Comprehensive Income (i+ii)		**350**	61
XI	**Total Comprehensive Income for the year (IX+X) (Comprising Profit and Other Comprehensive Income for the year)**		**57,203**	35,586
XII	**Earnings per equity share (Face value : Rs. 10 per share):**			
	(1) Basic (Rs.)		**10.38**	6.49
	(2) Diluted (Rs.)		**10.38**	6.49

Summary of significant accounting policies *2*

See accompanying notes forming part of the financial statements *3-50*

In terms of our report of even date

For CNK & Associates LLP
Chartered Accountants
Firm's Registration No: 101961W/ W-100036

For T R Chadha & Co LLP
Chartered Accountants
Firm's Registration No: 006711N/N500028

For and on behalf of the Board of Directors
Tata Capital Housing Finance Limited

Himanshu Kishnadwala
Partner
Membership No: 037391

Vikas Kumar
Partner
Membership No: 075363

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)

Mehernosh B. Kapadia
Director
(DIN No. : 00046612)

Anuradha E. Thakur
Director
(DIN No. : 06702919)

Sujit Kumar Varma
Director
(DIN No. : 09075212)

Ankur Verma
Director
(DIN No. : 07972892)

Anil Kaul
Managing Director
(DIN No. : 00644761)

Mumbai
19 April 2022

Mahadeo Raikar
Chief Financial Officer

Priyal Shah
Company Secretary

Tata Capital Housing Finance Limited

Statement of Changes in Equity
for the year ended March 31, 2022

(Rs. in lakh)

A. Equity share capital

Particulars	Rs. in Lakh
Balance as at April 1, 2020	54,756
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	54,756
Changes in equity share capital during the year	-
Balance as at March 31, 2021	54,756
Balance as at April 1, 2021	**54,756**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	**54,756**
Changes in equity share capital during the year	-
Balance as at March 31, 2022	**54,756**

B. Other equity

(Rs. in lakh)

Particulars	Reserves and surplus					Items of other comprehensive income		
	Securities premium	**Special reserve account**	**Retained earnings**	**Share options outstanding account**	**General reserve**	**Effective portion of cash flow hedge reserve**	**Remeasurement of defined benefit liability /asset**	**Total Other equity**
Balance as at April 1, 2020	1,85,672	22,539	13,763	232	281	96	(161)	2,22,422
Changes in accounting policy / prior	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2020	1,85,672	22,539	13,763	232	281	96	(161)	2,22,422
Profit for the year	-	-	35,525	-	-	-	-	35,525
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(155)	216	61
Total	1,85,672	22,539	49,288	232	281	(59)	55	2,58,008
Interim Dividend on equity shares	-	-	(5,038)	-	-	-	-	(5,038)
Addition to ESOP Reserve	-	-	-	178	-	-	-	178
Transfer to Special Reserve Account	-	7,105	(7,105)	-	-	-	-	-
Balance as at March 31, 2021	1,85,672	29,644	37,145	410	281	(59)	55	2,53,148
Balance as at April 1, 2021	**1,85,672**	**29,644**	**37,145**	**410**	**281**	**(59)**	**55**	**2,53,148**
Changes in accounting policy / prior	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	**1,85,672**	**29,644**	**37,145**	**410**	**281**	**(59)**	**55**	**2,53,148**
Profit for the year	-	-	56,853	-	-	-	-	**56,853**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	311	39	**350**
Total	**1,85,672**	**29,644**	**93,998**	**410**	**281**	**252**	**94**	**3,10,351**
Interim Dividend on equity shares	-	-	(8,651)	-	-		-	**(8,651)**
Addition to ESOP Reserve	-	-	-	225	-	-	-	**225**
Transfer to General Reserve	-	-	-	(115)	115	-	-	**-**
Transfer to Special Reserve Account	-	11,371	(11,371)	-	-	-	-	-
Balance as at March 31, 2022	**1,85,672**	**41,015**	**73,976**	**520**	**396**	**252**	**94**	**3,01,925**

Summary of significant accounting policies *2*
See accompanying notes forming part of the financial statements *3-50*

In terms of our report of even date

For CNK & Associates LLP
Chartered Accountants
Firm's Registration No: 101961W/ W-100036

For T R Chadha & Co LLP
Chartered Accountants
Firm's Registration No: 006711N/N500028

For and on behalf of the Board of Directors
Tata Capital Housing Finance Limited

Himanshu Kishnadwala
Partner
Membership No: 037391

Vikas Kumar
Partner
Membership No: 075363

Rajiv Sabharwal
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Director
(DIN No. : 09075212)

Ankur Verma
Director
(DIN No. : 07972892)

Anil Kaul
Managing Director
(DIN No. : 00644761)

Mumbai
19 April 2022

Mahadeo Raikar
Chief Financial Officer

Priyal Shah
Company Secretary

Tata Capital Housing Finance Limited

Statement of Cash Flow

for the year ended March 31, 2022

(Rs. in lakh)

Particulars	*Note*	**For the year ended March 31, 2022**	For the year ended March 31, 2021
1 CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**76,034**	47,799
Adjustments for :			
Depreciation and amortisation		**1,814**	1,583
Net loss on derecognition of property, plant and equipment		**4**	18
Net gain/loss on modification/derecognition of Right of use assets		**(99)**	(16)
Assets written off		**-**	33
Interest expenses		**1,53,219**	1,78,947
Interest income		**(2,72,251)**	(2,82,021)
Net gain on fair value changes		**(2,492)**	(3,564)
Net gain on derecognition of investments measured at amortised cost		**(87)**	-
Remeasurement of defined employee benefit plans through OCI		**52**	289
Share based payments- Equity-settled		**225**	178
Provision for leave encashment		**(11)**	(37)
Impairment loss allowance on financial instruments		**16,301**	35,682
		(27,291)	(21,109)
Adjustments for :			
(Increase) in trade receivables		**(1,082)**	(178)
(Increase) / Decrease in Loans		**(3,84,215)**	1,80,552
(Increase) / Decrease in - Other financial asset		**(28)**	44
Decrease / (Increase) in - Other non-financial assets		**485**	(953)
Increase in Trade payables		**576**	1,094
Increase in Other financial liabilities		**2,196**	11,411
Decrease in Provisions		**-**	(84)
Increase in Other non-financial liabilities		**588**	523
Cash used in operations before adjustments for interest received and interest paid		**(4,08,772)**	1,71,300
Interest paid		**(1,40,141)**	(1,69,222)
Interest received		**2,61,122**	2,83,441
Cash used in operations		**(2,87,791)**	2,85,518
Taxes paid (net off refunds)		**(20,815)**	(10,660)
Net Cash (Used In) / Generated From Operating Activities (A)		**(3,08,606)**	2,74,858
2 CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment (including capital advances)		**(1,768)**	(581)
Proceeds from sale of property, plant & equipment		**54**	5
Purchase of mutual fund units		**(49,54,452)**	(38,82,735)
Proceeds from redemption of mutual fund units		**49,56,924**	37,36,275
Proceeds from other investments		**(53,785)**	-
Proceeds from sale of other investments		**25,000**	-
Net Purchase of Fixed deposits with banks having maturity exceeding 3 month		**(8)**	(2)
Net Cash Used In Investing Activities (B)		**(28,035)**	(1,47,038)

Tata Capital Housing Finance Limited

Statement of Cash Flow
for the year ended March 31, 2022

(Rs. in lakh)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
3 CASH FLOW FROM FINANCING ACTIVITIES			
Payment of ancillary borrowing cost		**(203)**	(510)
Interim dividend paid on Equity		**(8,651)**	(5,038)
Proceeds from Borrowings (Other than debt securities)		**11,82,799**	9,32,478
Proceeds from Debt Securities		**7,89,304**	4,88,873
Proceeds from Subordinated Liabilities		**32,100**	5,000
Repayment of Borrowings (Other than debt securities)		**(12,72,084)**	(10,39,277)
Repayment of Debt Securities		**(3,65,814)**	(6,19,064)
Repayment of Subordinated Liabilities		**(6,020)**	-
Repayment of Lease Liabilities		**(1,094)**	(1,014)
Net Cash Generated From / (Used In) Financing Activities (C)		**3,50,338**	(2,38,552)
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)		**13,697**	(1,10,732)
Cash And Cash Equivalents As At The Beginning Of The Year		**56,829**	1,67,561
Cash And Cash Equivalents As At The End Of The Year		**70,526**	56,829
Reconciliation of cash and cash equivalents as above with cash and bank balances			
Cash and Cash equivalents at the end of the year as per above		**70,526**	56,829
Add : Restricted Cash		**5**	-
Add: Fixed deposits with original maturity over 3 months		**42**	32
Cash And Cash Equivalents And Other Bank Balances As At The End Of The Year (Refer note no. 3 & 4)		**70,573**	56,861

Summary of significant accounting policies	*2*		
See accompanying notes forming part of the financial statements	*3-50*		

In terms of our report of even date

For CNK & Associates LLP
Chartered Accountants
Firm's Registration No: 101961W/ W-100036

For T R Chadha & Co LLP
Chartered Accountants
Firm's Registration No: 006711N/N500028

For and on behalf of the Board of Directors
Tata Capital Housing Finance Limited

Himanshu Kishnadwala
Partner
Membership No: 037391

Vikas Kumar
Partner
Membership No: 075363

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)

Mehernosh B. Kapadia
Director
(DIN No. : 00046612)

Anuradha E. Thakur
Director
(DIN No. : 06702919)

Sujit Kumar Varma
Director
(DIN No. : 09075212)

Ankur Verma
Director
(DIN No. : 07972892)

Anil Kaul
Managing Director
(DIN No. : 00644761)

Mumbai
19 April 2022

Mahadeo Raikar
Chief Financial Officer

Priyal Shah
Company Secretary

1. CORPORATE INFORMATION

Tata Capital Housing Finance Limited (the "Company") is a wholly owned subsidiary of Tata Capital Limited and a Systemically Important Non-Deposit Accepting Housing Finance Company ("HFC"), holding a Certificate of Registration from the National Housing Bank ("NHB") dated April 2, 2009. The Company is domiciled in India and incorporated under the Companies Act, 2013 and listed its non-convertible debentures with BSE Limited and National Stock Exchange Limited.

2. Basis of Preparation

i. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act") (as amended), other relevant provisions of the Act, guidelines issued by the National Housing Bank and Reserve Bank of India ("RBI") as applicable to a HFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by NHB / RBI or other regulators are implemented as and when they are issued / applicable, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the accounting policy hitherto in use. The financial statements were authorised for issue by the Board of Directors (BOD) on April 19, 2022.

ii. Presentation of financial statements

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

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

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis.

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

iii. Basis of measurement

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

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

iv. Measurement of fair values:

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

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

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

a) Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date
b) Level 2: inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
c) Level 3: inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at the measurement date.

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

Refer notes 37A and 37B

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

v. Use of estimates and judgements

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

Judgements:

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

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

Assumptions and estimation of uncertainties:

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

- Note xii**-** impairment test of non-financial assets: key assumption underlying recoverable amounts.
- Note xi **-** The Company's EIR methodology: rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken
- Note xii **-** useful life of property, plant, equipment and intangibles.
- Note xviii **-**Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions
- Note – xx recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note xiv – measurement of defined benefit obligations: key actuarial assumptions.
- Note 37A and 37B – determination of the fair value of financial instruments with significant unobservable inputs.
- Note 39A(iii) – impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition, assumptions used in estimating recoverable cash flows and incorporation of forward-looking information in the measurement of expected credit loss (ECL). The weights assigned to different scenarios for measurement of forward looking ECL, i.e. best case, worst case and base case also requires judgement.

The Company has estimated the possible effects that may arise from the COVID-19 pandemic, on the carrying amount of its assets. For details, please refer disclosure on expected credit losses

(ECL) and disclosure on fair valuation. The extent to which COVID-19 pandemic will impact current estimates is uncertain at this point in time. The impact of COVID-19 on the Company's financial position may differ from that estimated as on the date of approval of these financial statements.

vi. Interest

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Interest income is recognised using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Calculation of the EIR includes all fees received that are incremental and directly attributable to the acquisition of a financial asset.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets {i.e. at the amortised cost of the financial asset after adjusting for any expected credit loss allowance (ECLs)}. The Company assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the interest income accrued on credit impaired financial assets are either accounted for as income or written off as per the write off policy of the Company.

The ‘amortised cost’ of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The ‘gross carrying amount of a financial asset’ is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

vii. Fee and commission income not integral to effective interest rate (EIR) method under Ind AS 109 and Income from services and distribution of financial products

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

Revenue in the form of income from financial advisory (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable, in accordance with Ind AS 115 - Revenue from contracts with customers.

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

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

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

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

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

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

Fees for financial advisory services are accounted as and when the service is rendered, provided there is reasonable certainty of its ultimate realisation.

Other Income includes branch advertising, represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

viii. Dividend income

Income from dividend on investment in equity shares of corporate bodies and units of mutual funds is accounted when the Company's right to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

ix. Leases

Asset taken on lease:

The Company's lease asset classes primarily consist of leases for properties.

The Company presents right-of-use assets and lease liabilities separately on the face of the Balance sheet. Lease payments (including interest) have been classified as financing cashflows.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment loss, if any, and adjusted for certain re-measurements of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss. When a right-of-use asset meets the definition of investment property, it is presented in investment property.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

x. Borrowing cost:

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial liability.

Calculation of the EIR includes all fees paid that are incremental and directly attributable to the issue of a financial liability.

While computing the capitalisation rate for funds borrowed generally, an entity should exclude borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing costs of the entity.

xi. Financial Instruments

Financial assets and financial liabilities are recognised in the Company’s balance sheet on trade date, i.e. when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues of financial assets or financial liabilities carried at fair value through the profit or loss account are recognised immediately in the Statement of Profit or Loss. Trade Receivables are measured at transaction price.

a) Financial assets

Classification

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;
1) amortised cost;
2) fair value through other comprehensive income (FVTOCI); or
3) fair value through profit and loss (FVTPL).

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

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

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made an investment – by – investment basis.
All financials assets not classified and measured at amortized cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate the financials assets that otherwise meets the requirements to be measured at amortized cost or at FVTOCI or at FVTPL, if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.
- -How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal). Amount of 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVTOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to ‘other income’ in the statement of Profit and Loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Reclassifications within classes of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

The classification and measurement requirements of the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company’s financial assets.

Impairment of Financial Asset

Impairment approach

Overview of the Expected Credit Losses (ECL) principles

The Company records allowance for expected credit losses for all loans (including those classified as measured at FVTOCI), together with loan commitments, in this section all referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 39A (iii).

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on an individual/portfolio basis having similar risk characteristic, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. Further if the customer has requested forbearance in repayment terms, such restructured, rescheduled or renegotiated accounts are also classified as Stage 3. Non-payment on another obligation of the same customer is also considered as a stage 3. Defaulted accounts include customers reported as fraud in the FRMC. Once an account defaults as a result of the DPD condition, it will be considered to be cured only when entire arrears of interest and principal are paid by the borrower. The Company records an allowance for the LTECLs.

Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

Financial guarantee contract

A financial guarantee contract requires the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:
• the amount of the loss allowance determined in accordance with Ind AS 109; and
• the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Company's revenue recognition policies. The Company has not designated any financial guarantee contracts as FVTPL.

Company's ECL for financial guarantee is estimated based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the interest rate relevant to the exposure.

The Measurement of ECLs

The Company calculates ECLs based on a probability-weighted scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD): The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD): The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD): The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weightage. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

The above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed during the year.

The mechanics of the ECL method are summarised below:

Stage 1 The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by contractual or portfolio EIR as the case may be.

Stage 3 For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

In ECL model the Company relies on broad range of forward looking information for economic inputs.

The Company recognises loss allowance for expected credit losses (ECLs) on all financial assets at amortised cost that are debt instruments, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. No impairment loss is recognised on equity investments.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information (Refer Note 39A (iii)).

Impairment of Trade receivable

Impairment allowance on trade receivables is made on the basis of life time credit loss method, in addition to specific provision considering the uncertainty of recoverability of certain receivables.

Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the statement of profit and loss.

Collateral valuation and repossession

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Non-Banking Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

The Company provides fully secured, partially secured and unsecured loans to individuals and Corporates. In its normal course of business upon account becoming delinquent, the Company physically repossess properties or other assets in its retail portfolio. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties, vehicles, plant and machinery under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale unless the title is also transferred in the name of the Company.

Presentation of ECL allowance for financial asset:

Type of Financial asset	Disclosure
Financial asset measured at amortised cost	shown as a deduction from the gross carrying amount of the assets
Loan commitments and financial guarantee contracts	shown separately under the head "provisions"

Modification and De-recognition of financial assets

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract.

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

De-recognition of financial assets

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

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

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

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

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

Securitization and Assignment

In case of transfer of loans through securitisation and direct assignment transactions, the transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised in the Statement of Profit and Loss.

Financial liability, Equity and Compound Financial Instruments

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

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

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

Financial liabilities

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

Classification

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

De-recognition of financial liabilities

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

Equity

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

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

Compound instruments

The Company has issued financial instruments with equity conversion rights and call options. When establishing the accounting treatment for these non-derivative instruments, the Company first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32. Classification of the liability and equity components of a convertible instrument is not revised as a result of a change in the likelihood that a conversion option will be exercised, even when exercising the option may appear to have become economically advantageous to some holders. When allocating the initial carrying amount of a compound financial instrument to the equity and liability components, the equity component is assigned as the residual amount after deducting from the entire fair value of the instrument, the amount separately determined for the liability component. The value of any derivative features (such as a call options) embedded in the compound financial instrument, other than the equity component (such as an equity conversion option), is included in the liability component. Once the Company has determined the split between equity and liability, it further evaluates whether the liability component has embedded derivatives that must be separately accounted for. Subsequently the liability is measured as per requirement of IND AS 109.

A Cumulative Compulsorily Convertible Preference Shares (CCCPS), with an option to holder to convert the instrument in to variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain/loss is recognised in profit or loss upon conversion or expiration of the conversion option.

b) Derivative Financial Instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with its floating rate borrowings arising from changes in interest rates and exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under ‘effective portion of cash flows hedges’. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedge relationships. The change in fair value of the forward element of the forward exchange contracts (‘forward points’) is separately accounted for as cost of hedging and recognised separately within equity.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

c) Cash, Cash equivalents and bank balances

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

xii. Property, plant and equipment (PPE)

a) PPE

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

b) Capital work-in-progress

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

c) Other Intangible assets

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

d) Intangible assets under development

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

e) Depreciation and Amortisation

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

Depreciation on tangible property, plant and equipment deployed for own use 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 buildings, computer equipment, office equipment and vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation for additions to/deductions from owned assets is calculated pro rata to the remaining period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. All capital assets with individual value less than Rs. 5,000 are depreciated fully in the year in which they are purchased.

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

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life
Leasehold Improvements	As per lease period
Furniture and Fixtures	10 years
Computer Equipment	4 years
Office Equipment	5 years
Vehicles	4 years
Software Licenses	1 to 10 years
Buildings	25 years
Plant & Machinery	10 years

f) Investment property

Properties held to earn rentals and/or capital appreciation are classified as Investment properties and measured and reported at cost, including transaction costs. Subsequent to initial recognition its measured at cost less accumulated depreciation and accumulated impairment losses, if any. When the use of an existing property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

g) Impairment of assets

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

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

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

h) De-recognition of property, plant and equipment and intangible asset

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss.

xiii. Non-Current Assets held for sale:

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

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

The Company has a policy to make impairment provision at one third of the value of the Asset for each year upon completion of three years up to the end of five years based on the past observed pattern of recoveries. Losses on initial classification as Held for sale and subsequent gains & losses on remeasurement are recognised in Statement of Profit and loss. Once classified as Held for sale, the assets are no longer amortised or depreciated.

xiv. Employee Benefits

Defined Contribution benefits include superannuation fund.

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

Defined contribution plans

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

Defined benefit plans

The Company makes Provident Fund contributions, a defined benefit plan for qualifying employees. Under the Schemes, both employees and the Company make monthly contributions at a specified percentage of the covered employees’ salary (currently 12% of employees’ salary). The contributions, except that the employer’s contribution towards pension fund is paid to the Regional Provident Fund office, as specified under the law, are made to the provident fund set up as an irrevocable trust by Tata Capital Limited (“the ultimate parent Company”). The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall on account of , if any, shall be made good by the Company. Hence the Company is liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government. The total liability in respect of the interest shortfall of the Fund is determined on the basis of an actuarial valuation. The interest liability arising only to the extent of the aforesaid differential shortfalls is a defined benefit plan. There is no such shortfall as at March 31, 2022.

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. As per Ind AS 19, the service cost and the net interest cost are charged to the Statement of Profit and Loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. Past service cost is recognised immediately to the extent that the benefits are already 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 reporting 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.

Other long-term employee benefits

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

The obligation is measured on the basis of actuarial valuation using Projected unit credit method and remeasurements gains/ losses are recognised in P&L in the period in which they arise.

Share based payment transaction

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

xv. Foreign currency transactions

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

xvi. Operating Segments

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 it's operations within India. The Chief Operating Decision Maker (CODM) of the Company is the Board of Directors.

xvii. Earnings per share

Basic earnings per share has been computed by dividing net income attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Partly paid up equity share is included as fully paid equivalent according to the fraction paid up.

Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive

xviii. Taxation

Income Tax

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

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax law) enacted or substantively enacted by the reporting date.
Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

xix. Goods and Services Input Tax Credit

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

xx. Provisions, contingent liabilities and contingent assets

Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

Contingent assets/liabilities
A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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

xxi. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided for;
b) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
c) other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.
   commitments under Loan agreement to disburse Loans.

xxii. Statement of Cash Flows

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

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

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

xxiii. Dividend payable

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

The dividend payable is recognised as a liability with a corresponding amount recognised directly in equity.

xxiv. Recent amendments applicable from April 01, 2022

The following amendments to standards have been issued and will be effective from April 01, 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- Indian Accounting Standard (Ind AS) 103 – Business Combinations – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date. Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.

- Indian Accounting Standard (Ind AS) 109 – Financial Instruments – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities.

- Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.

- Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets – Modifications in application of recognition and measurement principles relating to onerous contracts.

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

3. CASH AND CASH EQUIVALENTS

(Rs. in lakh)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
(a) Cash on Hand	-	3
(b) Balances with banks		
- in deposit accounts	40,005	-
- in current accounts	30,514	56,181
(c) Cheques on Hand	7	645
Total	70,526	56,829

3.1 Of the above, the balance that meet the definition of Cash and Cash Equivalents as per Ind AS 7 Cash Flow Statement is Rs. 70,526 lakh (March 31, 2021 : 56,829 lakh)

3.2 As at March 31, 2022, the Company had undrawn committed borrowing facilities of Rs. 3,57,000 lakh (March 31, 2021 : Rs. 2,40,000 lakh).

4. OTHER BALANCES WITH BANKS

PARTICULARS	As at March 31, 2022	As at March 31, 2021
a) Balances with banks		
- In deposit accounts (Refer note 4.1 below)	42	32
- In current accounts (Refer note 4.2 below)	5	-
Total	47	32

4.1 Balance with banks in deposit accounts comprises deposits that have an original maturity exceeding 3 months at balance sheet date.

4.2 Balance with banks in current accounts comprises of Rs. 5 lakh (March 31, 2021 : Rs. Nil) towards unclaimed matured debentures and accrued interest thereon.

5. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2022	As at March 31, 2021
(i) Receivables considered good - Secured	-	-
(ii) Receivables considered good - Unsecured	1,626	544
(iii) Receivables which have significant increase in Credit Risk	-	-
(iv) Receivables - credit impaired	2	1
Sub Total	1,628	545
Less: Allowance for impairment loss	2	1
Total	1,626	544

5.1 Trade receivables include amounts due from the related parties Rs. 22 lakh (March 31, 2021: Rs. Nil lakh).

5.2 Trade receivables are non-interest bearing and are generally on terms of 3 months to 1 year.

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

5.3 TRADE RECEIVABLES *(Continued)*

PARTICULARS	Unbilled Dues	Not Due	Less than 6 months	6 months -1 year*	1-2 years*	2-3 years	More than 3 years	Total
			As at March 31, 2022					
(i) Undisputed Trade receivables – considered good	-	-	1,626	-	-	-	-	**1,626**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	1	0	0	1	-	**2**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total								**1,628**

Note : Ageing of the trade receivables is determined from the date of transaction till the reporting date.
*Less than Rs.50,000/-

PARTICULARS	Unbilled Dues	Not Due	Less than 6 months*	6 months -1 year*	1-2 years	2-3 years	More than 3 years	Total
			As at March 31, 2021					
(i) Undisputed Trade receivables – considered good	-	-	544	-	-	-	-	**544**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0	0	1	-	-	**1**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total								**545**

Note : Ageing of the trade receivables is determined from the date of transaction till the reporting date.
*Less than Rs.50,000/-

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

6. Derivative financial instruments

As at March 31, 2022

Derivatives held for hedging and risk management purposes	Notional value - USD (in mn)	Notional value (in INR)	Fair value assets	fair value liabilities
Foreign exchange forward	76	57,109	-	832
Interest rate swap	-	-	-	311
Total	**76**	**57,109**	**-**	**1,143**

As at March 31, 2021

Derivatives held for hedging and risk management purposes	Notional value - USD (in mn)	Notional value (in INR)	Fair value assets	fair value liabilities
Foreign exchange forward	78	57,320	16	-
Interest rate swap	-	-	-	1,396
Total	**78**	**57,320**	**16**	**1,396**

6.1 Disclosure of effects of hedge accounting on financial performance and exposure to foreign currency

As at March 31, 2022

PARTICULARS	Notional amount	Carrying amount of hedging instruments assets	Carrying amount of hedging instruments liabilities	Weighted average contract / strike price of the hedging instrument (in INR)	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness profit / (loss) (in INR)
INR USD - Forward exchange contracts	57,109	-	832	77	-

As at March 31, 2021

PARTICULARS	Notional amount	Carrying amount of hedging instruments assets	Carrying amount of hedging instruments liabilities	Weighted average contract / strike price of the hedging instrument (in INR)	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness profit / (loss) (in INR)
INR USD - Forward exchange contracts	57,320	16	-	77	16

6. Derivative financial instruments *(Continued)*

Hedged item

As at March 31, 2022

PARTICULARS	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness	Cash flow hedge reserve as at	Cost of hedging as at	Foreign Currency Monetary Items Translation Reserve
FCY Term Loans	(5,025)	(6,074)	-	-

As at March 31, 2021

PARTICULARS	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness	Cash flow hedge reserve as at	Cost of hedging as at	Foreign Currency Monetary Items Translation Reserve
FCY Term Loans	(3,045)	(3,404)	-	-

6.2 The impact of the cashflow hedges in the statement of profit and loss and other comprehensive income

PARTICULARS	Hedging gains or (losses) recognised in other comprehensive income		Hedge ineffectiveness recognised in statement of profit and (loss)	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Forward exchangecontracts and Currencyswaps	(2,509)	(3,380)	-	-

6.3 Movements in the Cash flow hedge reserve are as follows:

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	(59)	96
Effective portion of changes in fair value Interest rate risk	1,080	1,051
Effective portion of changes in fair value foreign currency risk	(791)	(4,403)
Foreign currency translation differences	(1,718)	1,023
Foreign currency translation differences on interest	(161)	(34)
Amortisation of forward premium	2,004	2,156
Tax on movements on reserves during the period	(104)	53
Closing Balance	**252**	**(59)**

6.4 All hedges are 100% effective i.e. there is no ineffectiveness.

6.5 Average fixed interest rate:
- Interest rate swap: 3.47%

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

7. LOANS

PARTICULARS	As at March 31, 2022	As at March 31, 2021
At amortised cost		
(I) Term loans		
- Housing Loans	**20,02,775**	17,83,309
- Non Housing Loans	**9,26,894**	7,59,030
- Retained portion of assigned loans	**1,210**	1,790
Others		
- Loan to TCL Employee Welfare Trust (refer note no. V below)	**237**	97
Gross Loans	**29,31,116**	**25,44,226**
Less: Impairment loss allowance		
- Stage I & II	**50,731**	41,087
- Stage III	**25,687**	30,288
Loans net of impairment loss allowance	**28,54,698**	**24,72,851**
- Unamortised loan sourcing costs	**5,850**	5,345
- Income received in advance	**(10,973)**	(8,743)
Total - I	**28,49,575**	**24,69,453**
(II)		
- Secured by tangible assets	**28,44,795**	25,28,528
- Secured by intangible assets	**-**	-
- Covered by bank / government guarantees	**-**	-
- Unsecured	**86,321**	15,698
Gross Loans	**29,31,116**	**25,44,226**
Less: Impairment loss allowance		
- Stage I & II	**50,731**	41,087
- Stage III	**25,687**	30,288
Loans net of impairment loss allowance	**28,54,698**	**24,72,851**
- Unamortised loan sourcing costs	**5,850**	5,345
- Income received in advance	**(10,973)**	(8,743)
Total - II	**28,49,575**	**24,69,453**
(III)		
Loans in India		
- Public sector	**-**	-
- Others	**29,31,116**	25,44,226
Gross Loans	**29,31,116**	**25,44,226**
Less: Impairment loss allowance		
- Stage I & II	**50,731**	41,087
- Stage III	**25,687**	30,288
Loans net of impairment loss allowance	**28,54,698**	**24,72,851**
- Unamortised loan sourcing costs	**5,850**	5,345
- Income received in advance	**(10,973)**	(8,743)
Total - III	**28,49,575**	**24,69,453**
(IV)		
- Secured	**26,06,042**	23,48,958
- Unsecured	**86,321**	15,698
- Significant increase in credit risk (SICR)	**1,91,800**	1,25,133
- Credit impaired	**46,952**	54,437
Gross Loans	**29,31,116**	**25,44,226**
Less: Impairment loss allowance		
- Stage I & II	**50,731**	41,087
- Stage III	**25,687**	30,288
Loans net of impairment loss allowance	**28,54,698**	**24,72,851**
- Unamortised loan sourcing costs	**5,850**	5,345
- Income received in advance	**(10,973)**	(8,743)
Total - IV	**28,49,575**	**24,69,453**

(V) Loan given to TCL employee welfare trust is repayable on demand and accounts for 0.01% of total gross loans and advances (March 31, 2021 : 0.00%)

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

8. INVESTMENTS

PARTICULARS	As at March 31, 2022	As at March 31, 2021
Investments carried at fair value through profit or loss - Quoted		
Mutual funds	**1,50,496**	1,50,476
Investments carried at amortised cost - Quoted		
Investment in Government Securities	**28,120**	-
Total	**1,78,616**	**1,50,476**

8.1 Investments

PARTICULARS	As at March 31, 2022	As at March 31, 2021
Value of Investments		
(i) Gross value of Investments	1,78,616	1,50,476
(a) In India	1,78,616	1,50,476
(b) Outside India	-	-
(ii) Provisions for Depreciation	-	-
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments	1,78,616	1,50,476
(a) In India	1,78,616	1,50,476
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
(iv) Closing balance	-	-

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

9. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2022	As at March 31, 2021
(a) Security deposits	**384**	398
(b) Advances to employees	**15**	20
Total	**399**	**418**

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

10. DEFERRED TAX ASSET

The major components of deferred tax assets and liabilities as at March 31, 2022 are as follows:

Particulars	Opening Balance	Recognised / (reversed) through profit and loss	Change in Tax Rate	Recognised / (reversed) through OCI	Recognised directly in equity	Closing Balance
Deferred Tax Assets :-						
(a) Impairment loss allowance - stage III	6,921	(1,447)	-	-	-	5,474
(b) Impairment loss allowance - stage I & II	10,843	2,510	-	-	-	13,353
(c) Employee benefits	94	(3)	-	-	-	92
(d) Deferred income	2,104	631	-	-	-	2,735
(e) Other deferred tax assets	18	(19)	-	-	-	(0)
(f) Depreciation on property, plant & equipment	44	56	-	-	-	100
(g) Right to use asset	134	41	-	-	-	175
Deferred Tax Liabilities :-						
(a) Deduction u/s 36(1)(viii)	(5,236)	(1,610)	-	-	-	(6,846)
(b) Fair value measurement of investments	(24)	(4)	-	-	-	(28)
(c) Fair value of cost flow hedge	20	-	-	(104)	-	(84)
Net deferred tax asset	**14,919**	**155**	**-**	**(104)**	**-**	**14,970**

The major components of deferred tax assets and liabilities as at March 31, 2021 are as follows:

Particulars	Opening Balance	Recognised / (reversed) through profit and loss	Change in Tax Rate	Recognised / (reversed) through OCI	Recognised directly in equity	Closing Balance
Deferred Tax Assets :-						
(a) Impairment loss allowance - stage III	5,264	1,657	-	-	-	6,921
(b) Impairment loss allowance - stage I & II	8,722	2,121	-	-	-	10,843
(c) Employee benefits	104	(9)	-	-	-	94
(d) Deferred income	2,911	(807)	-	-	-	2,104
(e) Other deferred tax assets	18	-	-	-	-	18
(f) Depreciation on property, plant & equipment	31	14	-	-	-	44
(g) Right to use asset	100	34	-	-	-	134
Deferred Tax Liabilities :-						
(a) Deduction u/s 36(1)(viii)	(3,974)	(1,261)	-	-	-	(5,236)
(b) Fair value measurement of investments	(16)	(7)	-	-	-	(24)
(c) Fair value of cost flow hedge	(32)	-	-	52	-	20
Net deferred tax asset	**13,127**	**1,740**	**-**	**52**	**-**	**14,919**

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

10. DEFERRED TAX ASSET *(Continued)*

10.1 INCOME TAXES

A. The income tax expense consist of the following:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax:		
Current tax expense for the year	**19,381**	14,014
Current tax benefit pertaining to prior years	**(45)**	-
	19,336	14,014
Deferred tax benefit		
Origination and reversal of temporary differences	**(155)**	(1,740)
Total income tax expense recognised in the period	**19,181**	**12,274**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before income taxes	**76,034**	47,799
Indian statutory income tax rate	**25.17%**	25.17%
Expected income tax expense	**19,136**	12,030
Tax effect of the adjustments :		
Non deductible expenses	**204**	236
Tax on income at different rates	**-**	7
Tax pertaining to prior years	**(159)**	-
Total income tax expense	**19,181**	**12,274**

Note: The Company's reconciliation of the effective tax rate is based on its domestic tax rate applicable to the respective financial year.

C. Amounts recognised in OCI

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit						
Remeasurements of defined benefit liability (asset)	**52**	**(13)**	**39**	289	(73)	216
Items that will be reclassified to profit or						
The effective portion of gains and loss on hedging instruments in a cost of hedge	**415**	**(104)**	**311**	(207)	52	(155)
Total	**467**	**(117)**	**350**	**82**	**(21)**	**61**

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

10.2 CURRENT TAX ASSETS (NET)

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
Advance tax (net of provision for Income tax Rs. 19,673 lakh (March 31, 2021: Rs. 5,586 lakh)	442	85
Total	**442**	**85**

10.3 CURRENT TAX LIABILITIES (NET)

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
Provision for tax (net of advance tax Rs. 48,472 lakh (March 31, 2021: Rs. 62,066 lakh)	4,643	5,752
Total	**4,643**	**5,752**

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

11. PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTY

(Rs. in lakh)

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2021	Additions/ Adjustments	Deletions	Written off during the year	Closing balance as at March 31, 2022	Opening balance as at April 1, 2021	Depreciation/ Amortisation for the year*	Deletions/ Adjustments	Closing balance as at March 31, 2022	As at March 31, 2022
Buildings	248	-	-	-	248	44	19	-	63	185
	(248)	-	-	-	(248)	(33)	(11)	-	(44)	(204)
Leasehold Improvements	777	164	10	-	931	339	117	4	452	479
	(837)	(10)	(70)	-	(777)	(277)	(118)	(56)	(339)	(438)
Furniture & Fixtures	270	147	2	-	415	142	81	1	222	193
	(302)	(1)	(33)	-	(270)	(135)	(24)	(17)	(142)	(128)
Computer Equipment	1,274	685	1	-	1,958	866	298	1	1,163	795
	(1,183)	(126)	(41)	(6)	(1,274)	(619)	(274)	(27)	(866)	(408)
Office Equipment	284	149	4	-	429	201	51	3	249	180
	(334)	(11)	(55)	6	(284)	(198)	(58)	(55)	(201)	(83)
Plant & Machinery	215	93	2		306	68	27	1	94	212
	(230)	(5)	(20)	-	(215)	(53)	(24)	(9)	(68)	(147)
Vehicles	234	109	75	-	268	94	57	26	125	143
	(147)	(95)	(8)	-	(234)	(54)	(47)	(7)	(94)	(140)
PROPERTY, PLANT AND EQUIPMENT - TOTAL	**3,302**	**1,347**	**94**	-	**4,555**	**1,754**	**650**	**36**	**2,368**	**2,187**
	(3,281)	(248)	(227)	-	(3,302)	(1,369)	(556)	(171)	(1,754)	(1,548)
Software	931	166	-	-	1,097	288	207	-	495	602
	(739)	(192)	-	-	(931)	(136)	(152)	-	(288)	(643)
INTANGIBLE ASSETS - TOTAL	**931**	**166**	-	-	**1,097**	**288**	**207**	-	**495**	**602**
	(739)	(192)	-	-	(931)	(136)	(152)	-	(288)	(643)
Total	**4,233**	**1,513**	**94**	-	**5,652**	**2,042**	**857**	**36**	**2,863**	**2,789**
	(4,020)	(440)	(227)	-	(4,233)	(1,505)	(708)	(171)	(2,042)	(2,191)
Investment Property #	432	-	-	-	432	73	11	-	84	348
	(432)	-	-	-	(432)	(54)	(19)	-	(73)	(359)

Note : Figures in bracket relate to March 31, 2021.

Fair value of investment property as on March 31, 2022 Rs. 1,026 lakh (March 31, 2021 : Rs. 732 lakh). The fair value of the investment properties has been determined by an external independent property valuer, having appropriate professional qualification and experience in the location and category of property being valued.

* Total depreciation charged for the year in the Statement of Profit and Loss includes depreciation on Right to use assets. Depreciation on right to use assets for the year is Rs. 946 lakh (March 31, 2021: Rs. 856 lakh).

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

11.1 CAPITAL WORK IN PROGRESS

As at March 31, 2022

PARTICULARS	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	352	-	-	-	**352**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**352**

CWIP completion schedule

PARTICULARS	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	352	-	-	-	**352**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**352**

As at March 31, 2021

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

CWIP completion schedule

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

11.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

As at March 31, 2022

PARTICULARS	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	36	20	-	-	**56**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**56**

CWIP completion schedule

PARTICULARS	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	56	-	-	-	**56**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**56**

As at March 31, 2021

PARTICULARS	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	121	-	-	-	**121**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**121**

CWIP completion schedule

PARTICULARS	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	121	-	-	-	**121**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**121**

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

12. OTHER NON-FINANCIAL ASSETS (UNSECURED - CONSIDERED GOOD)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
(a) Capital advances	-	10
(b) Prepaid Expenses	357	313
(c) Gratuity Asset (Net)	209	183
(d) Balances with government authorities	416	553
(e) Receivables against ex-gratia	-	185
(f) Other advances	315	548
Total	**1,297**	**1,792**

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

13. TRADE PAYABLES

PARTICULARS	**As at March 31, 2022**	As at March 31, 2021
Others		
(i) Accrued expenses	**9,217**	8,898
(ii) Payable to Related Parties	**-**	48
(iii) Payable to Dealers/Vendors	**741**	394
(iv) Others	**222**	264
Total	**10,180**	**9,604**

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 :

13.1 Total outstanding dues of micro enterprises and small enterprises

PARTICULARS	**As at March 31, 2022**	**As at March 31, 2021**
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	**118**	**28**
(b) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	**-**
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	**-**	**-**
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year;	**-**	**-**
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year;	**-**	**-**
Total	**118**	**28**

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

13.2 TRADE PAYABLES *(Continued)*

PARTICULARS	As at March 31, 2022 Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	118	-	-	-	**118**
(ii) Others	**9,217**		**845**	-	-	-	**10,062**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total							**10,180**

Note : Ageing of the trade payables is determined from the date of transaction till the reporting date.

PARTICULARS	As at March 31, 2021 Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	28	-	-	-	**28**
(ii) Others	8,898	-	678	-	-	-	**9,576**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total							**9,604**

Note : Ageing of the trade payables is determined from the date of transaction till the reporting date.

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

14. DEBT SECURITIES

PARTICULARS	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured - In India		
Privately Placed Non-Convertible Debentures (Refer note 14.1 (a) and 14.2 below)	**6,95,832**	5,08,407
Privately Placed Non-Convertible Debentures - Zero Coupon Bond (Refer note 14.1 (a) and 14.3 below)	**1,63,890**	61,768
Public issue of Non-Convertible Debentures (Refer note 14.1 (b) and 14.4 below)	**1,94,758**	1,94,241
Unsecured - In India		
Commercial paper (Refer note 14.5 below) [Net of unamortised discount of Rs. 1,609 lakh (March 31, 2021 : Rs. 171 lakh)]	**1,83,388**	39,828
Total	**12,37,868**	**8,04,244**

14.1(a) Privately Placed Non-Convertible Debentures are secured by pari passu charge on the specific immovable property, specified receivables and book debts arising out of Secured/Unsecured loans, investments in nature of credit substitutes, lease and hire purchase receivables, Trade advances & bill discounting facility extended to borrower and sundry debtors and other current assets of the Company.

14.1(b) Public issue of Non-Convertible Debentures are secured by way of a first ranking pari passu charge by way of mortgage over our Company's specific immovable property and any of the identified receivables, both present and future, in connection with business of the company, monies, cash flows and proceeds accruing to the company of any nature or arising of out of said receivables.

14.2 Particulars of Privately placed Secured Non-Convertible Debentures.

Description of Privately placed Secured Non-Convertible Debentures	Issue Date	Redemption Date	As at March 31, 2022 No. of NCDs	As at March 31, 2022 Rs. In Lakh	As at March 31, 2021 No. of NCDs	As at March 31, 2021 Rs. In Lakh
TCHFL NCD "C" FY 2018-19	07-Dec-18	13-Apr-22	993	9,930	993	9,930
TCHFL C Series FY 18-19 Reissue	09-Jan-19	13-Apr-22	700	7,000	700	7,000
TCHFL NCD "C" FY 2018-19 reissuance 2	25-Apr-19	13-Apr-22	1,250	12,500	1,250	12,500
TCHFL NCD G FY 2012-13	18-May-12	18-May-22	100	1,000	100	1,000
TCHFL NCD "C" FY 2019-20	04-Jul-19	04-Jul-22	250	2,500	250	2,500
TCHFL NCD "X" FY 2015-16	29-Jul-15	29-Jul-22	750	7,500	750	7,500
TCHFL Market Link NCD "A" 2019-20	22-Aug-19	22-Aug-22	990	990	990	990
TCHFL NCD "E" FY 2020-21 - Option I	03-Dec-20	02-Dec-22	1,000	10,000	1,000	10,000
TCHFL NCD Q FY 2012-13	28-Dec-12	29-Dec-22	100	1,000	100	1,000
TCHFL NCD "AP" FY 2015-16 - Option I	12-Jan-16	12-Jan-23	150	1,500	150	1,500
TCHFL NCD R FY 2012-13	18-Jan-13	18-Jan-23	150	1,500	150	1,500
TCHFL NCD U FY 2012-13	12-Mar-13	10-Mar-23	100	1,000	100	1,000
TCHFL NCD "E" FY 2016-17	04-May-16	04-May-23	200	2,000	200	2,000
TCHFL NCD "B" FY 2020-21	26-May-20	26-May-23	4,500	45,000	4,500	45,000
TCHFL NCD "C" FY 2020-21	27-Jul-20	27-Jul-23	2,500	25,000	2,500	25,000
TCHFL NCD "A" FY 2020-21	12-May-20	11-Aug-23	5,000	50,000	5,000	50,000
TCHFL NCD "F" FY 2020-21	31-Dec-20	23-Nov-23	3,000	30,000	3,000	30,000
TCHFL NCD "E" FY 2020-21 - Option II	03-Dec-20	01-Dec-23	3,000	30,000	3,000	30,000
TCHFL NCD "AP" FY 2015-16 - Option II	12-Jan-16	12-Jan-24	150	1,500	150	1,500
TCHFL NCD "L" FY 2021-22	23-Feb-22	23-Feb-24	5,500	55,000	-	-
TCHFL NCD "H" FY 2020-21	25-Mar-21	25-Mar-24	2,500	25,000	2,500	25,000
TCHFL NCD "A" FY 2021-22	18-May-21	17-May-24	2,600	26,000	-	-
TCHFL NCD "D" FY 2021-22	20-Jul-21	19-Jul-24	1,850	18,500	-	-
TCHFL NCD "E" FY 2021-22	15-Sep-21	13-Sep-24	5,000	50,000	-	-
TCHFL NCD R FY 2014-15	09-Dec-14	09-Dec-24	2,000	20,000	2,000	20,000
TCHFL NCD V FY 2014-15	23-Jan-15	23-Jan-25	1,500	15,000	1,500	15,000
TCHFL NCD"O" FY 2015-16	16-Jun-15	16-Jun-25	200	2,000	200	2,000
TCHFL NCD "AE" FY 2015-16	31-Aug-15	29-Aug-25	200	2,000	200	2,000
TCHFL NCD "AG" FY 2015-16	08-Oct-15	08-Oct-25	75	750	75	750
TCHFL NCD "AM" FY 2015-16 - Option I	06-Nov-15	06-Nov-25	350	3,500	350	3,500
TCHFL NCD "G" FY 2020-21	19-Jan-21	19-Jan-26	850	8,500	850	8,500
TCHFL NCD "AU" FY 2015-16 Option I	30-Mar-16	30-Mar-26	150	1,500	150	1,500
TCHFL NCD "B" FY 2021-22	15-Jun-21	15-Jun-26	1,700	17,000	-	-
TCHFL NCD "J" FY 2016-17	30-Jun-16	30-Jun-26	100	1,000	100	1,000
TCHFL NCD "F" 2019-2020	18-Nov-19	16-Nov-29	10,000	1,00,000	10,000	1,00,000
TCHFL NCD "G" FY 2021-22	09-Nov-21	07-Nov-31	3,030	30,300	-	-
TCHFL NCD "K" FY 2021-22	16-Feb-22	16-Feb-32	5,000	50,000	-	-
TCHFL NCD "A" FY 2016-17	12-Apr-16	12-Apr-21	-	-	1,200	12,000
TCHFL NCD "K" FY 2016-17	05-Jul-16	05-Jul-21	-	-	200	2,000
TCHFL NCD "T" FY 2016-17	15-Sep-16	15-Sep-21	-	-	100	1,000
TCHFL Market Link NCD B 2019-20	30-Sep-19	30-Sep-21	-	-	614	614
TCHFL NCD "W" FY 2016-17	28-Dec-16	28-Dec-21	-	-	4,080	40,800
TCHFL NCD "D" FY 2019-20	19-Aug-19	11-Mar-22	-	-	1,000	10,000
Total				**6,65,970**		**4,85,584**
Add: Unamortised premium				4		132
Add: Interest accrued but not due				30,146		22,976
Total				**30,150**		**23,108**
Less: Unamortised borrowing cost				(288)		(285)
Total				**(288)**		**(285)**
Privately Placed Non-Convertible Debentures				**6,95,832**		**5,08,407**

Note: Coupon rate of above outstanding as on March 31, 2022 varies from 5.00 % to 10.10 % (March 31, 2021 : 5.00% to 10.10%).

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

14. DEBT SECURITIES *(Continued)*

14.3 Particulars of Privately placed Secured Non-Convertible Debentures - ZCB.

Description of Privately Placed Non-Convertible Debentures - ZCB	Issue Date	Redemption Date	As at March 31, 2022 No. of NCDs	As at March 31, 2022 Rs. In Lakh	As at March 31, 2021 No. of NCDs	As at March 31, 2021 Rs. In Lakh
TCHFL NCD "G" FY 2019-20 Reissurance	04-Sep-20	25-Oct-22	3,000	30,000	3,000	30,000
TCHFL NCD "G" FY 2019-20	11-Dec-19	25-Oct-22	150	1,500	150	1,500
TCHFL NCD "F" FY 2021-22	20-Oct-21	29-Mar-23	3,000	30,000	-	-
TCHFL NCD "H" FY 2021-22	23-Nov-21	23-Nov-23	1,750	17,500	-	-
TCHFL NCD "D" FY 2020-21	27-Oct-20	24-Jan-24	2,000	20,000	2,000	20,000
TCHFL NCD “J” FY 2021-22	01-Feb-22	31-Jan-24	2,000	20,000	-	-
TCHFL NCD "C" FY 2021-22	23-Jun-21	23-Sep-24	1,350	13,500	-	-
TCHFL NCD "C" FY 2021-22 - Reissue No. 1	08-Sep-21	23-Sep-24	2,000	20,000	-	-
TCHFL NCD “I” FY 2021-22	17-Dec-21	17-Dec-24	1,500	15,000	-	-
TCHFL NCD "B" FY 2019-20	27-May-19	02-Jul-21	-	-	500	5,000
Total				**1,67,500**		**56,500**
Add: Unamortised premium				2,711		2,711
Add: Interest accrued but not due				5,039		2,564
Total				**7,750**		**5,275**
Less: Unamortised borrowing cost				(30)		(7)
Less: Unamortised discount				(11,331)		-
Total				**(11,361)**		**(7)**
Privately Placed Non-Convertible Debentures - ZCB				**1,63,890**		**61,768**

Note: Coupon rate of above outstanding as on March 31, 2022 varies from 5.03% to 7.55% (March 31, 2021 : 5.81% to 8.70%).

14. DEBT SECURITIES *(Continued)*

14.4 Public issue of Non-Convertible Debentures

Description of Public issue of Non-Convertible Debentures	Issue Date	Redemption Date	As at March 31, 2022 No. of NCDs	As at March 31, 2022 Rs. In Lakh	As at March 31, 2021 No. of NCDs	As at March 31, 2021 Rs. In Lakh
TCHFL NCD "Series I" FY 2019-20	14-Jan-20	14-Jan-23	2,99,345	2,993	2,99,345	2,993
TCHFL NCD "Series I" FY 2019-20	14-Jan-20	14-Jan-23	1,42,24,535	1,42,245	1,42,24,535	1,42,245
TCHFL NCD "Series II" FY 2019-20	14-Jan-20	14-Jan-25	51,892	519	51,892	519
TCHFL NCD "Series II" FY 2019-20	14-Jan-20	14-Jan-25	5,41,471	5,415	5,41,471	5,415
TCHFL NCD "Series III" FY 2019-20	14-Jan-20	14-Jan-25	3,35,925	3,359	3,35,925	3,359
TCHFL NCD "Series III" FY 2019-20	14-Jan-20	14-Jan-25	23,48,032	23,480	23,48,032	23,480
TCHFL NCD "Series IV" FY 2019-20	14-Jan-20	14-Jan-28	12,025	120	12,025	120
TCHFL NCD "Series IV" FY 2019-20	14-Jan-20	14-Jan-28	3,82,776	3,828	3,82,776	3,828
TCHFL NCD "Series V" FY 2019-20	14-Jan-20	14-Jan-28	1,17,900	1,179	1,17,900	1,179
TCHFL NCD "Series V" FY 2019-20	14-Jan-20	14-Jan-28	9,05,697	9,057	9,05,697	9,057
Total				**1,92,196**		**1,92,196**
Add: Interest accrued but not due				3,171		3,171
Less: Unamortised borrowing cost				(608)		(1,126)
Total				**2,562**		**2,045**
Public issue of Non-Convertible Debentures				**1,94,758**		**1,94,241**

Note: Coupon rate of above outstanding as on March 31, 2022 varies from 7.92% to 8.40% (March 31, 2021 : 7.92% to 8.40%).

14.5 Discount on Commercial Paper varies from 4.06% to 4.86% (March 31, 2021 : 3.70%).

14.6 Debt securities due to related parties as on March 31, 2022 is Rs. 7,910 lakh (March 31, 2021: Rs. 7,696 lakh).

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

15. BORROWINGS (OTHER THAN DEBT SECURITIES)

PARTICULARS	**As at March 31, 2022**	As at March 31, 2021
At amortised cost		
(a) Term loans		
Secured - In India		
(i) From Banks (Refer note 15.1 and 15.2 below)	**8,69,741**	8,47,525
(ii) From National Housing Bank (Refer notes 15.3)	**3,71,863**	4,42,664
Secured - Outside India		
From Banks (Refer note 15.1 and 15.2 below)	**56,755**	54,726
(b) Loans repayable on demand		
Secured - In India		
From Banks		
Bank Overdraft (Refer note 15.1 and 15.4 below)	**45**	41
Working capital demand loan (Refer note 15.1 and 15.4 below)	**40,000**	1,02,500
Unsecured - In India		
Working capital demand loan (Refer note 15.1 and 15.4 below)	**40,000**	15,000
(c) Loan from related parties		
Unsecured - In India		
(i) Inter corporate deposits from related parties (Refer note 15.5 below)	-	2,909
Total	**13,78,404**	**14,65,365**

15.1 Loans and advances from banks are secured by pari passu charge through Security Trustee by way of mortgage over Company's specific immovable property, specified receivables of the Company arising out of its business, other book debts and trade advances of the company, Receivables from senior and junior pass through certificates in which the company has invested, such other current assets as may be identified by the company from time to time accepted by the security trustee and other long term and current investments.

15.2 Loans and advances from bank are repayable at maturity ranging between 3 month to 5 years (as at March 31, 2021: 3 month to 5 years) from the date of loan taken. Rate of Interest payable on Term Loans varies between 5.50% to 7.45% (March 31, 2021 : 5.65% to 7.80%).

15.3 Loan from National Housing Bank is secured by way of hypothecation of book debt and guarantee / letter of comfort from Tata Capital Limited and is repayable in 04-61 (March 31, 2021: 28-60) quarterly installments. Rate of Interest payable on Term loan varies between 2.94% to 8.50% (March 31, 2021: 4.61% to 8.50%).

15.4 Rate of Interest payable on Bank Overdraft & Working Capital Demand Loan varies between 4.25% to 7.10% (March 31, 2021 : 4.20% to 9.00%).

15.5 Rate of Interest payable on Inter Corporate Deposit as at March 31, 2022 is Nil % (March 31, 2021: 8.42%).

15.6 The Company has not defaulted in the repayment of debt securities, borrowings (other than debt securities), subordinated liabilities and interest thereon for the year ended March 31, 2022 and March 31, 2021.

15.7 The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

16. SUBORDINATED LIABILITIES

PARTICULARS	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured - In India		
Debentures		
Privately Placed Non-Convertible Subordinated Debentures (Refer note 16.1 below)	**97,613**	70,670
Public issue of Non-Convertible Subordinated Debentures (Refer note 16.2 below)	**7,877**	7,868
Total	**1,05,490**	**78,538**

Note: (a) The Company has not defaulted in the repayment of Subordinated Liabilities and interest for the year ended March 31, 2022 and March 31, 2021.

(b) Subordinated Liabilities due to related parties as on March 31, 2022 is Rs. 1,920 lakh (March 31, 2021: Rs. 720 lakh).

16.1 Particulars of Unsecured Privately Placed Non-Convertible Subordinated Debentures

Description of Unsecured Privately Placed Non-Convertible Subordinated Debentures	Issue Date	Redemption Date	As at March 31, 2022 No. of NCDs	As at March 31, 2022 Rs. In Lakh	As at March 31, 2021 No. of NCDs	As at March 31, 2021 Rs. In Lakh
TCHFL Tier II Bond A FY-2012-13	10-May-12	10-May-22	10	100	10	100
TCHFL Tier II Bond C FY-2012-13	30-May-12	30-May-22	300	3,000	300	3,000
TCHFL Tier II Bond B FY-2012-13	30-May-12	30-May-22	3	30	3	30
TCHFL Tier II Bond D FY-2012-13	22-Aug-12	22-Aug-22	330	3,300	330	3,300
TCHFL Tier II Bond E FY-2012-13	28-Mar-13	28-Mar-23	150	1,500	150	1,500
TCHFL Tier II Bond A FY-2013-14	15-Apr-13	15-Apr-23	250	2,500	250	2,500
TCHFL Tier II Bond B FY-2013-14	23-Apr-13	23-Apr-23	21	210	21	210
TCHFL Tier II Bond C FY 2013-14	20-May-13	19-May-23	10	100	10	100
TCHFL Tier II Bond D FY 2013-14	10-Jan-14	10-Jan-24	77	770	77	770
TCHFL Tier II Bond E FY 2013-14	18-Mar-14	18-Mar-24	4	40	4	40
TCHFL Tier II Bond A FY 2014-15	26-Sep-14	26-Sep-24	480	4,800	480	4,800
TCHFL Tier-II Bond A FY 2015-16	28-Apr-15	28-Apr-25	400	4,000	400	4,000
TCHFL Tier II Bond B FY 2015-16	22-Jul-15	22-Jul-25	350	3,500	350	3,500
TCHFL Tier II Bond C FY 2015-16	16-Sep-15	16-Sep-25	100	1,000	100	1,000
TCHFL Tier II Bond D FY 2015-16	21-Sep-15	19-Sep-25	150	1,500	150	1,500
TCHFL Tier II Bond E FY 2015-16	04-Nov-15	04-Nov-25	300	3,000	300	3,000
TCHFL Tier II Bond F FY 2015-16	15-Dec-15	15-Dec-25	250	2,500	250	2,500
TCHFL Tier II Bond G FY 2015-16	17-Dec-15	17-Dec-25	250	2,500	250	2,500
TCHFL Tier II Bond H FY 2015-16	15-Mar-16	13-Mar-26	200	2,000	200	2,000
TCHFL Tier II Bond A FY 2016-17	04-Aug-16	04-Aug-26	2,000	20,000	2,000	20,000
TCHFL Tier II Bond A FY 2020-21	11-Jan-21	10-Jan-31	500	5,000	500	5,000
TCHFL Tier II Bond A FY-2021-22	19-Apr-21	18-Apr-31	1,500	15,000	-	-
TCHFL Tier II Bond B FY-2021-22	14-Mar-22	12-Mar-32	25	2,500	-	-
TCHFL Tier II Bond B FY-2021-22 - Reissue 1	28-Mar-22	12-Mar-32	146	14,600	-	-
TCHFL Tier II Bond B FY-2011-12	29-Sep-11	29-Sep-21	-	-	253	2,530
TCHFL Tier II Bond C FY-2011-12	28-Oct-11	28-Oct-21	-	-	11	110
TCHFL Tier II Bond D FY-2011-12	04-Nov-11	04-Nov-21	-	-	101	1,010
TCHFL Tier II Bond E FY-2011-12	25-Jan-12	25-Jan-22	-	-	135	1,350
TCHFL Tier II Bond F FY-2011-12	12-Mar-12	12-Mar-22	-	-	102	1,020
Total				**93,450**		**67,370**
Add: Interest accrued but not due				4,317		3,386
Less: Unamortised borrowing cost				(154)		(86)
Total				**4,163**		**3,300**
Privately Placed Non-Convertible Subordinated Debentures				**97,613**		**70,670**

Note: Coupon rate of above outstanding as on March 31, 2022 varies from 7.33% to 10.25% (March 31, 2021 : 8.92% to 10.25%).

16.2 Particulars of Unsecured Public issue of Non-Convertible Subordinated Debentures

Description of Unsecured Public issue of Non-Convertible Subordinated Debentures	Issue Date	Redemption Date	As at March 31, 2022 No. of NCDs	As at March 31, 2022 Rs. In Lakh	As at March 31, 2021 No. of NCDs	As at March 31, 2021 Rs. In Lakh
TCHFL Tier II Bond Series VI FY-2019-20	14-Jan-20	14-Jan-30	7,80,402	7,804	7,80,402	7,804
				7,804		**7,804**
Add: Interest accrued but not due				143		143
Less: Unamortised borrowing cost				(71)		(79)
Total				**73**		**64**
Public issue of Non-Convertible Subordinated Debentures				**7,877**		**7,868**

Note: Coupon rate of above outstanding as on March 31, 2022 is borrowed at 8.70% (March 31, 2021 : 8.70%).

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

17. OTHER FINANCIAL LIABILITIES

PARTICULARS	**As at March 31, 2022**	As at March 31, 2021
(a) Payable for capital expenditure	**37**	15
(b) Advances from customers	**711**	616
(c) Accrued employee benefit expense	**2,913**	2,034
(d) Amounts payable - assigned loans	**373**	686
(e) Unclaimed matured debentures and accrued interest thereon	**5**	-
(f) Book Overdraft	**16,499**	15,907
Total	**20,538**	**19,258**

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

18. PROVISIONS

PARTICULARS	**As at March 31, 2022**	As at March 31, 2021
(a) Provision for compensated absences	**366**	377
(b) Provision for long-term service award	**29**	29
(c) Provision for off Balance Sheet exposure	**2,439**	2,110
Total	**2,834**	**2,516**

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

19. OTHER NON-FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2022	As at March 31, 2021
(a) Statutory dues	**2,332**	1,718
(b) Others	**514**	540
Total	**2,846**	**2,258**

Notes forming part of the Financial Statements (Continued)

as at March 31, 2022

(Rs. in lakh)

20. SHARE CAPITAL

PARTICULARS	As at March 31, 2022	As at March 31, 2021
AUTHORISED		
2,500,000,000 (as at March 31, 2021: 2,500,000,000 shares) Equity shares of Rs.10 each	**2,50,000**	2,50,000
2,000,000,000 (as at March 31, 2021: 2,000,000,000 shares) Preference shares of Rs.10 each	**2,00,000**	2,00,000
	4,50,000	**4,50,000**
ISSUED, SUBSCRIBED & PAID UP		
547,555,612 (as at March 31, 2021: 547,555,612 shares) Equity shares of Rs.10 each fully paid up	**54,756**	54,756
Total	**54,756**	**54,756**

20.1 Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of shares	Rs. in lakh	% holding	No. of shares	Rs. in lakh	% holding
Tata Capital Limited (Holding Company)	54,75,55,612	54,756	100%	54,75,55,612	54,756	100%

20.2 Reconciliation of number of equity shares outstanding

Particulars	No. of Shares	Rs. in lakh
Equity Shares, Face Value Rs. 10 fully paid up		
Opening balance as on April 01, 2020	54,75,55,612	54,756
Additions during the year	-	-
Closing Balance as on March 31, 2021	54,75,55,612	54,756
Additions during the year	-	-
Closing Balance as on March 31, 2022	**54,75,55,612**	**54,756**

20.3 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 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.

20.4 Investment by Tata Capital Limited (Promoter Holding company). The entire share capital is held by Tata Capital Limited and its nominees.

Name of company	Particulars of issue	No. of Shares	Rs. in lakh
Tata Capital Limited (Promoter Holding Company)			
Equity Shares	Opening Balance as on April 1, 2020	54,75,55,612	54,756
	Additions during the year	-	-
	Closing Balance as on March 31, 2021	54,75,55,612	54,756
	Additions during the year	-	-
	Closing Balance as on March 31, 2022	**54,75,55,612**	**54,756**

20.5 There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.

20.6 There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

Notes forming part of the Financial Statements (Continued)
as at March 31, 2022

(Rs. in lakh)

21. OTHER EQUITY

PARTICULARS	As at March 31, 2022	As at March 31, 2021
(a) Securities Premium Account	**1,85,672**	1,85,672
(b) Special Reserve Account	**41,015**	29,644
(c) Surplus in Statement of Profit and Loss	**73,976**	37,145
(d) Other Comprehensive Income	**346**	(4)
(i) The effective portion of gains and loss on hedging instruments in a Cash flow hedge	*252*	*(59)*
(ii) Remeasurement of defined employee benefit plans	*94*	*55*
(e) Share options outstanding account	**520**	410
(f) General Reserve	**396**	281
Total	**3,01,925**	**2,53,148**

21.1 As required by Section 29C of National Housing Bank Act 1987and Section 36 (1) (viii) of the Income Tax Act,1961, the Company has transferred an amount of Rs. 11,371 lakh (March 31, 2021: Rs. 7,105 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 March 31, 2022	As at March 31, 2021
Balance at the beginning of the year			
	a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987	8,846	6,753
	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	20,798	15,786
	Total (A)	**29,644**	**22,539**
Addition / Appropriation / withdrawal during the year			
Add:	a) Amount transferred u/s 29C of the NHB Act,1987	4,974	2,093
	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	6,397	5,012
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	-	-
	Total (B)	**11,371**	**7,105**
Balance at the end of the year			
	a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	13,821	8,846
	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	27,194	20,798
	Total (A+B)	**41,015**	**29,644**

21.2 The Company has transferred an amount of Rs. 6,397 lakh (March 31, 2021: Rs. 5,012 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 (The Company is required to transfer at least 20% of net profits every year to a reserve).

21.3 During the year ended March 31, 2022, the Company has declared and paid, an interim dividend for financial year 2021-22 on Equity Shares aggregating to Rs. 8,651 lakh (March 31, 2021 : Rs. 5,038 lakh).

21.4 Nature and Purpose of Reserves as per Para 79 of Ind AS 1

Sr. No.	Particulars	Nature and purpose of Reserves
1	Securities Premium Account	Premium received upon issuance of equity shares
2	Special Reserve Account/Statutory Reserve	As prescribed by Section 29C of National Housing Bank Act 1987,and Section 36 (1) (viii) of the Income Tax Act,1961. No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by NHB from time to time.
3	Surplus in profit and loss account	Created out of accretion of profits
4	General Reserve	Created upon completion of the vesting period of employees stock option or upon forfeiture of options granted
5	Share Options Outstanding Account	Created upon grant of options to employees
6	Other Comprehensive Income	Created on account of items measured through other comprehensive income

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

22. INTEREST INCOME

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
On Financial Assets measured at Amortised Cost		
(a) Interest on loans	**2,71,422**	2,81,455
(b) Interest income from investments	**822**	-
(c) Interest Income on deposits with Banks	**7**	566
Total	**2,72,251**	**2,82,021**

23. FEES AND COMMISSION INCOME

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
On Financial Assets measured at Amortised Cost		
(a) Foreclosure charges	**1,243**	1,138
(b) Others (valuation charges, PDD charges etc)	**3,469**	2,863
Total	**4,712**	**4,001**

Revenue from contracts with customers

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
i Type of service		
- Fee and commission income	**4,712**	4,001
- Branch advertisement income	**5,915**	2,180
Total	**10,627**	6,181
ii. Primary geographical market:		
- Outside India	**-**	-
- India	**10,627**	6,181
Total revenue from contracts with customer	**10,627**	6,181
iii. Timing of revenue recognition		
- at a point in time upon rendering services	**10,627**	6,181
- over period of time upon rendering services	**-**	-
Total	**10,627**	6,181
iv. Trade receivables towards contracts with customers		
- Opening Balance	**544**	366
- Closing Balance	**1,626**	544
v. Impairment on trade receivables towards contracts with customers	**2**	1

As on March 2022/2021, the Company doesn’t have any unsatisified/partially satisified performance obligation.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

24. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

PARTICULARS		**For the year ended March 31, 2022**	For the year ended March 31, 2021
(A)	Net gain / (loss) on financial instruments at fair value through profit or loss	-	-
(i)	On trading portfolio		
	- Investments	-	-
	- Derivatives	-	-
	- Others	-	-
(ii)	Others	**2,492**	3,564
(iii)	Total net gain/(loss) on fair value changes	**2,492**	**3,564**
(B)	Fair value changes :		
	-Realised	**2,473**	3,533
	-Unrealised	**19**	31
	Total net gain/(loss) on fair value changes	**2,492**	**3,564**

25. NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

PARTICULARS		**For the year ended March 31, 2022**	For the year ended March 31, 2021
(a)	Gain on sale of Government Securities / Treasury Bills	**87**	-
Total		**87**	**-**

26. OTHER INCOME

PARTICULARS		**For the year ended March 31, 2022**	For the year ended March 31, 2021
(a)	Branch advertisement income	**5,915**	2,180
(b)	Interest on Income Tax Refund	**-**	10
(c)	Miscellaneous Income	**233**	138
Total		**6,148**	**2,328**

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

27. FINANCE COSTS

PARTICULARS	**For the year ended March 31, 2022**	For the year ended March 31, 2021
At Amortised cost		
(a) Interest on borrowings	**76,015**	1,06,448
(b) Interest on debt securities	**61,059**	55,448
(c) Interest on subordinated liabilities	**7,806**	6,613
(d) Interest on lease liabilities	**310**	292
(e) Discounting Charges		
(i) On commercial paper	**5,708**	10,146
(ii) On debentures	**2,321**	-
Total	**1,53,219**	**1,78,947**

28. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	**For the year ended March 31, 2022**	For the year ended March 31, 2021
(a) Salaries, wages and bonus	**17,687**	11,997
(b) Contribution to provident and other fund	**672**	534
(c) Staff welfare expenses	**362**	180
(d) Expenses related to post-employment defined benefit plans	**169**	167
(e) Share based payments to employees	**254**	178
Total	**19,144**	**13,056**

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

29. IMPAIRMENT ON FINANCIAL INSTRUMENTS

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Loans - at amortised cost		
(i) Impairment allowance - stage I & II	**9,973**	8,547
(ii) Impairment allowance - stage III (net of recoveries)	**(4,601)**	6,971
(iii) Write off - Loans	**10,929**	20,164
(b) Trade receivables - at amortised cost	-	-
Total	**16,301**	**35,682**

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

30. OTHER EXPENSES

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Advertisements and publicity	**811**	887
(b) Brand Equity and Business Promotion	**790**	790
(c) Corporate social responsibility cost (Refer Note No 30.3 below)	**853**	728
(d) Incentive / commission / brokerage	**9**	4
(e) Information technology expenses	**5,154**	3,873
(f) Insurance charges	**472**	439
(g) Legal and professional fees	**1,224**	1,348
(h) Loan processing fees	**1,692**	1,238
(i) Printing and stationery	**189**	164
(j) Power and fuel	**186**	131
(k) Repairs and maintenance	**53**	42
(l) Rent	**759**	926
(m) Rates and taxes	**37**	2
(n) Service providers' charges	**3,984**	2,394
(o) Training and recruitment	**91**	122
(p) Telephone, telex and leased line	**82**	101
(q) Travelling and conveyance	**716**	316
(r) Directors remuneration	**60**	83
(s) Net loss on derecognition of property, plant & equipment	**4**	18
(t) Collection Charges	**1,548**	839
(u) Audit Fees (Refer Note No 30.1 below)	**109**	80
(v) Other expenses	**355**	291
Total	**19,178**	**14,847**

30.1 Auditors Remuneration (including out of pocket expenses and excluding taxes) as below.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit Fees	80	40
Tax Audit Fees	10	4
Other Services (includes out of pocket expenses)*	19	36
Total	**109**	**80**

* Other Services include fees for certifications

30.2 Expenditure in foreign currency

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Legal and professional fees	11	21
Information Technology Expenses	480	662
Total	**491**	**683**

30.3 Corporate social responsibility expenses

(a) Gross amount required to be spent by the company during the year was Rs. 853 lakh (March 31, 2021 : Rs. 728 lakh).

(b) Amount spent and paid during the year on:

Particulars	Paid	Yet to paid
(i) Construction/acquisition of any asset	**853**	-
(ii) On purposes other than above (i)	**-**	-

(c) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year: Nil.
(d) The total of previous years' shortfall amounts: Nil
(e) The reason for above shortfalls by way of a note: Not Applicable
(f) The nature of CSR activities undertaken by the Company: To improve the lives of the community, especially the socially and economically underprivileged communities, by making a long term, measurable and positive impact through projects in the areas of Education, Climate Action, Health and Skill Development.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

31. Contingent Liabilities and Commitments (to the extent not provided for):

(a) Contingent Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Suits filed against the Company	575	391
Income Tax (Pending before Appellate authorities)	51	-
Bank Guarantees	25	-

(b) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances given).

- Tangible: Rs. 167 lakh (March 31, 2021 : Rs. 40 lakh)
- Intangible: Rs. 454 lakh (March 31, 2021 : Rs. 195 lakh)

(c) Undrawn Commitment given to Borrowers

- As on March 31, 2022 Rs. 5,20,104 lakh (March 31, 2021: Rs. 3,06,100 lakh)
  - Less than 1 year: Rs. 1,79,330 lakh (March 31, 2021: Rs. 1,28,310 lakh)
  - More than 1 year: Rs. 3,40,774 lakh (March 31, 2021: Rs. 1,77,790 lakh)

32. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

A. List of related parties and relationship:

Ultimate holding Company	Tata Sons Private Limited (formerly Tata Sons Limited)
Holding Company	Tata Capital Limited
Subsidiaries of Holding Company	Tata Capital Pte. Limited Tata Capital Growth Fund I Tata Capital Special Situation Fund Tata Capital Healthcare Fund I Tata Capital Healthcare Fund II Tata Capital Innovations Fund Tata Capital Growth Fund II Tata Capital Growth II General Partners LLP Tata Capital Markets Pte. Ltd. (ceased w.e.f. 23.09.2020) Tata Capital Advisors Pte. Ltd. Tata Capital Plc Tata Capital General Partners LLP Tata Capital Healthcare General Partners LLP Tata Opportunities General Partners LLP Tata Securities Limited Tata Capital Financial Services Limited Tata Capital Healthcare II General Partners LLP Tata Capital Opportunities II General Partners LLP (ceased w.e.f. 23.09.2020) Tata Capital Opportunities II Alternative Investment Fund (ceased w.e.f. 31.03.2021) Tata Cleantech Capital Limited
Subsidiaries and associates of ultimate holding company (with which the company had transactions)	Tata Consultancy Services Limited Tata Teleservices Maharashtra Limited Tata Teleservices Limited Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited) (ceased w.e.f. 16th April 2021) Tata AIA Life Insurance Company Limited Tata AIG General Insurance Company Limited Tata Communications Limited Titan Company Ltd Voltas Limited Trent Limited Tata Communications Payment Solutions Limited Tata Technologies Limited The Indian Hotels Company Limited PIEM Hotels Limited ROOTS Corporation Limited Tata Digital Private Limited TATA Medical And Diagnostics Limited United Hotel Limited
Plans	Tata Capital Limited Gratuity Scheme Tata Capital Limited Employees Provident Fund Tata Capital Limited Superannuation Scheme TCL Employee Welfare Trust
Key Management Personnel	Mr. Anil Kaul (Managing Director) Mr. Rajiv Sabharwal (Director) Mr. Ankur Verma (Director) Mr. Mehernosh B. Kapadia (Director) Ms. Anuradha E. Thakur (Director) Mr. Sujit Kumar Varma (Director) (Appointed as a Director w.e.f. 1st February 2022) Mr. Mahadeo Bhiku Raikar (Chief Financial Officer) (Appointed as a Chief Financial Officer w.e.f. 17th August 2020) Mr. Jinesh Meghani (Company Secretary) (Ceased to be Company Secretary w.e.f. 15th September 2021) Ms. Priyal Shah (Company Secretary) (Appointed as a Company Secretary w.e.f 31st December 2021)

(Rs. in lakh)

Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015: *(Continued)*

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

Sr. No.	Party Name	Nature of transaction	2021-22	2020-21
1	**Tata Sons Private Limited**	**Expenses**		
	(formerly Tata Sons Limited)	BEBP Expenses	790	790
		Training Expenses *	-	0
		Consultancy charges	-	3
		Liabilities		
		Balance payable	790	790
2	**Tata Capital Limited**	**Expenses**		
	(Holding Company)	ICD Interest	581	784
		Service provider charges	1,117	802
		Dividend paid on Equity Shares	8,651	5,038
		Insurance expenses	2	-
		Other transactions		
		Inter-Corporate Deposit received	2,92,696	1,23,840
		Inter-Corporate Deposit repaid	2,95,586	1,20,950
		Liabilities		
		Balance payable	215	198
		Inter-Corporate Deposit Payable	-	2,890
		Accrued Interest on ICD Outstanding Payable	-	20
3	**Tata Capital Financial Services Limited**	**Income**		
		Rent recovery	85	79
		Guest House Recovery*	2	0
		Reimbursement of valuation expenses	80	-
		Expenses		
		Rent expenses	700	956
		Guest house expenses	6	5
		Referral Fees	15	14
		Employee Commission	33	35
		Other transactions		
		Transfer of loans and processing fees	-	6,090
		Purchase of Fixed Assets	22	-
		Sale of Fixed Asset*	0	0
		Liabilities		
		Balance payable (Net)	58	453
4	**Conneqt Business Solutions Limited**	**Expenses**		
	(ceased to be an associate w.e.f. 16.04.2021)	Outsourcing Expenses	-	2,227
		Liabilities		
		Balance payable	-	399
5	**Tata Consultancy Services Limited**	**Expenses**		
		Information technology expenses	2,819	1,854
		Other transactions		
		Purchase of Fixed Assets	21	35
		Liabilities		
		Balance payable	1,384	554

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015: ***(Continued)***

B. Transactions carried out with related parties referred in "A" above: ***(Continued)***

Sr. No.	Party Name	Nature of transaction	2021-22	2020-21
6	**Tata AIA Life Insurance Company Limited**	**Expenses**		
		Insurance Expense for Employees	52	30
		Other transactions		
		Advance given	86	42
7	**Tata AIG General Insurance Company Limited**	**Expenses**		
		Insurance expenses	15	6
		Interest expenses on Secured NCDs	242	243
		Interest expenses on Public NCDs	397	397
		Other transactions		
		Advance given	4	5
8	**Tata Teleservices Limited**	**Expenses**		
		Telephone Expenses	2	3
9	**Tata Teleservices Maharashtra Limited**	**Expenses**		
		Telephone Expenses	3	4
		Other transactions		
		Advance given*	-	0
10	**Tata Communications Limited**	**Expenses**		
		Information technology expenses	39	21
11	**Titan Company Ltd**	**Expenses**		
		Staff welfare	-	2
12	**Voltas Limited**	**Expenses**		
		Repair & Maintainence	4	5
		Other transactions		
		Purchase of Fixed Assets	15	2
13	**Tata Capital Limited Employees Provident Fund Trust**	**Expenses**		
		Contribution to Provident Fund	441	346
		Other transactions		
		Employees Contribution to Provident Fund	689	546
14	**Tata Capital Limited Superannuation Scheme**	**Expenses**		
		Contribution to Superannuation	10	11
15	**Trent Limited**	**Other transactions**		
		Advance given	-	2
16	**Tata Securities Limited**	**Income**		
		Rent income	12	2
		Expenses		
		Referral Fees	1	1
		DP Cost	8	
		Liabilities		
		Balance payable	8	1
17	**Tata Communications Payment Solutions Limited**	**Expenses**		
		Staff welfare*	-	0
18	**TATA Technologies Limited**	**Expenses**		
		Information technology expenses	86	49
19	**The Indian Hotels Company Limited**	**Expenses**		
		Staff welfare	1	1
		Training Expenses	1	-
20	**PIEM Hotel Limited**	**Expenses**		
		Staff welfare	3	-
21	**ROOTS Corporation Ltd**	**Expenses**		
		Staff welfare*	0	-
22	**Tata Digital Private Limited**	**Income**		
		Interest Income on Loan	841	-
		Other Transactions		
		Disbursement of Loan	25,000	-
		Repayment of Loan	25,000	-
23	**TATA Medical And Diagnostics Limited**	**Expenses**		
		Safety Initiatives*	0	-
24	**United Hotel Limited**	**Expenses**		
		Staff Welfare	1	-
25	**Key Management**	**Remuneration to KMP**		
		Short Term Employee Benefits	559	401
		Post Employment Benefits	18	15
		Termination Benefits	6	-
		- Share based payments (No. of Shares) ^		
		(i) Options granted till date	25,80,406	19,21,420
		(ii) Options exercised till date	56,420	51,420
		Director sitting fees	31	31
		- Director commission	30	49
		Interest income against home loans	-	4
		Repayment received against home loans	-	123

*Less than Rs.50,000/-
^ESOP has been granted by Tata Capital Limited (Holdings Company).
All transactions with these related parties are priced at arm's length and are in the ordinary course of business.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

33. Earnings per Share (EPS):

Particulars		**2021-22**	**2020-21**
Profit after tax	Rs. in Lakh	56,853	35,525
Add: Preference dividend (including dividend distribution tax)	Rs. in Lakh	-	-
Profit after tax attributable to parent company	Rs. in Lakh	56,853	35,525
Weighted average number of Equity shares used in computing Basic / Diluted EPS	Nos	54,75,55,612	54,75,55,612
Face value of equity shares	Rupees	10	10
Earnings per share (Basic and Diluted)	Rupees	**10.38**	**6.49**

34. Movement in Impairment loss allowance - Stage I & II (provisions against standard assets) during the year is as under:

Particulars	**2021-22**	**2020-21**
Opening Balance	43,197	34,650
Additions during the year	9,973	8,547
Utilised during the year	-	-
Closing Balance	**53,170**	**43,197**

Includes Provision for off Balance Sheet exposure - Rs. 2,439 lakh (March 31, 2021: Rs. 2,110 lakh)

(Rs. in lakh)

35. Share based payment

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

A. Description of share based payments:

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2021 RSU
i. Vesting requirements	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	20% at the end of each 12 and 20 months and 30% at the end of each 32 and 44 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	100% at the end of 36 months from the date of grant
ii. Maximum term of option	7 years	7 years	7 years	7 years	3 years
iii. Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
iv. Modifications to share based payment plans	N.A.	N.A.	N.A.	N.A.	N.A.
iv. Any other details as disclosed in the audited Ind AS financial statements	N.A.	N.A.	N.A.	N.A.	N.A.

B. Summary of share based payments

31 March 2022

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2021 RSU	Total
Outstanding balance at the beginning of the period	**10,20,000**	**10,75,000**	**12,32,500**	**-**	**-**	**33,27,500**
Options granted	-	-	-	7,68,750	3,31,394	11,00,144
Options forfeited	1,25,000	1,75,000	3,02,500	-	-	6,02,500
Options exercised	-	20,000	-	-	-	20,000
Options expired	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-
Options outstanding at the end of the period	**8,95,000**	**8,80,000**	**9,30,000**	**7,68,750**	**3,31,394**	**38,05,144**
Options exercisable at the end of the period	6,26,500	3,52,000	1,86,000	-	-	11,64,500
For share options exercised:						
Weighted average exercise price at date of exercise						51
Money realized by exercise of options						10,20,000
For share options outstanding						
Range of exercise prices	50.60	51.00	40.30	51.80	51.80	
Average remaining contractual life of options	4.50	5.34	6.34	6.34	2.50	5.34
Modification of plans	N.A.	N.A.	N.A.	N.A.	N.A.	
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	N.A.	

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

35. Share based payment

31 March 2021

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	Total
Outstanding balance at the beginning of the period	**10,20,000**	**11,75,000**	**-**	**21,95,000**
Options granted	-	-	12,32,500	12,32,500
Options forfeited	-	1,00,000	-	1,00,000
Options exercised	-	-	-	-
Options expired	-	-	-	-
Options lapsed	-	-	-	-
Options outstanding at the end of the year	**10,20,000**	**10,75,000**	**12,32,500**	**33,27,500**
Options exercisable at the end of the period	4,08,000	2,15,000	-	6,23,000
For share options exercised:				
Weighted average exercise price at date of exercise				-
Money realized by exercise of options				-
For share options outstanding				
Range of exercise prices	50.60	51.00	40.30	
Average remaining contractual life of options	4.50	5.34	6.34	5.49
Modification of plans	N.A.	N.A.	N.A.	
Incremental fair value on modification	N.A.	N.A.	N.A.	

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

35. Share based payment

C. Valuation of stock options

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes formula. The inputs used in measuring the fair values at grant date of the equity-settled sharebased payment plans were as follows :

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021
Share price:	**50.60**	**51.00**	**40.30**	**51.80**
Exercise Price:	**50.60**	**51.00**	**40.30**	**51.80**
Fair value of option:	**23.34**	**23.02**	**17.07**	**22.33**
Valuation model used:	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation
Expected Volatility:	0.38	0.41	0.42	0.41
Basis of determination of expected volatility:	Average historical volatility over 4.85 years of comparable companies	Average historical volatility over 4.85 years of comparable companies	Historical volatility of equity shares of comparable companies over the period ended December 15,2020 based on the life of	Historical volatility of equity shares of comparable companies over the period ended October 01,2021 based on the life of options
Contractual Option Life (years):	7.00	7.00	7.00	7.00
Expected dividends:	0.00	0.00	0.00	0.00
Risk free interest rate:	8.04%	6.28%	5.22%	5.87%
Vesting Dates	20% vesting on September 30, 2019	20% vesting on August 01, 2020	20% vesting on December 14, 2021	20% vesting on September 30, 2022
	40% vesting on September 30, 2020	40% vesting on August 01, 2021	40% vesting on July 31, 2022	40% vesting on July 31, 2023
	70% vesting on September 30, 2021	70% vesting on August 01, 2022	70% vesting on July 31, 2023	70% vesting on July 31, 2024
	100% vesting on September 30, 2022	100% vesting on August 01, 2023	100% vesting on July 31, 2024	100% vesting on July 31, 2025
Valuation of incremental fair value on modification	N.A.	N.A.	N.A.	N.A.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

35. Share based payment

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

As at March 31, 2022

	Mr. Anil Kaul		Mr. Mahadeo Bhiku Raikar #		Mr. Jinesh Meghani^		Ms. Priyal Shah*	
Name of Scheme	**Granted**	**Exercised**	**Granted**	**Exercised**	**Granted**	**Exercised**	**Granted**	**Exercised**
ESPS 2009	-	-	26,420	26,420	-	-	-	-
ESPS 2011	-	-	-	-	-	-	-	-
ESOP 2011	-	-	-	-	-	-	-	-
PS 2013	-	-	-	-	-	-	-	-
ESPS 2013	-	-	-	-	-	-	-	-
ESOP 2013	-	-	-	-	-	-	-	-
ESOP 2016	-	-	10,000	10,000	5,000	5,000	5,000	5,000
ESOP 2017	-	-	10,000	10,000	10,000	-	10,000	-
ESOP 2018	6,00,000	-	-	-	-	-	-	-
ESOP 2019	6,00,000	-	-	-	-	-	-	-
ESOP 2020	6,60,000	-	-	-	-	-	-	-
ESOP 2021	4,50,000	-	-	-	-	-	-	-
ESOP 2021 RSU	1,93,986	-	-	-	-	-	-	-
Total	**25,03,986**	**-**	**46,420**	**46,420**	**15,000**	**5,000**	**15,000**	**5,000**

As at March 31, 2021

	Mr. Anil Kaul		Mr. Mahadeo Bhiku Raikar #		Mr. Jinesh Meghani^	
Name of Scheme	**Granted**	**Exercised**	**Granted**	**Exercised**	**Granted**	**Exercised**
ESPS 2009	-	-	26,420	26,420	-	-
ESPS 2011	-	-	-	-	-	-
ESOP 2011	-	-	-	-	-	-
PS 2013	-	-	-	-	-	-
ESPS 2013	-	-	-	-	-	-
ESOP 2013	-	-	-	-	-	-
ESOP 2016	-	-	10,000	10,000	5,000	5,000
ESOP 2017	-	-	10,000	10,000	10,000	-
ESOP 2018	6,00,000	-	-	-	-	-
ESOP 2019	6,00,000	-	-	-	-	-
ESOP 2020	6,60,000	-	-	-	-	-
Total	**18,60,000**	**-**	**46,420**	**46,420**	**15,000**	**5,000**

^ Mr. Jinesh Meghani ceased to be Company Secretary w.e.f. 15th September 2021.
# Mr. Mahadeo Bhiku Raikar appointed as a Chief Financial Officer w.e.f. 17th August, 2020.
* Ms. Priyal Shah was appointed as a Company Secretary w.e.f. 31st December , 2021.

(Rs. in lakh)

36. Employee benefit expenses

A. Defined contribution plans

The Company makes contribution towards superannuation fund, a defined contribution retirement plan for qualifying employees. The Superannuation fund is administered by superannuation fund set up as Trust by Tata Capital Limited ("the ultimate parent Company"). The Company is liable to pay to the superannuation fund to the extent of the amount contributed. The Company recognizes such contribution as an expense in the year of contribution. The Company has recognised ₹ 9 lakhs (March 31, 2021 : ₹ 11 lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss.

B. Defined benefit plan

1) Provident Fund

The Company makes Provident Fund contributions, a defined contribution plan for qualifying employees. Under the Schemes, both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office, as specified under the law, are made to the provident fund set up as an irrevocable trust by Tata Capital Limited ("the ultimate parent Company"). The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Hence the Company is liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government. The total liability in respect of the interest shortfall of the Fund is determined on the basis of an actuarial valuation. The interest liability arising only to the extent of the aforesaid differential shortfalls is a defined benefit plan. There is no such shortfall as at March 31, 2022.
The Provident Fund contributions along with the interest shortfall if any are recognized as an expense in the year in which it is determined. The Company has recognised ₹ 643 lakh (March 31, 2021 : ₹ 507 lakh) for Provident Fund contributions and ₹ Nil (March 31, 2021 : ₹ Nil) for interest shortfalls in the Statement of Profit and Loss.

2) Gratuity

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

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

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

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

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

1. Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

2. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

3. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

4. Investment risk : For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

36. Employee benefit expenses *(Continued)*

5. Legislative risk : Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Movement in net defined benefit (asset) liability

a) Reconciliation of balances of Defined Benefit Obligations.

	For the year ended March 31, 2022		For the year ended March 31, 2021	
Particulars	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Defined Obligations at the beginning of the year	941	-	884	-
Current service cost	180	-	166	-
Interest cost	56	-	54	-
Amalgamations / Acquisitions	(22)	-	6	-
a. Due to change in financial	(8)	-	(8)	-
b. Due to change in experience	(19)	-	(100)	-
Benefits paid directly by the Company	(138)	-	(61)	-
Defined Obligations at the end of the year	**990**	**-**	**941**	**-**

b) Reconciliation of balances of Fair Value of Plan Assets

	For the year ended March 31, 2022		For the year ended March 31, 2021	
Particulars	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
As on 31 March 2020				
Fair Value at the beginning of the	1,124	-	800	-
Expected return on plan assets	25	-	181	-
Employer contributions	-	-	84	-
Amalgamations / Acquisitions	(22)	-	6	-
Interest Income on Plan Assets	72	-	53	-
Fair Value of Plan Assets at the end of the year	**1,199**	**-**	**1,124**	**-**

c) Funded status

	For the year ended March 31, 2022		For the year ended March 31, 2021	
Particulars	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Surplus of plan assets over	**209**	-	**183**	-
Total	**209**	**-**	**183**	**-**

d) Categories of plan assets

	For the year ended March 31, 2022		For the year ended March 31, 2021	
Particulars	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Corporate bonds	226	-	224	-
Equity shares	87	-	70	-
Government securities	268	-	270	-
Insurer managed funds - ULIP	565	-	534	-
Cash	52	-	27	-
Total	**1,199**	**-**	**1,124**	**-**

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

36. Employee benefit expenses *(Continued)*

e) Amount recognised in Balance sheet

Particulars	For the year ended March 31, 2022 Total Funded	For the year ended March 31, 2022 Total Unfunded	For the year ended March 31, 2021 Total Funded	For the year ended March 31, 2021 Total Unfunded
Present value of the defined benefit obligation	990	-	941	-
Fair value of plan assets	1,199	-	1,124	-
Net asset / (liability) recognised in the Balance Sheet	**209**	**-**	**183**	**-**

f) Amount recognised in Statement of Profit and Loss

Particulars	For the year ended March 31, 2022 Total Funded	For the year ended March 31, 2022 Total Unfunded	For the year ended March 31, 2021 Total Funded	For the year ended March 31, 2021 Total Unfunded
Current Service Cost	180	-	166	-
Interest Cost (net)	(16)	-	1	-
Expenses for the year	**164**	**-**	**167**	**-**

g) Amount recognised in OCI

Particulars	For the year ended March 31, 2022 Total Funded	For the year ended March 31, 2022 Total Unfunded	For the year ended March 31, 2021 Total Funded	For the year ended March 31, 2021 Total Unfunded
a. Due to change in financial assumptions	**(8)**	**-**	**(8)**	**-**
b. Due to change in experience adjustments	**(19)**	**-**	**(100)**	**-**
c. (Return) on plan assets (excl. interest income)	(25)	-	(181)	-
Total remeasurements in OCI	**(52)**	**-**	**(289)**	**-**
Total defined benefit cost recognized in P&L and OCI	**112**	**-**	**(122)**	**-**

h) Expected cash flows for the following year

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Expected total benefit payments	**1,650**	**1,504**
Year 1	**83**	**84**
Year 2	**102**	**81**
Year 3	**121**	**110**
Year 4	**144**	**118**
Year 5	**147**	**155**
Next 5 years	**1,052**	**956**

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

36. Employee benefit expenses *(Continued)*

i) Major Actuarial Assumptions

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount Rate (%)	6.40%	6.40%
Salary Escalation/ Inflation (%)	Non CRE : 8.25% CRE and J Grade : 6%	Non CRE : 8.25% CRE and J Grade : 6%
Expected Return on Plan assets (%)	6.50%	6.40%
Mortality Table	**Indian assured lives Mortality (2006-08) (modified) Ult.**	**Indian assured lives Mortality (2006-08) (modified) Ult.**
Withdrawal (rate of employee turnover)	CRE and J Grade : 40% Non CRE : Service Rate Less than 5 years 25% More than 5 years 10%	CRE and J Grade : 40% Non CRE : Service Rate Less than 5 years 25% More than 5 years 10%
Retirement Age	**60 years**	**60 years**
Estimate of amount of contribution in the immediate next year	83	84

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

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

i) Sensitivity analysis

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

	For the year ended March 31, 2022		For the year ended March 31, 2021	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(74.2)	84.9	(73.0)	83.7
Future salary growth (1%	82.8	(73.8)	81.5	(72.6)
Others (Withdrawal rate 5%	(85.0)	124.8	(86.3)	128.1

j) Provision for leave encashment

	For the year ended March 31, 2022		For the year ended March 31, 2021	
Particulars	**Non current**	**Current**	**Non current**	**Current**
Liability for compensated absences	260	102	283	87

Experience adjustments	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
Funded					
2021-22	990	1,199	209	19	25
2020-21	941	1,124	183	100	181
Unfunded					
2021-22	-	-	-	-	-
2020-21	-	-	-	-	-

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

37. Fair values of financial instruments

See accounting policy in Note 2(iv).

A. Valuation models

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

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

b) Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

c) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at measurement date. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. Valuation techniques include net present value and discounted cash flow models, income approach, comparison with similar instruments for which observable market prices exist, option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free returns, benchmark interest rates and credit spreads used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

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

The Company uses widely recognised valuation models to determine the fair value of financial instruments, such as forward rate agreement, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

For more complex instruments, the Company uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and may be derived from market prices or rates or estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, determination of expected volatilities and correlations and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Company believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counterparty where appropriate. Model inputs and values are calibrated against historical data, where possible, against current or recent observed transactions in different instruments. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management uses judgement to select the most appropriate point in the range.

Discounting of the cash flows of financial asset/ financial liability for computing the fair value of such instrument: the future contractual cash flows of instrument over the remaining contractual life of the instrument are discounted using comparable rate of lending/borrowing as applicable to financial asset/ financial liability in the month of reporting for a similar class of instruments.

Derivatives held for risk management :
The Company enters into structured derivatives to mitigate the currency exchange risk and interest rate risk on account of fluctuation in the foreign exchange rates and floating rates towards the principal and interest repayments of external commercial borrowing. Some of these instruments are valued using models with significant unobservable inputs, principally expected long-term volatilities and expected correlations between different underlyings.

(Rs. in lakh)

37. Fair values of financial instruments *(Continued)*

See accounting policy in Note 2(iv).

B. Valuation framework

The Company has a established a policy for the measurement of fair values addressing the requirement to independently verify the results of all significant fair value measurements. Specific controls include:
1) verification of observable pricing basis actual market transactions;
2) re-performance of model valuations;
3) a review and approval process for new models and changes to models
4) annual calibration and back-testing of models against observed market transactions;
5) analysis and investigation of significant annual valuation movements; and
6) review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous year.

When third party information, such as valuation agency report is used to measure fair value, the Company assesses the documents and evidence used to support the conclusion that the valuations meet the requirements of Ind AS. This includes:
1) understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
2) when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
3) if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

Significant valuation issues are reported to the Audit Committee.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

37. Fair values of financial instruments *(Continued)*

C. The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(ii) to the financial statements.

Financial assets and liabilities

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

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	70,526	70,526
Other balances with banks	-	-	-	-	47	47
Derivative financial instruments	-	-	-	-	-	-
Trade receivables	-	-	-	-	1,626	1,626
Loans	-	-	-	-	28,49,575	28,49,575
Investments	1,50,496	-	-	-	28,120	1,78,616
Other financial assets	-	-	-	-	399	399
Total	**1,50,496**	**-**	**-**	**-**	**29,50,293**	**31,00,789**
Financial Liabilities:						
Derivative financial instruments	-	1,143	-	-	-	1,143
Trade and other payables	-	-	-	-	10,180	10,180
Borrowings *	-	-	-	-	27,21,762	27,21,762
Lease Liabilities	-	-	-	-	4,041	4,041
Other financial liabilities	-	-	-	-	20,538	20,538
Total	**-**	**1,143**	**-**	**-**	**27,56,521**	**27,57,664**

* Borrowings includes Debt Securities, Borrowings (Other than debt securities) and Subordinated liabilities.

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

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	56,829	56,829
Other balances with banks	-	-	-	-	32	32
Derivative financial instruments	-	16	-	-	-	16
Trade receivables	-	-	-	-	544	544
Loans	-	-	-	-	24,69,453	24,69,453
Investments	1,50,476	-	-	-	-	1,50,476
Other financial assets	-	-	-	-	418	418
Total	**1,50,476**	**16**	**-**	**-**	**25,27,276**	**26,77,768**
Financial Liabilities:						
Derivative financial instruments	-	1,396	-	-	-	1,396
Trade and other payables	-	-	-	-	9,604	9,604
Borrowings *	-	-	-	-	23,48,147	23,48,147
Lease Liabilities	-	-	-	-	3,349	3,349
Other financial liabilities	-	-	-	-	19,258	19,258
Total	**-**	**1,396**	**-**	**-**	**23,80,358**	**23,81,754**

* Borrowings includes Debt Securities, Borrowings (Other than debt securities) and Subordinated liabilities.

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

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

37. Fair values of financial instruments *(Continued)*

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For mutual funds, published net asset value (NAV) is used for the purpose of computation of fair value.

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
a) Fair value is computed for financial asset carried at amortised cost by comparing the contracted internal rate of return with the weighted average coupon rate for the loans disbursed in the reporting month.
b) For all other financial assets and financial liabilities, the carrying value approximates the fair value of the instrument.

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

As at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets:				
Derivative financial instruments	-	-	-	-
Investments	-	1,50,496	-	1,50,496
Total	**-**	**1,50,496**	**-**	**1,50,496**
Financial Liabilities:				
Derivative financial instruments	-	1,143	-	1,143
Total	**-**	**1,143**	**-**	**1,143**

As at March 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets:				
Derivative financial instruments	-	16	-	16
Investments	-	1,50,476	-	1,50,476
Total	**-**	**1,50,492**	**-**	**1,50,492**
Financial Liabilities:				
Derivative financial instruments	-	1,396	-	1,396
Total	**-**	**1,396**	**-**	**1,396**

The following table summarises disclosure of fair value of financial assets and liabilities measured at amortised cost:

Measured at Level 3	**As at March 31, 2022**		**As at March 31, 2021**	
	Carrying Value	**Fair value**	**Carrying Value**	**Fair value**
Financial Assets at amortised cost:				
Loans	28,49,575	29,73,054	24,69,453	26,40,238
Investments	28,120	28,278	-	-
Total	**28,77,695**	**30,01,332**	**24,69,453**	**26,40,238**
Financial Liabilities at amortised cost:				
Borrowings (includes debt securities and subordinated liabilities)	27,21,762	27,53,888	23,48,147	23,70,778
Total	**27,21,762**	**27,53,888**	**23,48,147**	**23,70,778**

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

37. Fair values of financial instruments *(Continued)*

The following table summarises valuation techniques used to determine fair value, fair value measurements using significant unobservable inputs (level 3) and valuation inputs and relationship to fair value

Financial instruments	Fair value as at As at March 31, 2022	Fair value as at As at March 31, 2021	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Loans	29,73,054	26,40,238	Level 3	Discounted cash flows	Discounting rate and future expected cash flows	Higher the discounting rate lower the fair value of loans
Financial Assets at Fair value	**29,73,054**	**26,40,238**				

Financial instruments	Fair value as at As at March 31, 2022	Fair value as at As at March 31, 2021	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Borrowings (includes debt securities and subordinated liabilities)	27,53,888	23,70,778	Level 3	Discounted cash flows	Discounting rate and future expected cash flows	Higher the discounting rate lower the fair value of Borrowings
Financial Liabilities at Fair value	**27,53,888**	**23,70,778**				

In the absence of any significant movement in interest rates on account of COVID-19, there are no significant impact estimated on account of the change in the fair values of the financial instruments.

Fair value of the Financial instruments measured at amortised cost:

The fair value of loans given is based on observable market transactions, to the extent available. Wherever the observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes interest rates, prepayment rates, primary origination or secondary market spreads. Input into the models may include information obtained from other market participants, which includes observed primary and secondary transactions.

To improve the accuracy of the valuation estimate for retail and smaller commercial loans, homogeneous loans are grouped into portfolios with similar characteristics such as product.

The fair value of borrowings is estimated using discounted cash flow techniques, applying the rates that are offered for borrowings of similar maturities and terms.

(Rs. in lakh)

38. Risk Management Framework

A) Introduction

As a financial institution, the Company is exposed to various types of risks namely credit risk, liquidity risk, market risks, operational risk, strategic risk (including emerging & external risks) and compliance & reputation risk. We have adopted a holistic and data driven enterprise level risk management approach which includes monitoring both internal and external indicators.

We as an organization periodically adjust our strategy, incognizance with industry risk dynamics and emergence of new challenges and opportunities.

The purpose of risk management is the creation and protection of value. The Company's risk management framework has been laid down with long term sustainability and value creation in mind.

The Company's Risk Management framework has been created with an intent to:
•Build profitable and sustainable business with conservative risk management approach.
•Have risk management as an integral part of the organization's business strategy.
•Undertake businesses that are well understood and within acceptable risk appetite.
•Manage the risks proactively across the organization.
•Adopt best risk management practices with resultant shareholder value creation and increased stakeholder confidence.
•Develop a strong risk culture across the organization.

The risk management practices of the Company are compliant with ISO 31000: 2018 which is the international standard for risk management that lays down principles, guidelines and framework for risk management in an organisation.

B) Company's Risk Management Framework for Measuring and Managing Risk

Risk Management Framework
The Company's Capital Risk Management is an integral part of all organizational activities. The structured approach contributes to consistent and comparable results along with customization of external and internal objectives. Important pillars of the risk management approach are developing a strong risk management culture within the Company through alignment of risk by creating, preserving and realizing value.

A comprehensive Enterprise Risk Management ("ERM") Framework has been adopted across the Company which uses defined Key Risk Indicators based on quantitative and qualitative factors. We have implemented two-dimensional quantitative data management tool - Heat Map which enables management to have a comprehensive view of 9 identified key risk areas based on their probability and impact.

The 9 categories of risks identified and monitored by the company are Credit Risk, Market Risk, Process, People, Outsourcing, Technology, Business Continuity, Cyber Security and Reputation risk.

Nature of Risk	Framework	Governing Committees
Credit Risk	Enterprise Risk Management Various Credit Policies, Portfolio review and trigger monitoring	Risk Management Committee of the Board Investment Credit Committee of the Board Credit Committees
Market Risk	Enterprise Risk Management Asset Linked Market Policy	Risk Management Committee of the Board Asset Liability Management Committee of the Board
Process Risk	Operational Risk Policy	Operational Risk Management Committee
People Risk	Operational Risk Policy HR Policies	Risk Management Committee of the Board Operational Risk Management Committee
Outsourcing	Operational Risk Policy Outsourcing Policy	Risk Management Committee of the Board Operational Risk Management Committee
Technology	Operational Risk Policy Information Technology Policy	Risk Management Committee of the Board IT Strategy Committee of the Board
Business Continuity	Operational Risk Policy Business Continuity Management Policy	Operational Risk Management Committee
Cyber Security	Information & Cyber Security Policy	Risk Management Committee of the Board IT Strategy Management Committee of the Board
Reputational Risk	Enterprise Risk Management Framework Ethics Policy POSH Policy Tata Code of Conduct	Risk Management Committee of the Board

The Board is assisted by Risk Management Committee of the Board ('RMC') and is supported by various Board and Senior management committees as part of the Risk Governance framework to ensure that the company has sound system of risk management and internal controls

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

(Rs. in lakh)

38. Risk Management Framework

Board level committees

Risk Management Committee of the Board (RMC): The purpose of the Committee is to assist the Board in its oversight of various risks (i) Credit Risk (ii) Market and Liquidity Risk (iii) Operational Risk (Process, People, Outsourcing , Technology, Business Continuity and Fraud) (iv) Strategic Risks (including emerging and external risks) (v) Reputation Risk .(vi) Information Security & Cyber Security Risk.

Investment Credit Committee of the Board (ICC): Provide guidance on nature of investments that shall be undertaken, and approve credit limits for various counterparties, where exposures in aggregate exceed a certain level.

Asset Liability Management Committee of the Board (ALCO): ALCO reviews the Liquidity Risk and Interest Rate Risk on a regular basis and suggest necessary actions based on its view and expectations on the liquidity and interest rate profile.

IT Strategy Committee: Reviews and approves IT strategy and policies. Monitors IT resources required to achieve strategic goals and ensure that maximum value is delivered to business.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the activities of the Company. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Risk Management Committee reviews risk management policies of the Company pertaining to credit, market, liquidity and operational risks. It oversees the monitoring of compliances with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Senior Management Committees

Management Credit Committee (MCC): The members of committee are senior management of the company as defined in the prevailing delegation of authority. It recommends proposal including review to ICC / Board for loan facilities falling beyond assigned Delegation of Power and Authority. The committee is governed as per the delegation of authority applicable to the company.

Operational Risk Management Committee (ORMC): ORMC is the oversight committee for ensuring effective management of operational risks. . The committee reviews and approves the following :

•Operational risk management policy and including amendments if any.
•Insurance management framework.
•Corrective actions on operational risk incidents, based on analysis of the KRIs, operational risk process reviews, etc.
•Operational risk profile based on the KRIs which are beyond the tolerance limit

Fraud Risk Management Committee (FRMC): An independent Fraud Risk Management Committee (FRMC) comprising of top management representatives has been constituted that reviews the matters related to fraud risk and approve / recommend actions against frauds.

Business Unit Level Committees

There are various committees that exist at the business level for credit sanctions, monitoring and reviews such as Credit Committee (CC), Credit Monitoring Committee (CMC) for corporate lending business and Credit Monitoring Committee (CMC).

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

(Rs. in lakh)

38. Risk Management Framework

C) Company's Risk Management Approach for handling various type of risks

a) Credit Risk

The Credit Risk management framework is based on the philosophy of First and Second line of Defence with underwriting being responsibility of Credit department and controls around policies and processes are driven by Risk department. Each process and business verticals have Credit underwriting, Risk analytics, Policy and Operational Risk unit. Delegation of Authority is defined based on value at risk and deviation matrix as approved by the Board.

The Company has reviewed Credit policies from time to time based on macroeconomic scenarios, pandemic and government scheme/grants, we have robust early warning signals process to ensure resilience in the policy framework for adopting changing business scenario and to mitigate various business risks.

Company has a strong fraud risk and vigilance framework to weed out fraudulent customers from system at the time of origination with support of analytical tools. Identified fraud cases in the portfolio are reviewed basis detailed root cause analysis and reported to regulator. Process improvements based on root cause analysis are implemented to control such foreseen losses in future.

Introduction of new products are based on market potential, Operational risk, Credit risk and Compliance risks. All new product launches are signed off by Risk department to mitigate key risks arising while developing strategy around launching of new product. All innovative process changes/digitization goes through rigour of risk review and highlighting risk associated with change of the process and mitigants around the same. All introduction of new products goes through a complete governance process and are approved by Board/respective committees.

Measures taken to recover from COVID pandemic:

The Company is taking following measures to recover from COVID pandemic for sustainable growth and maintaining a diversified and resilient portfolio.

i. Sanctioned loans for eligible borrowers under the Emergency Credit Line Guarantee Scheme (ECLGS) by Ministry of Finance

ii. Closely monitored impact of pandemic on financial health of state distribution companies and the support provided to them by Central Government under the Special Liquidity Scheme of Discoms.

iii. Closely monitored impact of pandemic on under-construction projects like cost over-runs, availability of labour, disruptions to supply chains, extensions for commissioning/interim grants provided by authorities etc. and have taken suitable risk mitigation measures.

iv. Closely monitored impact of pandemic on power demand requirement of off takers in open-access renewable energy projects.

v. Review of counter party risk and gradation of accounts accordingly for close monitoring.

b) Market Risk

Risk due to change in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads, but not relating to changes in the obligor's/issuer's credit standing and will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable risk tolerances levels to ensure the solvency and low volatility while optimising the balance between profitability and managing associated risks.

Under Liquidity Risk Management (LRM) framework for the Company, ALCO sets up limits for each significant type of risk/aggregated risk with liquidity being a primary factor in determining the level of limits. The monitoring of risk limits defined as per ALM policy is done by ALCO on regular basis. The company has Asset Liability Management (ALM) support group prescribed by RBI which meets on regular basis to ensure internal controls and reviews the liquidity risk management of the Company.

Interest rate risk

Interest rate risk is measured through Interest rate sensitivity report where gaps are being monitored classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to earliest of contracted/behavioural maturities or anticipated re-pricing date. The Company monitors interest rate risk through traditional gap and duration gap approaches on a monthly basis. The interest rate risk limits are approved by the ALCO.

Refer Note No 39.C.ii for summary on sensitivity to a change in interest rates as on March 31, 2022.

Currency Risk

The company is exposed to currency risk arising due to external commercial borrowings. The foreign currency loan in form of external commercial borrowing (ECB) raised by the Company are fully hedged basis.

The hedging policy as approved by the Asset Liability Committee (ALCO) prescribes the hedging of the risk associated with change in the interest rates and fluctuation of foreign exchange rates. Counter party risk is reviewed periodically in terms of exposure to various counter parties.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. All hedges entered into by the Company are cash flow hedges.

(Rs. in lakh)

38. Risk Management Framework

Equity price risk

The Company investments in equity carry a risk of adverse price movement. To mitigate pricing risk emerging from investments in equity, the Company intermittently observes the performance of sectors and measures MTM gains/losses as per applicable accounting policy of the Company.

Liquidity risk

Liquidity Risk is the risk that a Company will encounter difficulties in meeting its short-term financial obligations due to an asset– liability mismatch or interest rate fluctuations. The liquidity risk is being managed as per ALM policy which has following key elements:

i) ALCO sets the strategy for managing liquidity risk commensurate with the business objectives;
ii) ALCO has set various gap limits for tracking liquidity risk.
iii) The ALM policy is being reviewed on annual basis, including the risk tolerance, process and control. ALCO monitors the liquidity and interest rate gaps on regular basis.
iv) Company manages the liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position. The regulatory compliance to the liquidity risk related limits are being ensured.
v) The Company is fully complied to the Liquidity Coverage Ratio (LCR) framework as mandated by RBI.

Company's liquidity risk management strategy are as follows:

a. Maintaining a diversified funding through market and bank borrowings resources such as debentures, commercial papers, subordinated debt, perpetual debt, Inter-corporate deposits (ICD's), overdraft and bank term loans. Unused bank lines as well as High Quality Liquid Assets (HQLA) maintained under LCR framework constitute the main liquidity back up to meet the contingency funding plan. Additionally, based on Market scenario, the Company also maintains a portfolio of highly liquid mutual fund units.

b. The Company complies with the ALM guidelines and submits various returns and disclosures in accordance with the regulatory guidelines.

c. The Company carries out liquidity stress testing based on the cash flows and results are reported to ALCO on periodic basis. The Company has contingency funding plan in place which monitors the early warning signals arising out of company specific and market wide liquidity stress scenarios.

The Company has honoured all its debt obligations on time. Based on liquidity risk assessment, cash-flows mismatches are within the stipulated regulatory limits. The Company has been successful in maintaining the adequate liquidity by raising fresh/renewal of bank lines, regular access to capital market and financial institution under the various schemes promulgated by RBI to raise medium to long term funds. Owing to the above measures, the Company has not seen a rise in its liquidity risk.

Refer Note No 39 B ii for the Maturity analysis for Company's financial liabilities and financial assets as on March 31, 2022.

c) Operational Risk

Operational Risk has been defined as "The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". The risk of direct or indirect potential loss arising from a wide variety of causes associated with the company's processes, personnel, systems, or from external factors other than strategic and reputation risk Management of operational risk forms an integral part of the Company's enterprise wide risk management systems. The organisation thrives towards incremental improvements to its operational risk management framework to address the dynamic industry landscape. Clear strategies and oversight by the Board of Directors and senior management, a strong operational risk management culture, effective internal control and reporting and contingency planning are crucial elements of the Company's operational risk management framework.
The operational risk team monitors and reports key risk indicators ("KRI") and KRI exceptions. Suitable risk mitigation actions are taken wherever required to curtail the potential risk at the acceptable levels.
ORMC meets periodically to review the operational risk profile of the organization and oversee the implementation of the risk management framework and policies.
FRMC meets periodically to review matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

The Company has a Business Continuity Planning "BCP" framework in place, to ensure uninterrupted business operations in case any disruptive event occurs. The company immediately activated its Business Continuity Plan (BCP) during this time of COVID 19 pandemic. The Company continues to seamlessly carry out normal operations hence addressing the risk associated with occurrence of the pandemic.
The Company has an IT Disaster Recovery Planning "IT-DRP" which provides the technology framework to continue day-to-day operations using secondary/back-up systems when primary system fails. It also protects the organisation against loss of computer based data and information.

Cyber Security Risk

Various measures are adopted to effectively protect the company against phishing, social media threats and rogue mobile. During COVID-19 pandemic the Company ensured seamless accessibility of critical systems through virtual private network (VPN), thereby minimizing the risk of security/data breaches and cyber-attacks.
the Company has adopted "Framework for Improving Critical Infrastructure Cyber Security" published by the National Institute of Standards & Technology (NIST) and complies with regulatory guidelines.

d) Regulatory and Compliance Risk

Regulatory compliances are handled by Finance team, Treasury and Business teams in consultation with Company Compliance team. Statutory compliances are handled by Company Secretarial team, Administrative and people process related compliances are handled by Administration & HR departments.
Additionally, Risk team coordinates for Special Mention Accounts (SMA) and Fraud reporting in line with regulatory guidelines.
As per regulatory requirements, required policies are adopted, modified and rolled from time to time. Compliance to the defined policies is strictly adhered to.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Risk Management review

This note presents information about the Company's exposure to following risks and its management of capital.

For information on the financial risk management framework, see Note 38

A. Credit risk
i. Credit quality analysis
ii. Collateral held and other credit enhancements
iii. Amounts arising from ECL
iv. Concentration of credit risk

B. Liquidity risk
i. Maturity analysis for financial liabilities and financial assets
ii. Financial assets position- pledged/unpledged

C. Market risk
i. Exposure to interest rate risk – Non-trading portfolios
ii. Exposure to currency risks – Non-trading portfolios

D. Capital management
i. Regulatory capital
ii. Capital allocation

A. Credit risk
For the definition of credit risk and information on how credit risk is mitigated by the Company, see Note 38.

i. Credit quality analysis
The following table sets out information about the credit quality of financial assets measured at amortised cost and fair value through other comprehensive income. The amounts in the table represent gross carrying amounts for financial assets, impairment allowance and net carrying amounts for financial assets.
Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 2(xi).

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

A. **Credit risk**
Loans by Division
i. Credit quality analysis

1) **Days past due based method implemented by Company for credit quality analysis of Loans**

The table below shows the credit quality and the maximum exposure to credit risk based on the days past due and year-end stage classification of Loans. The amounts presented are gross of impairment allowances.

a)

Outstanding Gross Loans	As at March 31, 2022					As at March 31, 2021				
	Count	Stage 1	Stage 2	Stage 3	Total	Count	Stage 1	Stage 2	Stage 3	Total
Days past due										
Zero overdue	1,42,719	26,60,939	1,41,356	7,197	28,09,491	1,17,405	23,18,756	56,198	4,350	23,79,304
1-29 days	1,639	31,425	7,921	1,288	40,634	2,314	45,900	150	601	46,651
30-59 days	1,401	-	29,446	3,605	33,051	1,543	-	38,715	482	39,197
60-89 days	490	-	13,078	4,657	17,735	1,311	-	30,070	621	30,691
90 or more days	1,582	-	-	30,205	30,205	2,696	-	-	48,383	48,383
Total	**1,47,831**	**26,92,364**	**1,91,800**	**46,952**	**29,31,116**	**1,25,269**	**23,64,656**	**1,25,133**	**54,437**	**25,44,226**

Note:
- Gross Carrying amount does not include Loan commitments Rs. 5,20,104 lakh (March 31, 2021: Rs. 3,06,100 lakh).

b)

Impairment allowance on Loans	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due								
Zero overdue	11,108	26,267	4,871	42,246	14,180	6,239	1,613	22,032
1-29 days	472	1,303	562	2,337	448	15	179	642
30-59 days	-	4,134	1,420	5,554	-	6,227	180	6,407
60-89 days	-	9,886	1,549	11,435	-	16,088	226	16,314
90 or more days	-	-	17,285	17,285	-	-	28,090	28,090
Total	**11,580**	**41,590**	**25,687**	**78,857**	**14,628**	**28,569**	**30,288**	**73,485**

Note:
The increase in the ECL impairment allowance is on account of increase in credit risk and deterioration in economic conditions. For detailed note on impact of COVID 19 on ECL impairment allowance, refer note no 39(A) (iii) (4) and Note no 38.

- Include impairment allowance on Loan commitments Rs. 2,439 lakh (March 31, 2021: Rs. 2,110 lakh)

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

A. **Credit risk**

Loans by Division

i. Credit quality analysis continued

As at March 31, 2022		Asset group	Days past due	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	0	26,60,939	0.42%	11,108	26,49,831
			1-29	31,425	1.50%	472	30,953
			Total	26,92,364	0.43%	11,580	26,80,784
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans	0	1,41,356	18.58%	26,267	1,15,089
			1-29	7,921	16.45%	1,303	6,618
			30-59	29,446	14.04%	4,134	25,312
			60-89	13,078	75.59%	9,886	3,192
			Total	1,91,800	21.68%	41,590	1,50,210
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans	0	7,197	67.68%	4,871	2,326
			1-29	1,288	43.64%	562	726
			30-59	3,605	39.39%	1,420	2,185
			60-89	4,657	33.26%	1,549	3,108
			90 days and above	30,205	57.22%	17,285	12,920
			Total	46,952	54.71%	25,687	21,265
			Total	**29,31,116**	**2.69%**	**78,857**	**28,52,259**

As at March 31, 2021		Asset group	Days past due	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	0	23,18,756	0.61%	14,180	23,04,576
			1-29	45,900	0.98%	448	45,452
			Total	23,64,656	0.62%	14,628	23,50,028
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans	0	56,198	11.10%	6,239	49,959
			1-29	150	10.00%	15	135
			30-59	38,715	16.08%	6,227	32,488
			60-89	30,070	53.50%	16,088	13,982
			Total	1,25,133	22.83%	28,569	96,564
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans	0	4,350	37.08%	1,613	2,737
			1-29	601	29.78%	179	422
			30-59	482	37.34%	180	302
			60-89	621	36.39%	226	395
			90 days and above	48,383	58.06%	28,090	20,293
			Total	54,437	55.64%	30,288	24,149
			Total	**25,44,226**	**2.89%**	**73,485**	**24,70,741**

Note:
- Gross Carrying amount does not include Loan commitments Rs. 5,20,104 lakh (March 31, 2021: Rs. 3,06,100 lakh).
- Include impairment allowance on Loan commitments Rs. 2,439 lakh (March 31, 2021: Rs. 2,110 lakh)

Trade Receivables

PARTICULARS	As at March 31, 2022			As at March 31, 2021		
Category of Trade receivables	**Gross**	**Impairment allowance**	**Net**	**Gross**	**Impairment allowance**	**Net**
Stage 1: Considered good	1,626	-	1,626	544	-	544
Stage 2:Significant increase in credit risk	-	-	-	-	-	-
Stage 3: Credit impaired	2	2	-	1	1	-
Net Carrying value of trade receivables	**1,628**	**2**	**1,626**	**545**	**1**	**544**

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

A. **Credit risk**

i. Credit quality analysis continued

Derivative Financial Instruments

The Company enters into derivatives contract for risk management purposes and has elected to apply hedge accounting requirements. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Derivatives held for Risk management purposes	As at March 31, 2022			As at March 31, 2021		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Foreign Exchange Forward contracts	57,109	-	-	57,320	16	-
Interest rate swap	-	-	1,143	-	-	1,396
Total	**57,109**	**-**	**1,143**	**57,320**	**16**	**1,396**

Derivatives held for risk management purposes:

The Company is exposed to foreign currency risk related to external commercial borrowings and the primary risk of change in the floating interest rate and payment in foreign currency towards principal and interest at future date is managed by entering into a interest rate swap and foreign exchange forward rate purchase agreement respectively.
The Corporation’s risk management strategy and how it is applied to manage risk is explained in Note 38.

The Interest rate swap and foreign exchange forward currency agreements are entered to fully hedge the risk on account of change in interest rate and foreign exchange fluctuations on account of the external commercial borrowings.

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

A. Credit risk

ii Collateral held and other credit enhancements

The Company holds collateral and other credit enhancements against certain of its credit exposures

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

The main types of collateral obtained are as follows:

For housing loans, mortgage against residential property is obtained. For loan against property, mortgage against residential and commercial property is obtained. For Construction finance, additionally mortgage over residential and commercial project is obtained.

The table show the maximum exposure to credit risk by class of financial asset.

Particulars	Category of collateral available	As at March 31, 2022	As at March 31, 2021
Financial assets			
Loans			
Housing Loans	Mortgages over residential properties	20,02,775	17,83,309
Non housing loan	Charges over: i) real estate properties (including residential and commercial), ii) land	9,28,104	7,60,820
Loan to TCL Employee Welfare Trust	Unsecured loan	237	97
Total		**29,31,116**	**25,44,226**

Assets obtained by taking possession of collateral.

The Company's collection policy is to pursue timely realisation of the collateral in an orderly manner.The Company upon a customer account becoming delinquent, undertakes the process to physically repossess properties with the help of legal proceeding to recover funds and settle outstanding debt. Any surplus funds if any received are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale. Asset in the form of real estate property received upon final settlement of the loan is recorded as non-current assets held for sale.

Management monitors the market value of collateral as per the Credit monitoring process and will request additional collateral in accordance with the underlying agreement as applicable.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

A. **Credit risk**

ii Collateral held and other credit enhancements (continued)

The table show the value of the credit impaired asset and the value of the collateral available.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Credit Impaired	Security held	Credit Impaired	Security held
Loans				
Housing Loans	29,918	61,986	37,371	1,14,895
Non housing loan	17,034	45,390	17,067	68,732
Total	**46,952**	**1,07,376**	**54,437**	**1,83,627**

(Rs. in lakh)

39. Financial risk review *(Continued)*

A. Credit risk

iii Amounts arising from ECL

Impairment allowance on financial asset is covered in note 2 (xi)
Inputs, assumptions and estimation techniques used for estimating ECL

1) Inputs:

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

The Company allocates each exposure to a credit risk grade based on days past due, which is a quantitative factor that indicates the risk of default. Additional qualitative factors are applied such as fraudulent customer, reschedulement of loans and discontinued portfolios are also considered as qualitative factor.

These factors are applied uniformly for each lending product. Upon review the committee may conclude that the account qualifies for classification as stage 2 since there is increase in credit risk. The determination of the credit risk is for each product, considering the unique risk and rewards associated with it. The Company has observed varied level of risk across various buckets within each stage and a significant increase in risk in stage 2, based on assessment of qualitative parameters such as decline in net-worth, downgrade in internal ratings and external ratings.

The objective of the ECL assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing the remaining lifetime probability of default (PD) as at the reporting date; with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure and adjusted for changes on account of prepayments.

In assessing the impairment of loan assets under Expected Credit Loss (ECL) Model, the loans have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

Refer note 2(xi) in Significant accounting policies for definition of Stages of Asset.

2) Assumptions:

The Company has applied following assumptions for determination of ECL.

a) Loss given default (LGD) is an estimate of loss from a transaction given that a default occurs.

b) Probability of default (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.

c) Exposure at default (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company including loan commitments.

d) Definition of default: A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. Further if the customer has requested forbearance in repayment terms, such restructured, rescheduled or renegotiated accounts are also classified as Stage 3. Non-payment on another obligation of the same customer is also considered as a stage 3.

e) Forward looking information

The Company incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables such as real GDP, domestic credit growth, money market interest rate etc. as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes. More weight is applied to pessimistic outcome consistently as a matter of prudence than optimistic outcome.

f) Assessment of significant increase in credit risk

The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Additionally, accounts identified and reviewed by the Executive committee for labelling as breaching pre-defined critical credit risk parameters will also be classified as stage 2. Accordingly, the financial assets shall be classified as Stage 2, based on the quantitative as well as qualitative factors.

(Rs. in lakh)

39. Financial risk review *(Continued)*

A. Credit risk

iii Amounts arising from ECL

3) Estimation techniques:

The Company has applied the following estimation technique for ECL model:

a) The Company has used historic default rates for calculating the 12-month PD and Lifetime PDs

b) Loss given default is calculated after considering outstanding at the time of default and adjusting for actual recoveries basis time value of money, absent availability of internal data we have used information to the extent available from Basel norms.

i) Credit risk monitoring techniques
Exposures are subject to ongoing monitoring, which may indicate that a significant increase in credit risk has occurred on an exposure. The monitoring typically involves use of the following data for Corporate and Retail exposures:

ii) Overdue status
iii) Restructuring, reschedulement of loans and requests for granting of forbearance
iv) Fraudulent customer
v) Marked as high risk by the Risk Management Committee
vi) Techniques for determining PD
vii) Information published in the Basel IRB (Basel internal rating based approach refers to set of credit measurement techniques proposed by the Basel committee on Bank Supervision (BCBS) for capital adequacy purpose) norms is also used.

Days past due are a primary input for the determination of the PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by product. For some portfolios, information published in Basel IRB (Basel internal rating based approach refers to set of credit measurement techniques proposed by the Basel committee on Bank Supervision (BCBS)) norms is also used.

The Company employs statistical models to analyse the data collected and generate estimates of the remaining lifetime -PD of exposures and how these are expected to change as a result of the passage of time. Such statistical models are selected considering the availability of information related to the probability of default for each product.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors. Key macro-economic indicators include but is not limited to.

a) Private consumption
b) contribution to real GDP growth/Real GDP
c) Housing Price Index
d) Lending interest rate
e) Average real wages
f) Real agriculture
g) Recorded unemployment
h) Consumer prices
i) Growth of real capital stock
j) Manufacturing
k) Net direct investment flows
l) Industry
m) Services
n) Public debt
o) Producer prices
p) Labour productivity
q) Domestic credit

For the purpose of determination of impact of forward-looking information, the Company applies various macro-economic (ME) variables as stated above to each product and assess the trend of the historical probability of defaults as compared to the forecasted probability of default. Based on the directional trend of output, management applies an overlay if required. Overtime, new ME variable may emerge to have a better correlation and may replace ME being used now.

Based on advice from the external risk management experts, the Company considered variety of external actual and forecast information to formulate a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. Such forecasts are adjusted to estimate the PDs.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

(Rs. in lakh)

39. Financial risk review *(Continued)*

A. Credit risk

iii Amounts arising from ECL

A maximum of a 12-month PD or actual contractual tenure is considered for financial assets for which credit risk has not significantly increased. The Company measures ECL for stage 2 and stage 3 assets considering the risk of default over the maximum contractual period over which it is exposed to credit risk.

The loans are segmented into homogenous product categories to determine the historical PD/LGD as per similar risk profiles, this segmentation is subject to regular review.

For portfolios in respect of which the Company has limited historical data, external benchmark information is used to supplement the internally available data.

viii) Techniques for determining LGD:

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates against defaulted counterparties. The LGD models consider the cash flow received, assets received in lieu of settlement of loan and collateral available for subsequent recovery that is integral to the financial asset. LGD estimates are calculated on a discounted cash flow basis using the internal rate of return as the discounting factor. Company has observed challenges in the resolution of defaulted accounts with ageing more than two years and accordingly a higher LGD estimate is applied assuming nil recoveries towards such accounts.

ix) Techniques for computation of EAD

a) EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on credit conversion factor prescribed by NHB for various loan commitments. For financial assets in stage 2, EAD is determined by estimating the possible exposure in future using linear amortisation techniques.

b) For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company if the holder of the commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down. Outstanding exposure for utilised limit as well as un-utilised limit post applying the credit conversion factor as prescribed under NHB guidelines, absent availability of information of past history of conversion of un-utilised limits into utilised limits is considered as exposure at default for non-fund-based facilities.

4) Impact of COVID 19 on ECL impairment allowance

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

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

A. **Credit risk**

iii Amounts arising from ECL

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

a)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**23,64,656**	**1,25,133**	**54,437**	**25,44,226**	**26,47,166**	**63,185**	**37,712**	**27,48,063**
New assets originated or purchased	12,03,521	6,197	932	12,10,650	4,48,643	728	49	4,49,420
Assets derecognised or repaid (excluding write offs)	(7,83,141)	(15,308)	(8,805)	(8,07,254)	(6,18,714)	(9,715)	(3,331)	(6,31,760)
Transfers to Stage 1	19,825	(14,110)	(5,715)	-	15,967	(14,655)	(1,312)	-
Transfers to Stage 2	(1,01,612)	1,03,173	(1,561)	-	(1,02,969)	1,03,742	(773)	-
Transfers to Stage 3	(10,485)	(12,599)	23,084	-	(25,222)	(17,508)	42,730	-
Amounts written off *	(400)	(686)	(15,420)	(16,506)	(215)	(644)	(20,638)	(21,497)
Gross carrying amount closing balance	**26,92,364**	**1,91,800**	**46,952**	**29,31,116**	**23,64,656**	**1,25,133**	**54,437**	**25,44,226**

b)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**14,628**	**28,569**	**30,288**	**73,485**	**15,078**	**19,572**	**23,318**	**57,968**
New assets originated or purchased	6,565	7,076	3,862	17,503	32,164	6,164	2,549	40,877
Assets derecognised or repaid (excluding write offs)	11,794	(4,761)	(7,757)	(724)	(3,286)	(4,804)	(3,387)	(11,477)
Transfers to Stage 1	122	(94)	(28)	-	224	(184)	(40)	-
Transfers to Stage 2	(17,249)	17,429	(180)	-	(17,557)	17,713	(156)	-
Transfers to Stage 3	(4,251)	(6,221)	10,472	-	(11,986)	(9,473)	21,459	-
Amounts written off *	(29)	(408)	(10,970)	(11,407)	(9)	(419)	(13,455)	(13,883)
ECL allowance - closing balance	**11,580**	**41,590**	**25,687**	**78,857**	**14,628**	**28,569**	**30,288**	**73,485**

* The above amount written off is subject to the enforcement of the security.

The increase in the ECL impairment allowance is on account of increase in credit risk and deterioration in economic conditions. For detailed note on impact of COVID 19 on ECL impairment allowance, refer note no 39(A) (iii) (4) and Note no 38.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

A. **Credit risk**

iii Amounts arising from ECL

Modified financial assets

The Company renegotiates loans given to customers in financial difficulties (referred to as forbearance activities, restructuring or rescheduling) to maximise collection opportunities and minimise the risk of default. Under the Companies forbearance policy, loan forbearance is granted on a selective basis if the customer is currently in default on its debt or if there is a high risk of default, there is evidence that the customer made all reasonable efforts to pay under the original contractual terms and the customer is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Risk Management Committee regularly reviews reports on forbearance activities.

Upon renegotiation, such accounts are classified as stage 3. Such accounts are upgraded to stage 1 only upon observation of satisfactory repayments of one year from the date of such down-gradation and accordingly loss allowance is measured using 12 month PD.

Exposure to modified financial assets

PARTICULARS	**As at March 31, 2022 Amortised Cost**	**As at March 31, 2021 Amortised Cost**
Loan exposure to modified financial assets		
(i) **Gross carrying amount**	1,69,199	59,717
(ii) Impairment allowance	36,783	7,302
(iii) Net carrying amount	**1,32,416**	**52,415**

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

A. **Credit risk**

Loans by Division

iv. Credit concentration by division under various stages:

1) **Loan exposure by division**

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification of Loans by division. The amounts presented are gross of impairment allowances.

a)

Gross carrying amount of loans	**As at March 31, 2022**				**As at March 31, 2021**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Division								
Housing	18,74,399	98,459	29,917	20,02,775	16,61,990	83,948	37,371	17,83,309
Non Housing	8,17,728	93,341	17,035	9,28,104	7,02,569	41,185	17,066	7,60,820
Others	237	-	-	237	97	-	-	97
Total	**26,92,364**	**1,91,800**	**46,952**	**29,31,116**	**23,64,656**	**1,25,133**	**54,437**	**25,44,226**

- Gross Carrying amount does not include Loan commitments Rs. 5,20,104 lakh (March 31, 2021: Rs. 3,06,100 lakh).

b)

Impairment allowance on Loans	**As at March 31, 2022**				**As at March 31, 2021**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Days past due								
Housing	9,112	24,125	17,577	50,814	9,174	21,128	22,029	52,331
Non Housing	2,468	17,465	8,110	28,043	5,454	7,441	8,259	21,154
Total	**11,580**	**41,590**	**25,687**	**78,857**	**14,628**	**28,569**	**30,288**	**73,485**

The increase in the ECL impairment allowance is on account of increase in credit risk and deterioration in economic conditions. For detailed note on impact of COVID 19 on ECL impairment allowance, refer note no 39(A) (iii) (4) and Note no 38.

- Include impairment allowance on Loan commitments Rs. 2,439 lakh (March 31, 2021: Rs. 2,110 lakh)

(Rs. in lakh)

39. Financial risk review *(Continued)*

B. **Liquidity risk**

For the definition of liquidity risk and information on how liquidity risk is managed by the Company, see Note 38.

i. **Exposure to liquidity risk**

The Company has set tolerance limits in the light of the Company's business objectives, strategic direction and overall risk appetite. The tolerance limits reflects balance between profitability and managing liquidity risk and considers Company's current financial condition and funding capacity. The Company maintains liquidity buffer of unencumbered highly liquid assets (if required) to insure against liquidity stress events.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

B. Liquidity risk

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets:

As at March 31, 2022	Carrying amount	Gross nominal inflow/(outflow)	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial liability by type									
Derivative financial instruments	1,143	1,143	-	1,143	-	-	-	1,143	-
Trade payables*	10,180	10,180	-	-	10,180	-	-	10,180	-
Debt securities	12,37,868	12,37,868	69,430	1,41,000	2,64,931	5,93,023	1,69,484	4,75,361	7,62,507
Borrowings	13,78,404	13,78,404	16,750	2,43,115	2,57,103	7,99,100	62,336	5,16,968	8,61,436
Subordinated liabilities	1,05,490	1,05,490	-	3,130	9,036	48,420	44,904	12,166	93,324
Lease Liabilities	4,041	4,041	58	116	552	2,286	1,029	726	3,315
Other financial liabilities*	20,538	20,538	20,538	-	-	-	-	20,538	-
	27,57,664	**27,57,664**	**1,06,776**	**3,88,504**	**5,41,802**	**14,42,829**	**2,77,753**	**10,37,082**	**17,20,582**
Financial asset by type									
Cash and cash equivalents	70,526	70,526	70,526	-	-	-	-	70,526	-
Balances with bank in deposit account	47	47	5	6	-	2	34	11	36
Trade Receivables*	1,626	1,626	-	-	1,626	-	-	1,626	-
Loans	28,49,575	28,49,575	33,851	69,292	3,31,483	10,43,722	13,71,227	4,34,626	24,14,949
Investments	1,78,616	1,78,616	1,78,616	-	-	-	-	1,78,616	-
Other Financial Assets*	399	399	-	5	17	228	150	21	378
	31,00,789	**31,00,789**	**2,82,998**	**69,303**	**3,33,126**	**10,43,952**	**13,71,411**	**6,85,426**	**24,15,363**
Type of Borrowings									
Borrowings from Banks	13,78,404	13,78,404	16,750	2,43,115	2,57,103	7,99,100	62,336	5,16,968	8,61,436
Market Borrowings	13,43,358	13,43,358	69,430	1,44,130	2,73,967	6,41,443	2,14,388	4,87,527	8,55,831
Total Borrowings	**27,21,762**	**27,21,762**	**86,180**	**3,87,245**	**5,31,070**	**14,40,543**	**2,76,724**	**10,04,495**	**17,17,267**

* Maturity pattern considered as per ALM reporting.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

B. Liquidity risk

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets:

As at March 31, 2021	Carrying amount	Gross nominal inflow/(outflow)	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial liability by type									
Derivative financial instruments	1,396	1,513		315	919	278		1,235	278
Trade payables*	9,604	9,604	-	-	9,604	-	-	9,604	-
Debt securities	8,04,244	8,04,244	12,000	39,829	90,969	5,46,262	1,15,184	1,42,798	6,61,446
Borrowings	14,65,365	14,65,365	52,182	1,91,228	3,51,496	7,44,906	1,25,553	5,94,906	8,70,459
Subordinated liabilities	78,538	78,538	-	-	9,549	36,185	32,804	9,549	68,989
Lease Liabilities	3,349	3,349	63	190	515	2,159	422	768	2,581
Other financial liabilities*	19,258	19,258	19,258	-	-	-	-	19,258	-
	23,81,754	**23,81,871**	**83,503**	**2,31,562**	**4,63,053**	**13,29,790**	**2,73,963**	**7,78,118**	**16,03,753**
Financial asset by type									
Cash and cash equivalents	56,829	56,829	56,829	-	-	-	-	56,829	-
Balances with bank in deposit account	32	32	-	-	-	32	-	-	32
Derivative financial instruments	16	17	-	-	-	17	-	-	17
Trade Receivables*	544	544	-	-	544	-	-	544	-
Loans	24,69,453	24,69,453	23,370	52,949	2,78,134	8,27,694	12,87,306	3,54,452	21,15,001
Investments	1,50,476	1,50,476	1,50,476	-	-	-	-	1,50,476	-
Other Financial Assets*	418	418	-	-	43	323	52	43	375
	26,77,768	**26,77,769**	**2,30,675**	**52,949**	**2,78,721**	**8,28,066**	**12,87,358**	**5,62,344**	**21,15,425**
Type of Borrowings									
Borrowings from Banks	14,62,456	14,62,456	52,182	1,91,228	3,48,606	7,44,887	1,25,553	5,92,016	8,70,440
Market Borrowings	8,85,691	8,85,691	12,000	39,829	1,03,408	5,82,466	1,47,988	1,55,237	7,30,454
Total Borrowings	**23,48,147**	**23,48,147**	**64,182**	**2,31,057**	**4,52,014**	**13,27,353**	**2,73,541**	**7,47,254**	**16,00,894**

* Maturity pattern considered as per ALM reporting.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

B. **Liquidity risk**

ii. Maturity analysis of assets and liabilities

The table below set out carrying amount of assets and liabilities according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

ASSETS	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	70,526	-	**70,526**	56,829	-	**56,829**
Balances with bank in deposit account	11	36	**47**	-	32	**32**
Derivatives financial instruments	-	-	**-**	-	16	**16**
Trade Receivables	1,626	-	**1,626**	544	-	**544**
Loans	4,34,626	24,14,949	**28,49,575**	3,54,452	21,15,001	**24,69,453**
Investments	1,78,616	-	**1,78,616**	1,50,476	-	**1,50,476**
Other financial assets	21	378	**399**	43	375	**418**
Non-financial Assets						
Current tax assets (Net)	-	442	**442**	-	85	**85**
Deferred tax Assets (Net)	-	14,970	**14,970**	-	14,919	**14,919**
Investment property	-	348	**348**	-	359	**359**
Property, Plant and Equipment	-	2,187	**2,187**	-	1,548	**1,548**
Capital work-in-progress	-	352	**352**	-	-	**-**
Intangible assets under development	-	56	**56**	-	121	**121**
Other intangible assets	-	602	**602**	-	643	**643**
Right of use assets	-	3,625	**3,625**	-	2,949	**2,949**
Other non-financial assets	1,297	-	**1,297**	1,782	10	**1,792**
Total Assets	**6,86,723**	**24,37,945**	**31,24,668**	**5,64,126**	**21,36,058**	**27,00,184**

B. **Liquidity risk** ***(Continued)***

ii. Maturity analysis of assets and liabilities *(Continued)*

LIABILITIES	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Derivative financial instruments	1,143	-	1,143	1,235	161	1,396
Trade Payables						
- Total outstanding dues of micro enterprises and small enterprises	118	-	118	28	-	28
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10,062	-	10,062	9,576	-	9,576
Debt Securities	4,75,361	7,62,507	12,37,868	1,42,798	6,61,446	8,04,244
Borrowings (Other than debt securities)	5,16,968	8,61,436	13,78,404	5,94,906	8,70,459	14,65,365
Subordinated liabilities	12,166	93,324	1,05,490	9,549	68,989	78,538
Lease Liabilities	726	3,315	4,041	768	2,581	3,349
Other financial liabilities	20,538	-	20,538	19,258	-	19,258
Non-Financial Liabilities						
Current tax liabilities (Net)	4,643	-	4,643	5,752	-	5,752
Provisions	2,439	395	2,834	2,110	406	2,516
Other non-financial liabilities	2,846	-	2,846	2,258	-	2,258
Total liabilities	**10,47,010**	**17,20,977**	**27,67,987**	**7,88,238**	**16,04,042**	**23,92,280**
Net	**(3,60,287)**	**7,16,968**	**3,56,681**	**(2,24,112)**	**5,32,016**	**3,07,904**

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

B. **Liquidity risk**

iii. Financial assets position- pledged/unpledged

The total financial assets demonstrating position of pledged and not pledged assets are shown in the below table:

	As at March 31, 2022			As at March 31, 2021		
ASSETS	**Pledged**	**Not Pledged**	**Total**	**Pledged**	**Not Pledged**	**Total**
Financial assets	**27,63,254**	**3,37,535**	**31,00,789**	**24,53,755**	**2,24,013**	**26,77,768**
Cash and cash equivalents	-	70,526	70,526	-	56,829	56,829
Balances with bank in deposit account	-	47	47	-	32	32
Trade Receivables	-	1,626	1,626	-	544	544
Loans	27,63,254	86,321	28,49,575	24,53,755	15,698	24,69,453
Investments	-	1,78,616	1,78,616	-	1,50,476	1,50,476
Other financial assets	-	399	399	-	418	418
Non-financial Assets	**26**	**23,853**	**23,879**	**28**	**22,388**	**22,416**
Current tax asset	-	442	442	-	85	85
Deferred tax Assets (Net)	-	14,970	14,970	-	14,919	14,919
Investment property	26	322	348	28	331	359
Property, Plant and Equipment	-	2,187	2,187	-	1,548	1,548
Capital work-in-progress	-	352	352	-	-	-
Intangible assets under development	-	56	56	-	121	121
Other intangible assets	-	602	602	-	643	643
Right of use assets	-	3,625	3,625	-	2,949	2,949
Other non-financial assets	-	1,297	1,297	-	1,792	1,792
Total Assets	**27,63,279**	**3,61,389**	**31,24,668**	**24,53,783**	**2,46,401**	**27,00,184**

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

C. Market risk

i For the definition of market risk and information on how the company manages the market risks of trading and non-trading portfolios, see Note 38.

The following table sets out the allocation of assets and liabilities to non-trading portfolios. The Company does not allocate the assets and liabilities to trading portfolios.

Carrying amount	**Market risk measure**	
Assets subject to market risk	**As at March 31, 2022**	**As at March 31, 2021**
Cash and cash equivalents	70,526	56,829
Balances with bank in deposit account	47	32
Derivative financial instruments	-	16
Receivables	1,626	544
Loans	28,49,575	24,69,453
Investments	1,78,616	1,50,476
Other Financial Assets	399	418
Liabilities subject to market risk		
Derivative financial instruments	1,143	1,396
Trade payables	10,180	9,604
Debt securities	12,37,868	8,04,244
Borrowings (Other than debt securities)	13,78,404	14,65,365
Subordinated liabilities	1,05,490	78,538
Lease Liabilities	4,041	3,349
Other financial liabilities	20,538	19,258

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

C. Market risk

ii Exposure to interest rate risk – Non-trading portfolios

The Company carries out interest rate sensitivity analysis to assess the impact on earnings of interest rate movement considering the rate sensitive assets and rate sensitive liabilities upto one year period. The fixed rate assets and liabilities which are falling due on residual basis within one year have been considered as floating rate assets and liabilities basis the minimum of 'interest rate reset date or maturity of the contract'. The basis risk between various benchmark linked to assets and liabilities are considered to be insignificant.

Below table illustrates impact on earnings on account of 100 bps change on in interest rate on the assets and liabilities due for repayment / rate reset in next one year.

As at March 31, 2022

Rate sensitive	**Less than 1 Year**	**@ 100bps change increase**	**@ 100bps change decrease**
Rate sensitive assets	30,23,108	28,727	(28,727)
Rate sensitive liabilities	17,75,053	13,793	(13,793)
Net Gap (Asset - liability)	12,48,055	14,934	(14,934)

As at March 31, 2021

Rate sensitive	**Less than 1 Year**	**@ 100bps change increase**	**@ 100bps change decrease**
Rate sensitive assets	26,90,860	21,099	(21,099)
Rate sensitive liabilities	15,20,706	11,500	(11,500)
Net Gap (Asset - liability)	11,70,154	9,599	(9,599)

The following table sets forth, for the periods indicated, the break-up of borrowings into variable rate and fixed rate

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Variable rate borrowings	45%	45%
Fixed rate borrowings	55%	55%
Total borrowings	**100%**	**100%**

iii Exposure to currency risks – Non-trading portfolios

There are no exposure to foreign currency risks in the non trading portfolio as on March 31, 2022 and March 31,2021, since Company has entered into derivative contract to fully hedge the risk. (Refer Note no. 6 for disclosure relating to derivative financial instruments.)

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

C. Market risk

iv Disclosure persuant to Ind AS 7 “Statement of Cash Flows”

Changes in Liabilities arising from financing activities

As at March 31, 2022

Particulars	April 1, 2021	Cash Flows	Exchange Difference	Others	March 31, 2022
Debt Securities	8,04,244	4,23,490	-	10,134	12,37,868
Borrowings (Other than debt securities)	14,65,365	(89,285)	1,718	606	13,78,404
Subordinated liabilities	78,538	26,080	-	872	1,05,490
Total	**23,48,147**	**3,60,285**	**1,718**	**11,612**	**27,21,762**

Other column includes the effect of interest accrued but not due, amortisation of borrowing cost and amortisation of premium/discount on CPs/NCDs.

As at March 31, 2021

Particulars	April 1, 2020	Cash Flows	Exchange Difference	Others	March 31, 2021
Debt Securities	9,27,875	(1,30,191)	-	6,560	8,04,244
Borrowings (Other than debt securities)	15,77,799	(1,06,799)	(1,135)	(4,500)	14,65,365
Subordinated liabilities	73,483	5,000	-	55	78,538
Total	**25,79,157**	**(2,31,991)**	**(1,135)**	**2,116**	**23,48,147**

Other column includes the effect of interest accrued but not due, amortisation of borrowing cost, amortisation of premium/discount on CPs/NCDs.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

D. Capital management

i Regulatory capital

The National Housing Bank (NHB) sets and monitors capital adequacy requirements for the Company from time to time.
The Company's regulatory capital consists of the sum of the following elements.
Tier 1 Capital includes:
1) Ordinary share capital,
2) Securities premium reserve,
3) Retained earnings,
4) Cummulative compulsorily convertible preference Shares (CCCPS),
5) Debenture redemption reserve
6) Perpetual debt
7) Special reserve
8) Retained earnings
9) Special reserve.
10) General reserve
Tier 1 Capital does not include unrealised fair value gain/loss booked for financial instruments measured at fair value through profit and loss.
Following items are deducted from Tier I
a) Intangibles
b) Deferred revenue expenditure for raising borrowings
c) Deferred tax assets
d) Prepaid expenses and unamortised direct sourcing cost

Tier II capital includes
1) subordinated debt
2) impairment allowance provisioning for stage 1 financial assets to the extent the same does not exceed 1.25% of Risk weighted assets,
3) perpetual debt to the extent not eligible for Tier I.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

D. Capital management

ii Regulatory capital

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.
The Board of Directors (BOD) has authorised the Asset and Liability Management Committee (ALCO) to review the Capital requirement. Treasury team closely monitors the Tier I and Tier II capital requirement of the Company and reports to ALCO. The Company endeavour to maintain a balance between ensuring high level of return on capital employed and securing strong capital base.
The Company is subject to the capital adequacy requirements of the National Housing Board (NHB). Under NHB's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital.
The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Ordinary share capital	54,756	54,756
Securities premium reserve	1,85,672	1,85,672
Retained earnings	73,856	37,044
Special reserve	41,015	29,644
General reserve	396	281
Less:		
-Deferred Revenue Expenditure	(1,898)	(2,756)
-Software	(602)	(643)
-Intangible assets under development	(56)	(121)
-Unamortised Loan Acquisition Cost	(5,850)	(5,345)
-Deferred Tax Asset	(14,970)	(14,919)
Tier I Capital	**3,32,319**	**2,83,613**
Subordinate Debt	75,548	54,719
Impairment loss allowance	11,580	14,628
Tier II Capital	**87,128**	**69,347**
Tier I + Tier II Capital	**4,19,447**	**3,52,960**

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

39. Financial risk review *(Continued)*

D. Capital management

iii Capital allocation

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Asset and Liability Management Committee (ALCO).

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

40. Leases:

As a lessee the Company classified property leases as operating leases under Ind AS 116. These include residential premises taken on lease for employee residence. The leases typically run for a period of one to three years. Leases include conditions such as non-cancellable period i.e. lock in period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation in prices.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Particulars	As on March 31, 2022	As on March 31, 2021
Balance at the beginning of the year	2,949	3,461
Additions during the year	2,042	540
Deletion during the year	(420)	(195)
Depreciation charge for the year	(946)	(856)
Balance at the end of the year	3,625	2,949

Movement of Lease liabilities

Particulars	As on March 31, 2022	As on March 31, 2021
Balance at the beginning of the year	3,349	3,724
Additions during the year	1,995	561
Deletion during the year	(519)	(214)
Finance cost for the year	310	292
Payment of lease liabilities for the year	(1,094)	(1,014)
Balance at the end of the year	4,041	3,349

Future minimum lease payments under non-cancellable operating leases were payable as follows:

Particulars	As on March 31, 2022	As on March 31, 2021
Less than one month	58	85
Between one and three months	116	255
Between three months and one year	552	668
Between one and five years	2,286	2,566
More than five years	1,029	454
Total	**4,041**	**4,027**

Amounts recognized in the Statement of Profit and Loss:

Particulars	As on March 31, 2022	As on March 31, 2021
Interest on lease liabilities	310	292
Depreciation on Right-of-use assets	946	856
Gain/(loss) on termination of leases	99	16
Rent concession related to COVID-19	16	45

Amounts recognised in statement of cash flows:

Particulars	As on March 31, 2022	As on March 31, 2021
Total cash outflow for leases	1,094	1,014

1. Company has considered entire lease term for the purpose of determination of Right of Use assets and Lease liabilities.
2. On 24 July 2020, the Ministry of Corporate Affairs ('MCA') issued a notification for the Companies (Indian Accounting Standards) Amendment Rules, 2020 ('Rules'), amendments related to IndAS 116 provide relief for lessees in accounting for rent concessions granted as a direct consequence of Covid-19.

The amendments introduce an optional practical expedient that exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications.

Pursuant to amendment, the Company has elected to apply for practical expedient and not to account for COVID-19 related rent concession as lease modification.

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

41. Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

41.1 Capital

(Rs. In Lakh)

Particulars		2021-22	2020-21
(i)	CRAR (%)	17.82%	18.57%
(ii)	CRAR – Tier I Capital (%)	14.12%	14.92%
(iii)	CRAR – Tier II Capital (%)	3.70%	3.65%
(iv)	Amount of subordinated debt raised as Tier- II Capital	32,100	5,000
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-

41.2 There were no unhedged foreign currency transactions during current year (March 31, 2021: Rs. Nil).

41.3 The Company has not done any Securitisation during the financial year. (March 31, 2021: Rs Nil).

41.4 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction is Rs. Nil (March 31, 2021: Rs Nil).

41.5 Details of Assignment transactions undertaken by HFCs:

(Rs. In Lakh)

Particulars		2021-22	2020-21
(i)	No. of accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of accounts sold	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

41.6 The Company does not have purchase / sale transaction of non-performing financial asset (March 31, 2021: Rs Nil).

41.7 Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities as per NHB format

For the year 2021-22

(Rs. In Lakh)

Particulars	Liabilities Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances	Assets Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	16,750	69,430	-	33,851	1,78,616	-
Over One month to 2 months	1,60,485	4,130	56,755	34,674	-	-
Over 2 months unto 3 months	25,875	1,40,000	-	34,618	-	-
Over 3 months to 6 months	65,897	34,203	-	1,11,668	-	-
Over 6 months to 1 year	1,91,206	2,39,764	-	2,19,816	-	-
Over 1 year to 3 years	5,13,207	5,40,193	-	5,61,634	-	-
Over 3 years to 5 years	2,85,894	1,01,250	-	4,82,088	-	-
Over 5 to 7 years	52,073	64,184	-	3,24,665	-	-
Over 7 to 10 years	10,263	1,50,204	-	4,20,495	-	-
Over10 years	-	-	-	6,26,067	-	-
Total	**13,21,649**	**13,43,358**	**56,755**	**28,49,575**	**1,78,616**	**-**

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

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

41. Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Continued)

41.7 Asset Liability Management *(Continued)*

For the year 2020-21

(Rs. In Lakh)

Particulars	Liabilities Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Assets Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	52,182	12,000	-	23,370	1,50,476	-
Over One month to 2 months	99,023	39,829	-	26,321	-	-
Over 2 months puts 3 months	92,205	-	-	26,628	-	-
Over 3 months to 6 months	2,01,822	43,698	-	95,538	-	-
Over 6 months to 1 year	1,46,784	59,710	-	1,82,596	-	-
Over 1 year to 3 years	4,55,411	4,71,790	54,726	4,87,161	-	-
Over 3 years to 5 years	2,34,750	1,10,675	-	4,15,306	-	-
Over 5 to 7 years	72,629	85,184	-	2,61,296	-	-
Over 7 to 10 years	51,691	62,804	-	3,68,100	-	-
Over10 years	1,233	-	-	6,57,910	-	-
Total	**14,07,730**	**8,85,691**	**54,726**	**25,44,226**	**1,50,476**	**-**

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

41.8 Exposure

41.8.1 Exposure to Real Estate Sector

(Rs. In Lakh)

Category		2021-22	2020-21
a)	**Direct Exposure**		
(i)	**Residential Mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	29,85,217	24,87,048
(ii)	**Commercial Real Estate -** 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.	4,66,003	3,63,277
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	**Indirect Exposure** Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total		**34,51,220**	**28,50,325**

Note : Exposure to Real Estate Sector Includes accrued interest and undrawn commitment given to borrowers.

(Rs. in lakh)

41. Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Continued)

41.8 Exposure *(Continued)*

41.8.2 Exposure to Capital Market

(Rs. In Lakh)

Particulars		**2021-22**	**2020-21**
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	10,098	6,118
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		**10,098**	**6,118**

41.8.3 No Parent Company products were financed during the year (March 31, 2021: Rs Nil).

41.8.4 The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the NHB prudential norms applicable to HFC (March 31, 2021: Rs Nil).

41.8.5 Exposure to group companies engaged in real estate business

Sl. No.	**Description**	**Amount**	**% of Owned Fund**	**Amount**	**% of Owned Fund**
		2021-22	**2021-22**	**2020-21**	**2020-21**
(i)	Exposure to any single entity in a group engaged in real estate business	-	-	-	-
(ii)	Exposure to all entities in a group engaged in real estate business	-	-	-	-

41.9 Miscellaneous

41.9.1 The Company has following Registrations effective as on March 31, 2022:

Issuing Authority	**Registration No., if any**	**Date of registration**	**Valid upto**	**Registered as**
National Housing Bank	04.0073.09	02-Apr-09	-	Housing finance institution without permission to accept public deposits.

41.9.2 No penalties has been imposed on the Company during the year (March 31, 2021: Rs Nil).

41.9.3 No loans granted against the collateral gold jewellery by the company (March 31, 2021: Rs Nil).

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

41.9.4 Group Structure

Ultimate holding Company	Tata Sons Private Limited (formerly Tata Sons Limited)
Holding Company	Tata Capital Limited
Subsidiaries of Holding Company	Tata Capital Pte. Limited
	Tata Capital Growth Fund I
	Tata Capital Special Situation Fund
	Tata Capital Healthcare Fund I
	Tata Capital Healthcare Fund II
	Tata Capital Innovations Fund
	Tata Capital Growth Fund II
	Tata Capital Growth II General Partners LLP
	Tata Capital Markets Pte. Ltd. (ceased w.e.f. 23.09.2020)
	Tata Capital Advisors Pte. Ltd.
	Tata Capital Plc
	Tata Capital General Partners LLP
	Tata Capital Healthcare General Partners LLP
	Tata Opportunities General Partners LLP
	Tata Securities Limited
	Tata Capital Financial Services Limited
	Tata Capital Healthcare II General Partners LLP
	Tata Capital Opportunities II General Partners LLP (ceased w.e.f. 23.09.2020)
	Tata Capital Opportunities II Alternative Investment Fund (ceased w.e.f. 31.03.2021)
	Tata Cleantech Capital Limited
Plans	Tata Capital Limited Gratuity Scheme
	Tata Capital Limited Employees Provident Fund
	Tata Capital Limited Superannuation Scheme
	TCL Employee Welfare Trust

41.9.5 Ratings assigned by credit rating agencies and migration of ratings during the year.

(i)	Rating Assigned to	Short Term Debt, Long Term Debt, Tier II Debt
(ii)	Date of Rating	ICRA- 20th January, 2022, CRISIL- 30th November, 2021, India Rating- 03rd November 2021
(iii)	Rating Valid up to	Till the Date of reaffirmation
(iv)	Name of the Rating Agency	ICRA Limited (ICRA), CRISIL Limited (CRISIL), INDIA RATINGS
(v)	Rating of products	
	(a) Commercial Paper	CRISIL A1+, [ICRA] A1+
	(b) Secured Non Convertible Debentures (NCDs)	CRISIL AAA/ Stable, [ICRA] AAA/Stable, IND AAA/Stable
	(c) Subordinated NCDs	CRISIL AAA/ Stable, [ICRA] AAA/Stable
	(d) Secured NCDs - Market Linked Debentures	CRISIL PP-MLD AAAr/Stable
	(e) Bank loan facilities	CRISIL AAA/ Stable, IND AAA/ Stable

During the year under review, rating agencies re-affirmed/issued ratings to the Company as above.

(Rs. in lakh)

41. Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Continued)

41.10 Additional Disclosures

41.10.1 Provisions and Contingencies

(Rs. In Lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		2021-22	2020-21
(i)	Provision made / (reversed) towards income tax	19,181	12,274
(ii)	Provision made / (reversed) towards NPA [Impairment allowance - stage III (net of recoveries)]	(4,601)	6,971
(iii)	Provision made / (reversed) for standard assets [Impairment allowance - stage I & II]	9,973	8,547
(iv)	Provision made / (reversed) for depreciation on fixed assets	1,814	1,583
(v)	Provision made / (reversed) for gratuity	116	(121)
(vi)	Provision made / (reversed) for leave encashment	188	102
(vii)	Provision made / (reversed) for long term service benefit	(0)	1

The Company has assessed its obligations arising in the normal course of business, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Indian Accounting Standard (Ind AS) 37 on ‘Provisions, Contingent Liabilities and Contingent Assets’, the Company recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

41.10.2 The disclosure for drawdown of reserves during the year has been disclosed in Note no 21.

41.10.3 The disclosure of the Concentration of Deposits taken is not applicable as the Company carries on the business of a housing finance institution without accepting public deposits (March 31, 2021: Rs Nil).

41.10.4 Concentration of Loans & Advances

(Rs. In Lakh)

Particulars	2021-22	2020-21
Total Loans & Advances to twenty largest borrowers #	2,74,114	1,90,980
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	9.35%	7.51%

Includes Loans & Advances and interest accrued thereon.

41.10.5 Concentration of all Exposure (including off-balance sheet exposure)

(Rs. In Lakh)

Particulars	2021-22	2020-21
Total Exposure to twenty largest borrowers / customers #	3,88,827	2,81,498
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	11.27%	9.88%

Includes Loans & Advances and interest accrued and undrawn exposure thereon.

41.10.6 Concentration of NPAs

(Rs. In Lakh)

Particulars	2021-22	2020-21
Total Exposure to top ten NPA accounts	6,416	5,901

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

41. Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Continued)

41.10 Additional Disclosures *(Continued)*

41.10.7 Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector 2021-22	Percentage of NPAs to Total Advances in that sector 2020-21
A.	**Housing**	**1.49%**	**2.10%**
1.	Individuals	1.60%	2.28%
2.	Builders/Project	1.05%	1.20%
3.	Corporates	2.70%	1.44%
4.	Others (specify)	0.00%	0.00%
B.	**Non-Housing**	**1.83%**	**2.24%**
1.	Individuals	2.34%	2.55%
2.	Builders/Project	0.00%	0.00%
3.	Corporates	0.54%	2.05%
4.	Others (specify)	0.00%	0.00%

41.10.8 Movement of NPAs

(Rs. In Lakh)

Particulars		2021-22	2020-21
(I)	Net NPAs to Net Advances (%)	0.73%	0.96%
(II)	Movement of NPAs (Gross)		
a)	Opening balance	54,437	37,701
b)	Additions during the year	25,518	43,469
c)	Reductions during the year	(33,003)	(26,733)
d)	Closing balance	46,952	54,437
(III)	Movement of Net NPAs		
a)	Opening balance	24,149	14,383
b)	Additions during the year	8,715	21,857
c)	Reductions during the year	(11,598)	(12,091)
d)	Closing balance	21,265	24,149
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
a)	Opening balance	30,288	23,318
b)	Additions during the year	16,803	21,612
c)	Reductions during the year	(21,404)	(14,642)
d)	Closing balance	25,687	30,288

Note: The movement of Gross NPA, Provisions for NPA and Net NPA presented above excludes NPA identified and regularized in the same financial year.

41.10.9 The company does not have overseas asset as at March 31, 2022 (March 31, 2021 : Nil).

41.10.10 The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable (March 31, 2021 : Nil).

41.11 Customers Complaints

Particulars		2021-22	2020-21
a)	No. of complaints pending at the beginning of the year	247	114
b)	No. of complaints received during the year	9855	7212
c)	No. of complaints redressed during the year	9976	7079
d)	No. of complaints pending at the end of the year	126	247

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

41. Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Continued)

41.12 Derivative Instruments Exposures:

Derivative positions open as at March 31, 2022 and March 31, 2021 in the form of foreign currency forward exchange contract and interest rate swap are disclosed below. These transactions were undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and qualify or can be designated as hedging instruments. The accounting for these transactions is stated in note 2 (xi).

Forward exchange contracts (being derivative instrument), which are not intended for trading or speculation purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date at certain payables and receivables. Interest rate swap is entered to establish the fixed rate of interest payable towards the external commercial borrowing.

The Company does not hold any derivative instrument which are intended for trading or speculation as on the reporting date.

Outstanding foreign exchange forward contracts and interest rate swap entered into by the Company: -

Particulars	Buy / Sell	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
		USD (Mio)	Rs. In lakh	USD (Mio)	Rs. In lakh
Foreign exchange forward contracts i.e. Notional principal of Swap Agreements (Foreign currency amount payable at future date *Closing exchange rate)	Buy	76	57,109	78	57,320
Interest rate swap contract i.e. Notional principal of Swap Agreements (Foreign Currency borrowings*Closing exchange rate)	Buy	-	-	-	-
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Buy	NA	NA	NA	NA
Collateral required by the NBFC upon entering into swaps	Buy	NA	NA	NA	NA
Concentration of credit risk arising from the swaps $	Buy	NA	NA	NA	NA
The fair value gain of the foreign exchange forward contract	Buy	NA	(791)	NA	(4,403)
The fair value loss of the interest rate swap	Buy	NA	1,080	NA	1,051

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has a risk management policy to enter into derivatives to manage the risk associated with external commercial borrowings. The following table highlights the key aspects of the policy:

a) Treasury and Risk function is authorised to elect appropriate derivative instrument:,
b) The Company shall fully hedge the risk on account of foreign currency fluctuation and change interest rate towards external commercial borrowing;
c) The Company has put in place a reporting and monitoring mechanism for the risk associated with the derivative transaction;
d) Company has a hedging policy in place which mandates to have a hedge relation established before a derivative transaction is entered into. The Company ensures that the hedging effectiveness is monitored continuously during the life of the derivative contract;
e) The company has put in place accounting policy covering recording hedge and non-hedge transactions, recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning and credit risk mitigation.

B. Quantitative Disclosure

Particulars	Currency Derivatives		Interest Rate Derivatives	
	2021-22	2020-21	2021-22	2020-21
(i) Derivatives (Notional Principal Amount)	57,109	57,320	-	-
(ii) Marked to Market Positions [1]				
(a) Assets (+)	-	16	-	-
(b) Liability (-)	(832)	-	(311)	(1,396)
(iii) Credit Exposure [2]	-	-	-	-
(iv) Unhedged Exposures	-	-	-	-

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

41. Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 *(Continued)*

41.13 Housing and non-housing loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank are as follows:

(Rs. in Lakh)

Category	Standard Assets		Sub-Standard Assets		Doubtful Assets		Loss Assets		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Housing Loan										
Gross Portfolio	19,72,857	17,45,938	12,072	29,583	17,820	7,749	26	39	20,02,775	17,83,309
Provision	33,236	30,302	5,528	16,120	12,024	5,870	26	39	50,814	52,331
Net Portfolio	19,39,621	17,15,637	6,544	13,463	5,796	1,879	-	-	19,51,961	17,30,978
Non Housing Loan										
Gross Portfolio	9,11,307	7,43,753	9,102	13,610	7,931	3,168	1	289	9,28,341	7,60,820
Provision	19,934	12,895	3,273	5,629	4,835	2,341	1	289	28,043	21,154
Net Portfolio	8,91,373	7,30,859	5,829	7,981	3,096	827	-	-	9,00,298	7,39,666
Total										
Gross Portfolio	28,84,164	24,89,692	21,174	43,193	25,751	10,917	27	327	29,31,116	25,44,129
Provision	53,170	43,197	8,801	21,750	16,859	8,212	27	327	78,857	73,485
Net Portfolio	28,30,994	24,46,495	12,373	21,444	8,892	2,705	-	-	28,52,259	24,70,644

Categories of Doubtful Assets are as follows:

(Rs. in Lakh)

Category	Doubtful 1		Doubtful 2		Doubtful 3		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Housing Loan								
Gross Portfolio	14,380	7,659	3,440	90	26	39	17,846	7,788
Provision	8,940	5,781	3,084	90	26	39	12,050	5,909
Net Portfolio	5,440	1,879	356	-	-	-	5,796	1,879
Non Housing Loan								
Gross Portfolio	7,086	3,123	814	45	32	289	7,932	3,456
Provision	4,308	2,296	496	45	32	289	4,836	2,630
Net Portfolio	2,778	826	318	-	-	-	3,096	826
Total								
Gross Portfolio	21,466	10,782	4,254	135	58	327	25,778	11,244
Provision	13,248	8,077	3,581	135	58	327	16,886	8,539
Net Portfolio	8,218	2,705	674	-	-	-	8,892	2,705

41.14 Loans granted by the company are secured against mortgage of property.

41.15 The company has reported 16 frauds aggregating Rs. 1,119 lakh (March 31, 2021: 4 frauds aggregating Rs. 593 lakh) based on management reporting to risk committee and to the NHB through prescribed returns. The nature of fraud involved is cheating and forgery.

41.16 Asset Classification, NPA identification and Provisioning as per NHB Norms and Staging & Impairment allowance under Ind AS

1) Classification of Asset as Standard Asset under NHB norms:

An Asset having DPD equal to or less than 89 days and not classified as default as per Ind AS 109 is reported as standard asset as per NHB norms. Provisioning made on stage 1 and stage 2 assets under Ind AS 109 is reported as standard asset provisioning.

2) Classification of an Asset as NPA Asset under NHB norms:

An Asset having DPD equal to or more than 90 days and classified as default as per Ind AS 109 is reported as NPA asset as per NHB norms. Such asset based on DPD as per NHB norms is further classified and presented into substandard, doubtful and loss assets in compliance with the NHB norms. Provisioning made on stage 3 assets under Ind AS 109 is reported as NPA provisioning.

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

41. **Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021** ***(Continued)***

41.17 Liabilities Side:

Particulars	Amount Outstanding As at March 31, 2022	Amount Outstanding As at March 31, 2021	Amount Overdue As at March 31, 2022	Amount Overdue As at March 31, 2021
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not				
a) Debentures:				
(other than those falling within the meaning of public deposit)				
- Secured	10,54,480	7,64,416	-	-
- Unsecured	1,05,490	78,538	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	12,98,359	13,44,915	-	-
d) Inter-corporate loans and borrowing	-	2,909	-	-
e) Commercial Paper	1,83,388	39,828	-	-
f) Other loans				
- Working Capital Demand Loan	80,000	1,17,500	-	-
- Overdraft	45	41	-	-

Assets side:

Particulars	Amount Outstanding 2021-22	Amount Outstanding 2020-21
2) Break up of loans and advances including bills receivables		
(other than those included in (3) below)		
- Secured	28,44,795	25,28,528
- Unsecured	86,321	15,698
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
a) Lease assets including lease rentals under sundry debtors:		
- Financial Lease	-	-
- Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
- Assets on hire	-	-
- Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
- Loans where assets have been repossessed	-	-
- Other loans	-	-

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

41 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Continued)

Assets side: ***(Continued)***

Particulars	**Amount Outstanding 2021-22**	**2020-21**
4) Break up of Investments		
Current Investments:		
a) **Quoted:**		
- Shares: Equity	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	1,50,012	1,50,008
- Government Securities	28,120	-
- Others	-	-
b) **Unquoted:**		
- Shares: Equity	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	-	-
- Government Securities	-	-
- Others (Pass through certificate)	-	-
Long-Term Investments:	-	-
a) **Quoted:**		
- Shares: Equity (Net of provision)	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	484	468
- Government Securities	-	-
- Others	-	-
b) **Unquoted:**	-	-
- Shares: Equity	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	-	-
- Government Securities	-	-
- Others	-	-

5) Borrower group-wise classification of assets financed as in (2) and (3) above

(Rs. in lakh)

Particulars	**Secured**		**Unsecured**		**Total**	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
a) Related parties						
(i) Subsidiaries	-	-	-	-	-	-
(ii) Companies in the same group	-	-	-	-	-	-
(iii) Other related parties	-	-	-	-	-	-
b) Other than related parties	28,44,795	25,28,528	86,321	15,698	29,31,116	25,44,226
TOTAL	**28,44,795**	**25,28,528**	**86,321**	**15,698**	**29,31,116**	**25,44,226**

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

41 **Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Continued)**

Assets side: ***(Continued)***

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

(Rs. in lakh)

Particulars	**Market Value/Break up or fair value or NAV**		**Book Value (Net of Provisions)**	
	2021-22	**2020-21**	**2021-22**	**2020-21**
a) Related parties				
i) Subsidiaries	-	-	-	-
ii) Companies in the same group	-	-	-	-
iii) Other related Parties	-	-	-	-
b) Other than related parties	1,78,616	1,50,476	1,78,616	1,50,476
TOTAL	**1,78,616**	**1,50,476**	**1,78,616**	**1,50,476**

a) Companies in the same group have been considered to mean companies under the same management as per Section 370(1B) of the Companies Act, 1956.

7) Other Information

(Rs. in lakh)

Particulars	**2021-22**	**2020-21**
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	46,952	54,437
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	21,265	24,149
c) Assets acquired in satisfaction of debt	-	-

41.18 Principal Business Criteria : Para 4.1.17 of NBFC-HFC (Reserve Bank) Directions, 2021

Particulars	**Limit %**	**2021-22**	**2020-21**
Criteria - I			
a) Financial Assets / Total Assets (Net of Intangible Assets)	>50%	97.66%	97.93%
b) Income from Financial Assets / Gross Income	>50%	97.85%	99.01%
Criteria - II			
a) Housing Finance / Total Assets (Net of Intangible Assets)	>=60%	64.55%	66.63%
b) Housing Finance for Individual / Total Assets (Net of Intangible Assets)	>=50%	51.23%	55.02%

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022
(Rs. in lakh)

41 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 *(Continued)*

41.19 Disclosure pursuant to Reserve Bank of India Circular DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated December, 2021 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies- Housing Finance Companies.

(i) Funding Concentration based on significant counterparty

Sr. No	Number of Significant Counterparties	% of Total deposits	Amount (in lakh)*	% of Total Liabilities
1	22	0%	22,31,517	81%

* Principal amount outstanding as on March 31, 2022

(ii) Top 20 Large Deposits

Sr. No	Counterparty	Amount (in lakh)	% of total deposits
	Nil		

(iii) Top 10 Borrowing

Sr. No	Name of Counterparty	Amount (in lakh)*	% of total borrowings
1	10	16,32,402	61%

* Principal amount outstanding as on March 31, 2022

(iv) Funding Concentration based on significant instrument/product

Sr.No	Name of the instrument/product	Amount (in lakh)	% of total liabilities
1	Non Convertible Debenture	11,26,920	41%
2	Bank Loans	13,20,620	48%
3	Commercial paper	1,85,000	7%
4	External Commercial Borrowing	51,615	2%
	Total	**26,84,155**	

(v) Stock Ratios

Particulars	%
(a) Commercial papers as a % of total public funds	7%
(a) Commercial papers as a % of total liabilities	7%
(a) Commercial papers as a % of total assets	6%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total public	0%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total liabilities	0%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total assets	0%
(c)Other Short-term liabilities as a % of total public funds	32%
(c)Other Short-term liabilities as a % of total Liabilities	31%
(c)Other Short-term liabilities as a % of total Assets	28%

Footnotes :
For the purpose of above disclosure, "Public Funds" i.e. Commercial papers, NCD's and CRPS are shown at Face Value whereas Total assets and total liabilities are shown at Carrying values.
Total Liabilities refer to Total outside liabilities i.e. Balance sheet total excluding Share Capital and Reserves.

(vi) The Company's Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

(Rs. in lakh)

41 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 *(Continued)*

41.19 Disclosure pursuant to Reserve Bank of India Circular DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated December, 2021 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies- Housing Finance Companies.

(vii) Disclosure relating to Liquidity Coverage Ratio ("LCR")

		Three months ended Mar 31, 2022		**Average for month ended Dec 31, 2021**	
		Total Unweighted Value (average)	**Total Weighted Value (average)**	**Total Unweighted Value (average)**	**Total Weighted Value (average)**
High Quality Assets					
1	Total High Quality Assets (HQLA)	28,626	28,626	36,008	36,008
Cash Outflows					
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	15,689	18,042	33,121	38,089
4	Secured wholesale funding	38,199	43,928	74,150	85,273
5	Additional requirements, of which	48,757	56,070	43,426	49,939
(i)	*Outflows related to derivative exposures and other collateral requir*	-	-	-	-
(ii)	*Outflows related to loss of funding on debt products*	-	-	-	-
(iii)	*Credit and liquidity facilities*	48,757	56,070	43,426	49,939
6	Other contractual funding obligations	13,581	15,618	24,742	28,453
7	Other contingent funding obligations	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**1,16,225**	**1,33,659**	**1,75,439**	**2,01,754**
Cash Inflows					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	32,508	24,381	24,924	18,693
11	Other cash inflows	4,53,282	3,39,962	4,86,660	3,64,995
12	**TOTAL CASH INFLOWS**	**4,85,790**	**3,64,343**	**5,11,583**	**3,83,687**
			Total Adjusted Value		**Total Adjusted Value**
13	**TOTAL NET CASH OUTFLOWS**		33,415		50,439
14	**Minimum HQLA required to be maintained by TCHFL for compliance (50% of net cash outflow)**		16,707		25,219
15	**TOTAL HQLA MAINTAINED**		28,626		36,008
16	**LIQUIDITY COVERAGE RATIO (%)**		86%		71%

(Rs. in lakh)

41 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 *(Continued)*

41.19 Disclosure pursuant to Reserve Bank of India Circular DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated December, 2021 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies- Housing Finance Companies *(Continued)*

a LCR framework under the liquidity risk management of the Tata Capital Housing Finance Limited (TCHFL) is undertaken by the Market risk division in the Risk group under the central oversight of the Asset Liability Management Committee (ALCO) in accordance with the Board approved policies.

b As per the RBI circular dated Dec 2021 circular no DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 all non-deposit taking NBFCs with asset size of Rs.10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of LCR which will promote resilience of HFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days.

c

From	01-Dec-21	01-Dec-22	01-Dec-23	01-Dec-24	01-Dec-25
Minimum LCR	50%	60%	70%	85%	100%

d As per the above requirement, TCHFL is required to maintain LCR from December 01, 2021. Therefore, for the year ended March 31, 2022, TCHFL has disclosed the LCR for the period Q4-FY 21 as a simple average of the past 3 months and the average for the month for Dec 2021.

e **LCR maintained:** Starting in December 2021, LCR has been computed as per methodology prescribed in the RBI circular dated December, 2021. For the quarter ended March 22, the simple average of the past three months was observed at 86% (HQLA- Rs. 28,626 lakh) against the requirement of minimum 50% (HQLA - Rs. 16,680 lakh). For the financial year 21-22, the company has been complaint with LCR framework starting from December 2021.

f **Main drivers to the LCR numbers:** All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.

g **Intra-period changes and changes over time:** As per RBI guidelines, the company has been monitoring the LCR on a daily basis for the period of December 21 to March 22. The maximum and minimum required HQLA for regulatory compliance has been Rs. 7,559 lakh and Rs.27,843 lakh respectively for the quarter ended March 22.

h **Composition of HQLA:** The HQLA maintained by TCHFL comprises Government securities such as long dated G-sec, T bills and cash balance maintained in current account. The details are given below.
For the period Jan to March 2022, the average HQLA of (Rs. 28,626 lakh) comprised of Rs. 212 lakh in cash and remaining Rs. 28,414 Lakh from government securities and T bill.

i **Concentration of funding sources:**
The company maintains well diversified sources of funding comprising short/long term loans from banks, NCDs, sub-ordinated and perpetual debt, ECBs and CPs. The funding pattern is reviewed regularly by the management.

j **Derivative exposures and potential collateral calls:**
As on March 31, 2022 the company has fully hedged interest and principal outflows on the foreign currency ECBs. ECBs constitutes no more than 1.9% of the total borrowings as on March 31, 2022. Hence, derivative exposures are considered NIL.

k **Currency mismatch in LCR:** There is NIL mismatch to be reported in LCR as on March 31, 2022 since FCY ECBs are fully hedged for the corresponding interest and principal components.

l Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile. NIL as on March 31, 2022.

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

41 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 *(Continued)*

41.20 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset Classification as per NHB Norms

Asset Classification as per NHB Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind As 109 Provisions and IRACP norms
		A	B	C = A - B	D	E = B - D
Performing Assets						
Standard	Stage I	26,92,364	9,141	26,83,223	12,423	(3,282)
	Stage II	1,91,800	41,590	1,50,210	18,687	22,903
Subtotal for Standard	**Stage I & II**	**28,84,164**	**50,731**	**28,33,433**	**31,110**	**19,621**
Non-Performing Assets (NPA)						
Substandard	Stage III	21,174	8,801	12,373	3,181	5,620
Doubtful - up to 1 year	Stage III	21,466	13,248	8,218	6,442	6,806
1 to 3 years	Stage III	4,254	3,581	673	2,231	1,350
More than 3 years	Stage III	30	30	-	30	0
Subtotal for doubtful		25,751	16,859	8,892	8,703	8,156
Loss	Stage III	27	27	-	27	-
Subtotal for NPA		**46,952**	**25,687**	**21,265**	**11,911**	**13,776**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage I	7,09,337	2,439	-	-	2,439
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		**7,09,337**	**2,439**	**-**	**-**	**2,439**
Total	Stage I	26,92,364	11,580	26,83,223	12,423	(843)
	Stage II	1,91,800	41,590	1,50,210	18,687	22,903
	Stage III	46,952	25,687	21,265	11,911	13,776
	Total	**29,31,116**	**78,857**	**28,54,698**	**43,021**	**35,836**

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

42. **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', hence the segment information is not provided.

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

44. **Details of resolution plan implemented under the Resolution Framework for COVID - 19-related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0), as at March 31, 2022 are given below:**

(Rs. in lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e September 30, 2021 (A)#	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e March 31, 2022# ^
Personal Loans	1,43,580	5,287	-	7,205	1,39,341
Corporate persons*	4,704	31	-	803	4,204
Of which MSMEs	-	-	-	-	-
Others	4,507	35	115	45	4,650
Total	**1,52,791**	**5,353**	**115**	**8,053**	**1,48,195**

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*
 # excludes other facilities to the borrowers which have not been restructured.
^ includes restructuring done in respect of requests received as of September 30, 2021 processed subsequently and additions due to interest capitalisation.

45. **Details of loans transferred / acquired during the quarter ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:**

(i) The Company has not transferred any non-performing assets (NPAs).

(ii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.

(iii) Details of loans not in default acquired through assignment are given below:

Particulars	**Value**
Aggregate amount of loans acquired (in lakhs)	7,073
Weighted average residual maturity (in years)	13.11
Weighted average holding period by originator (in years)	3.68
Retention of beneficial economic interest by the originator	10%
Tangible security coverage	100%

The loans acquired are not rated as these are to non-corporate borrowers.

(iv) The Company has not acquired any stressed loan.

46. **Analytical Ratios as per Ministry of Corporate Affairs ("MCA") notification dated 24th March 2021:**

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	Total capital funds	Total risk weighted assets	17.82%	18.57%	-4%	Not Applicable
Tier I CRAR	Capital funds – Tier I	Total risk weighted assets	14.12%	14.92%	-5%	Not Applicable
Tier II CRAR	Capital funds – Tier II	Total risk weighted assets	3.70%	3.65%	1%	Not Applicable
Liquidity Coverage Ratio.	Total HQLA (Maintained)	Total Net Cash Outflows	85.67%	0.00%	0%	Applicable from December 01, 2021

47. **Details of transactions with companies struck off under section 248 of the Companies Act, 2013 :**

Sr. No.	Name of Struck off Company	Nature of transactions	As at March 31, 2022	As at March 31, 2021	Relationship with the struck off company
1	Armam Agro Udyog Private Limited	Loan	7	8	Borrower

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

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

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2022

49. The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:
a) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
c) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
d) The Company has not entered into any scheme of arrangement.
e) No satisfaction of charges are pending to be filed with ROC.
f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

50. The Company has implemented the requirements pertaining to day-end-processing and allied matters vide RBI circular dated November 12, 2021. Accordingly, Gross Non Performing Assets ("GNPA") as at March 31, 2022 is 1.60% (If the Company had availed relaxation thereof referred to RBI circular dated February 15, 2022, the GNPA would have been 1.34%.

In terms of our report of even date

For CNK & Associates LLP *Chartered Accountants* Firm's Registration No: 101961W/ W-100036	**For T R Chadha & Co LLP** *Chartered Accountants* Firm's Registration No: 006711N/N500028			**For and on behalf of the Board of Directors** **Tata Capital Housing Finance Limited**
Himanshu Kishnadwala *Partner* Membership No: 037391	**Vikas Kumar** Partner Membership No: 075363	**Rajiv Sabharwal** *Chairman* (DIN No. : 00057333)	**Mehernosh B. Kapadia** *Director* (DIN No. : 00046612)	**Anuradha E. Thakur** ***Director*** (DIN No. : 06702919)
		Sujit Kumar Varma *Director* (DIN No. : 09075212)	**Ankur Verma** *Director* (DIN No. : 07972892)	**Anil Kaul** ***Managing Director*** (DIN No. : 00644761)
Mumbai 19 April 2022			**Mahadeo Raikar** *Chief Financial Officer*	**Priyal Shah** *Company Secretary*