TATA CAPITAL FINANCIAL SERVICES LIMITED

Annual Report 2022-23

Corporate Information

Board of Directors	Mr. Rajiv Sabharwal - Chairman Mr. Farokh N. Subedar Ms. Varsha Purandare Ms. Malvika Sinha Mr. V. S. Radhakrishnan Mr. Sarosh Amaria - Managing Director
Chief Financial Officer	Mr. Jaykumar Shah
Company Secretary	Ms. Sonali Punekar
Joint Statutory Auditors	M/s Walker Chandiok & Co LLP M/s M M Nissim & Co. LLP
Registered Office	11th floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
Corporate Identification Number	U67100MH2010PLC210201

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BOARD'S REPORT

To the Members,

The Board has pleasure in presenting the Thirteenth Annual Report and the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2023.

1. BACKGROUND

Tata Capital Financial Services Limited ("Company" or "TCFSL") is a wholly-owned subsidiary of Tata Capital Limited ("TCL") and is a Systemically Important Non-Deposit taking Non-Banking Financial Company ("NBFC-ND-SI"), holding a Certificate of Registration dated November 4, 2011, from the Reserve Bank of India ("RBI"). TCFSL has also been classified as an Upper Layer NBFC ("NBFC-UL") by the RBI, vide press release dated September 30, 2022 as per the Scale Based Regulations dated October 22, 2021.

The Company is headquartered in Mumbai and has a wide network of 351 offices across India.

2. FINANCIAL RESULTS

2.1 Standalone Results

The performance of the Company for the Financial Year ended March 31, 2023, on a Standalone basis is, summarized below:

(Rs. in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	**7,939**	6,340
Less:		
Finance Costs	**3,755**	2,833
Impairment on financial instruments	**504**	890
Employee benefits expense	**817**	565
Depreciation and amortisation and impairment	**194**	260
Other expenses	**816**	712
Profit Before Tax	**1,853**	1,080
Less: Provision for Tax	**471**	263
Profit After Tax	**1,382**	817
Other comprehensive income	**17**	36
Less: Tax on other comprehensive income	**(4)**	(9)
Other comprehensive income attributable to owners of the Company	**13**	27
Total comprehensive income attributable to owners of the Company	**1,394**	844
Amount brought forward from previous year	**1,354**	794
Ind AS 116 transition impact net of tax		-
Amount available for appropriation	**2,748**	1,638
Appropriations:		
Special Reserve Account	**276**	163
Interim Dividend on Equity Shares (Including Tax on Dividend)	**55**	121
Surplus carried to Balance Sheet	**2,417**	1,354

2.1.1 The Company's book size increased by Rs. 15,690 crore from Rs. 56,169 crore in FY 2021-22 to Rs. 71,859 crore in FY 2022-23. Gross Income increased by 25% and stood at Rs. 7,939 crore (FY 2021-22: Rs. 6,340 crore). The Company's Profit Before Tax increased by 72% to Rs. 1,853 crore (FY 2021-22: Rs. 1,080 crore) and the Profit After Tax increased by about 69% to Rs. 1,382 crore (FY 2021-22: Rs. 817 crore).

2.1.2 The Net Interest Margin ("NIM") for FY 2022-23 increased by 28% and stood at Rs. 3,567 crore (FY 2021-22: Rs. 2,766 crore). The Cost to Income ratio of the Company for FY 2022-23 was at 43.8% (FY 2021-22: 42.6%). As at March 31, 2023, the Gross and Net Non-Performing Assets ("NPAs") were at 2.0% and 0.3%, respectively compared to 2.2% and 0.5%, respectively as at March 31, 2022. The Provision Coverage Ratio ("PCR") for FY 2022-23 stood at 84.7% (FY 2021-22: 78.8%). The Return on Assets and Return on Equity ratio for the year ended March 31, 2023, were at 2.3% and 16.0%, as against 1.7% and 11.7%, for the year ended March 31, 2022, respectively.

2.1.3 During FY 2022-23, the Debenture Redemption Reserve ("DRR") of Rs. 300 lakh was transferred to General Reserve Account.

2.1.4 Under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. During the year, an amount of Rs. 276.35 crore (FY 2021-22: Rs. 163.44 crore), has been transferred to the said Reserve. An amount of Rs. 1,050.44 crore has been carried to the Balance Sheet, as Surplus to Profit and Loss account.

2.2 Consolidated Results

As on March 31, 2023, the Company had three associate companies. The performance of the Company for the Financial Year ended March 31, 2023, on a consolidated basis is, summarized below:

(Rs. in crore)

Particulars	**FY 2022-23**	FY 2021-22
Gross Income	**7,939**	6,340
Less:		
Finance Costs	**3,755**	2,833
Impairment on financial instruments	**504**	890
Employee benefits expense	**817**	565
Depreciation and amortisation and impairment	**194**	260
Other expenses	**816**	712
Profit Before Tax	**1,853**	1,080
Less: Provision for Tax	**470**	263
Profit After Tax	**1,383**	817
Add: Share of net profit of associates using equity method	**0.1**	1
Profit attributable to owners of the Company	**1,383**	818

Particulars	FY 2022-23	FY 2021-22
Other comprehensive income	**17**	36
Less: Tax on other comprehensive income	**(4)**	(9)
Other comprehensive income attributable to owners of the Company	**13**	27
Total comprehensive income attributable to owners of the Company	**1,396**	845
Amount brought forward from previous year	**1,353**	792
Ind AS 116 transition impact net of tax	**-**	-
Amount available for appropriation	**2,749**	1,637
Appropriations:		
Special Reserve Account	**276**	163
Interim Dividend on Equity Shares (Including Tax on Dividend)	**55**	121
Surplus carried to Balance Sheet	**2,418**	1,353

3. SHARE CAPITAL

The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2023 was Rs. 17,18,84,64,580 consisting of 1,71,88,46,458 Equity Shares of Rs. 10 each. The entire Equity Share Capital of the Company is held by TCL and its nominees.

During FY 2022-23, the Company offered, issued and allotted a total of 5,89,74,358 Equity Shares on a 'Rights Basis' to TCL, as under:

(i) 3,84,61,538 Equity Shares of Rs. 10 each on December 27, 2022, at a premium of Rs. 185 per Equity Share, aggregating Rs. 749.99 crore;
(ii) 76,92,308 Equity Shares of Rs. 10 each on March 15, 2023, at a premium of Rs. 185 per Equity Share, aggregating Rs. 150 crore; and
(iii) 1,28,20,512 Equity Shares of Rs. 10/- each on March 21, 2023, at a premium of Rs. 185 per Equity Share, aggregating Rs. 249.99 crore

4. DIVIDEND

4.1. Interim Dividend

The details of Interim Dividend declared by the Company on 1,65,98,72,100 Equity Shares, in FY 2022-23 is, as under:

(i) The Board of Directors vide a Resolution passed by Circulation on September 16, 2022, declared an Interim Dividend of Re. 0.17 per Equity Share, aggregating Rs. 28.22 crore; and
(ii) At the Meeting of the Board of Directors held on December 12, 2022, the Board of Directors of the Company declared an Interim Dividend of Re. 0.16 per Equity Share, aggregating Rs. 26.56 crore.

4.2. Final Dividend

In order to conserve resources, the Board does not recommend payment of any Final Dividend on the Equity Shares for FY 2022-23.

5. REVIEW OF OPERATIONS OF THE COMPANY

5.1. Corporate Finance ("CF")

CF specialises in product offerings ranging from Term Loans, Working Capital Term Loans, Channel Finance, Bill Discounting, Equipment Finance, Leasing Solutions, Lease Rental Discounting, Promoter Finance, Loan Against Securities and Structured Products. Factoring as a product was added in the current year. CF Business serves over 6,700 customers through its business verticals viz. Large Corporate, Mid Corporate, Emerging Corporate, Supply Chain Finance, Equipment Finance and Leasing Business. All the verticals are supported by the respective product teams, which help these verticals in extending the right product mix to the customer. Further, a Syndication and Structured Finance team supports all the business verticals, with special focus on debt syndications, down selling and structured transactions.

For FY 2022-23, CF ended with a book of Rs. 34,954 crore as compared to Rs. 30,000 crore at the end of FY 2021-22. The Term Loan and Structured Finance product was the largest contributor of portfolio aggregating Rs. 18,941 crore (FY 2021-22: Rs. 15,101 crore).

During FY 2022-23, CF disbursed funds aggregating Rs. 16,847 crore (FY 2021-22: Rs. 13,491 crore) (excluding ultra-short term products) through its diverse customer centric product offerings.

CF has also pioneered itself by adding focus on digital lending in supply chain finance, vendor financing, and equipment financing business. Majority of new customers are onboarded digitally in these products. Also, with an industry first unique platform, Enterprise Web Portal, 93% of channel finance customers were disbursed via Enterprise Web Portal and the mobile app. CF is actively learning from the FinTech Industry through tie-ups for enhancing its capabilities and simplifying customer journey. Niche leasing business is one of the strongest suites of CF.

CF is committed to being a complete financial solutions partner to its customers, through high quality service levels and innovative products, which provides value to its customers.

5.2. Retail Finance (“RF”)

RF offers a wide range of Consumer Loans, such as Auto Loans (Used Car Loans and Two Wheeler Loans), Business Loans, Loans Against Property, Personal Loans, Consumer Durables Loans, Loans Against Securities, Construction Equipment (“CEQ”) Finance and Micro Finance Loans. Disbursements in FY 2022-23 aggregated Rs. 34,479 crore as compared to Rs. 21,245 crore in FY 2021-22. Disbursements of high margin products constituted 54% of overall RF disbursements during FY 2022-23.

As at March 31, 2023, RF’s closing book stood at Rs. 36,904 crore (FY 2021-22: Rs. 26,169 crore). Increasing share of digital business and from developed markets was one of the key drivers for business growth.

The overall change in product mix with growth in high margin products during FY 2022-23 resulted in an increase in Net Interest Margin (“NIM”) from 7.4% in FY 2021-22 to 7.6% in FY 2022-23.

CEQ Business continued to be amongst the top five players in the industry due to strong Original Equipment Manufacturers tie-ups and retention of the customers.

As at March 31, 2023, the Assets Under Management of the Wealth Management business was Rs. 3,906 crore compared to Rs. 3,561 crore in FY 2021-22.

Tata Cards, a white label credit card in partnership with SBI Cards and Payments Services Limited, has nearly 2.8 lakh cards in force as at March 31, 2023 (nearly 2.6 lakh cards as at March 31, 2022).

6. OVERVIEW OF SUBSIDIARIES AND ASSOCIATES

As on March 31, 2023, the Company did not have any subsidiary company.

As on March 31, 2023, the Company holds investment in Fincare Business Services Limited, TVS Supply Chain Solutions Limited and Fincare Small Finance Bank Limited and these are classified as Associates since the test of significant influence over the investee is complied.

The Company has elected to carry the investment at cost as per the choice provided by Ind AS 27 in the Standalone Financials. In the Consolidated Financials, the total loss pickup (including other comprehensive income) from these associates are Rs. 0.04 crore for the year ended March 31, 2023 (For the year ended March 31, 2022: Rs. 0.53 crore (profit pickup)).

7. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the provisions of Section 129(3) of the Act, the Consolidated Financial Statements of the Company are included in the Annual Report. A separate statement, containing the salient features of the Financial Statements of the Associate companies, in the prescribed Form No. AOC-1, is also included in the Annual Report at Page No. 237

The Financial Statements of the Company, including the Consolidated Financial Statements, are also available on the website of the Company, www.tatacapital.com.

8. FINANCE

During FY 2022-23, the Company met its funding requirements through a combination of Short Term debt (comprising Commercial Papers, Inter-Corporate Deposits ("ICDs") and Bank Loans) and Long Term debt (comprising Non-Convertible Debentures ("NCDs"), Bank Loans and External Commercial Borrowings ("ECBs")).

The Company had also issued Secured Redeemable NCDs amounting to Rs. 8,683 crore, on a private placement basis, during FY 2022-23.

The aggregate debt outstanding as at March 31, 2023 was Rs. 65,168.53 crore (of which, Rs. 26,899.81 crore was payable within one year). The Debt / Networth ratio as on March 31, 2023 was 6.55 times. The Company has been regular in servicing all its debt obligations.

9. CREDIT RATING

During the year under review, Rating Agencies reaffirmed / issued ratings to the Company, as under:

NATURE OF SECURITIES	RATING AGENCY	RATING
Commercial Paper	ICRA, CRISIL and INDIA RATINGS	[ICRA] A1+, CRISIL A1+, IND A1+ (Short Term)
Bank Loan	ICRA	[ICRA] A1+ (Short Term)
Secured NCDs on a private placement basis, Secured NCDs issued to Public, NCDs by way of Subordinated Debt and Bank Loan	ICRA	[ICRA] AAA / (Stable) (Long Term)
Unsecured NCDs by way of Perpetual Debt	ICRA	[ICRA] AA+ / (Stable)
Secured NCDs on a private placement basis, Secured NCDs and Unsecured NCDs by way of Subordinated Debt issued to Public and Bank Loan	CARE	CARE AAA; Stable
Unsecured NCDs by way of Perpetual Debt	CARE	CARE AA+; Stable
Secured NCDs on private placement basis, Secured NCDs and Unsecured NCDs by way of Subordinated Debt issued to Public and Unsecured NCDs on private placement basis	CRISIL	CRISIL AAA / Stable
Market Linked Debentures	CRISIL	CRISIL PPMLD AAA / Stable
Unsecured NCDs by way of Perpetual Debt	CRISIL	CRISIL AA+/Stable
Bank Loan	INDIA RATINGS	IND AAA / Stable

10. 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 and to assist the Board in its oversight of various risks including (i) Credit Risk (ii) Market & Liquidity Risk (iii) Operational Risk (Process, People, Outsourcing, Technology, Business Continuity and Fraud) (iv) Strategic Risks (including emerging and external risks) (v) Compliance and Governance Risk (vi) Reputation Risk (vii) Information Security and Cyber Security Risk etc.

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.

11. INTERNAL FINANCIAL CONTROLS

The Management has laid down set of standards, processes and structure which enables 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 2022-23, testing was conducted basis process walkthrough and review of samples as per documented controls in the Risk & Control matrix. Testing was 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.

12. INFORMATION TECHNOLOGY SUPPORT

The Company has continued to invest into cutting edge technologies to drive its core system modernization, digital and data initiatives. The Company has upgraded its retail core lending system to provide new and advanced functionalities which will further optimise and improve the business performance. The Company continues to build additional integrations with FinTech partners to enhance its customer offerings. This is in line with the Company's endeavour to drive best in class customer experience and drive operational efficiencies.

The Company is in the process of launching unified Credit Management System (CMS) to provide Industry-leading, agile, comprehensive digital lending platform that caters to all business segments of Commercial Finance Division (CFD) and empowers the Company in the growth and transformation journey. This serves as a single Loan Origination System (LOS) which processes Customer Credit profile data and encapsulates reusable and configurable components to enable quick Go-to-Market.

The Company continues to enhance its digital platform and in line with same has introduced a new onboarding journey for Micro business loans. The Use of Robotic Process Automation (RPA), Artificial Intelligence (AI) and Machine Learning (ML) has been a key focus area to drive business growth, automate processes, improve productivity and enhance customer experience.

The IT Policies and Procedures are reviewed and updated periodically to replicate the changes as in real time and remain aligned with the regulatory IT guidelines.

13. DIGITAL PLATFORM AND ANALYTICS

Digital transformation continues to be an area of continuous focus for the Company. During FY 2022-23, the organisation has continued to invest to create best-in-class digital platforms and products. This in turn has enabled us to provide superior and more personalized customer experiences, greater operational efficiency across the lending value chain and become a relevant player in India's growing digital ecosystem.

During FY 2022-23, the Company enhanced its digital presence through the launch of a new and improved customer facing website with an improved customer interface, a smarter search tool, industry first features such as dark mode and reimagined retail loan journeys. The website which caters to all retail and corporate customer segments also witnessed a significant increase in customer traffic during the financial year. In addition, the Company launched a new omni-channel marketing automation platform which will enable real-time customer engagement across the loan origination servicing. The key features of this tool such as customer journey orchestration using multiple channels, real time nudges, detailed insights & analytics of campaigns executed and App/Web integration for engagement and retention activities will increase the Company's marketing productivity and also ensure a far more personalized experience for its customers.

At Tata Capital, it has been the Company's endeavour to enhance self-service by providing customers with a range of channels and platforms to choose from for all their servicing needs. Currently, over 75% of customer service interactions take place through digital platforms. Customers can interact across channels including web, mobile applications, WhatsApp, chat-bot and voice-bot to name a few. The chat based servicing channel (TIA) witnessed a significant increase in usage during the year. More than 8 lakh interactions per month take place on TIA- voice and chat-based platform.

Several industry-best customer journeys have been introduced to increase the share of direct-to-customer business and to ensure a more seamless customer experience. The share of business from direct and digital channels has increased multi-fold last year. Further, the Company has launched digital-only products and services across customer segments. For example, Moneyfy is a digital only wealth management application which allows customers to carry out all their investments in an instant manner. Further, a new seamless journey was launched for customers seeking small business loans. Almost all customer processes starting from on-boarding to underwriting to disbursements are done in a paperless manner for retail loans. Similarly, for SME and Corporate customers, a new loan origination system was launched which will simplify the customer journey further and enable quicker processing and sanction of loans.

In line with the overall focus on digital transformation, the use artificial intelligence and machine learning continued across domains. Several machine learning based scorecards are in use for underwriting as well as debt servicing of loans. Use of these advanced algorithms has helped us assess creditworthiness and mitigate risks, make faster and accurate lending decisions and to set up a more efficient debt servicing strategy. In addition, the use of Robotic Process Automation (RPA) for repetitive tasks in operations shops has reached a high level of maturity. RPA has now been implemented for almost all centralised processes. This has improved the overall operational efficiency and in turn leading to cost reduction. The use of digital channels for collection of EMI payments also saw an increase over the year, backed by launch of new payment modes including QR code based payments and UPI payments. Currently more than 90% of collections take place through digital channels.

The Company also continue to collaborate with FinTechs for business growth and enablement of customer journeys and processes. During the year, the business generated from partnerships has grown significantly. In addition, the Company is integrated with more than 100 plus FinTech partners across multiple domains to enhance service and ensure seamless digital processes.

Using data analytics and creating multiple touchpoints for customers helped in building a better consumer connect. Keeping data analytics at the core of our strategy aided in anticipating customer needs and improving cross-sell capabilities. The Company has a dedicated team of data science and data engineering experts who enable seamless data-led personalised customer service delivery. Giving personalised offers for instant loan applications, pre-approved loan offers, scorecard-based underwriting, pre-delinquency models are cases where we leveraged data analytics for real-time decisions and give better customer experience.

In this journey of digitization, the Company will continue to focus on building best in class digital platforms to bring customer delight, enhance operational efficiency and improve productivity. The Company will continue to create new benchmarks by building capabilities, products and services which will make us a financier of choice across customer segments.

14. TATA CAPITAL JOURNEY OF EXCELLENCE

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 had participated in its eighth TBEM external assessment conducted by the Tata Business Excellence Group a division of Tata Sons Private Limited, between July to November 2022 and was placed in the 650-700 score band, which indicates the level of "Industry Leader" with an absolute score of 664 (TBEM score in 2020 was 624). This reflects a significant improvement in the journey of Excellence. This was an integrated assessment with all subsidiaries and businesses of Tata Capital.

The assessment provided Tata Capital with important granular feedback in terms of its current strengths and opportunities for improvements to work upon. Key strengths indicated in the TBEM 2022 Assessment were (i) Organization's alignment with its Vision and the building of capability and structure for achieving the Vision (ii) Focus on building a quality book and (iii) Risk Management, Internal Audit and Governance mechanisms.

Tata Capital 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 Tata Capital's operational focus in order to enhance customer satisfaction and improve internal efficiencies with an objective to gain a competitive advantage. Many practices of Tata Capital have been recognized as Group wide Best Practices consistently in the last many years.

Data Excellence – DATOM Framework

During FY 2022-23, Tata Capital also undertook its second Data Excellence Assessment (the first was in February 2020) along with its three subsidiaries covering 4 business lines. This is based on TCS's DATOM (Data & Analytics Target Operating Model) framework. DATOM framework enables organizations assess the maturity of their Data & Analytics capabilities and establish an effective Operating Model and set up Data & Analytics programs to fulfil their business objectives and goals. The Organization maturity is assessed across 4 KRA's – (1) Data, (2) Technology, (3) Process and (4) People. These 4 KRA's are further sub-divided into 23 Sub KRA's with a detailed focus on various dimensions.

TCFSL Retail Finance business scored 3.5 and TCFSL Corporate Finance business scored 3.19 on a 5 point Global Benchmarking scale.

15. 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, 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/pdf/tcfsl/regulatory-policies/CSR_Policy_TCFSL.pdf

For FY 2022-23, the CSR budget of the Company was Rs. 1,864 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 (CSR Policy) Rules, 2014. The budget was spent towards projects 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 conceptualize 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 Confederation of Indian Industries. The framework focuses 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.

16. COMPLIANCE

The Company is registered with RBI as a NBFC-ND-SI. The RBI vide its notification dated October 22, 2021 has introduced an integrated regulatory framework for NBFCs under "Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs". The said SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc., RBI has defined the regulatory structure for NBFCs, which shall comprise four layers viz., top layer, upper layer, middle layer and base layer. As per SBR, the Company is in the Upper Layer (NBFC-UL). The Company shall continue to ensure full compliance with all the requirements applicable to NBFC-UL under SBR within the prescribed timelines.

Further, the Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations, including the Master Direction – Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“RBI Master Directions”), as amended from time to time.

During the year, the Company has received the authorisation / certificate of registration from the RBI, under Section 3 of the Factoring Regulation Act, 2011, to commence and carry on the business of Factoring.

With respect to provisioning of NPAs, the Company follows stricter norms than those prescribed by RBI. The Capital to Risk Assets Ratio of the Company is 17.26% as on March 31, 2023, which is more than the prescribed minimum of 15%.

The NCDs issued by the Company to the public are listed on BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) and the NCDs issued on a private placement basis are listed on NSE.

The Company has been classified as High Value Debt Listed Entity in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). The Company has complied with and continues to comply with the SEBI Listing Regulations and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations.

17. 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.

18. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company being a Non–Banking Financial Company, pursuant to Section 186(11) of the Act, the provisions pertaining to loans made, guarantees given, security provided or investments made are not applicable to the Company.

19. DIRECTORS

During the year under review, Ms. Anuradha E. Thakur (DIN: 06702919) ceased to be an Independent Director of the Company, with effect from end of day on December 30, 2022, consequent upon her retirement. The Directors place on record their sincere appreciation for the invaluable contribution and the guidance rendered by Ms. Thakur, during her tenure as a Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee (“NRC”) the Board of Directors of the Company approved the appointment of Ms. Malvika Sinha (DIN: 08373142) as an Independent Director of the Company, with effect from

December 31, 2022 for an initial term of five years upto December 30, 2027. The appointment of Ms. Sinha was confirmed by the Members of the Company at the Extraordinary General Meeting held on March 27, 2023.

Further, based on the recommendation of the NRC, the Board of Directors of the Company approved the appointment of Mr. Vadalur Subramanian Radhakrishnan (DIN: 08064705) as an Additional Director of the Company to hold office with effect from April 25, 2023 upto the date of the next Annual General Meeting ("AGM") and as an Independent Director of the Company, with effect from April 25, 2023 for an initial term of five years upto April 24, 2028, subject to the approval of the Members of the Company.

Mr. Radhakrishnan holds office upto the ensuing AGM and is eligible for appointment as a Director. The Company has received a Notice as per the provisions of Section 160 of the Act, from a Member proposing the appointment of Mr. Radhakrishnan as a Director of the Company.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. F. N. Subedar (DIN: 00028428), Non – Executive Director, is liable to retire by rotation at the ensuing AGM and is eligible for re-appointment.

The Members of the Company may refer to the accompanying Notice of the AGM for the brief Resumes of Mr. Radhakrishnan and Mr. Subedar.

Pursuant to the 'Fit and Proper' Policy adopted by the Company under the RBI Master Directions for NBFCs, the Company has received the 'Fit and Proper' declaration from Mr. Radhakrishnan and Mr. Subedar for their appointment / re-appointment, as Directors of the Company, which has been taken on record by the NRC.

The Company has received declarations from the Independent Directors viz. Ms. Varsha Purandare (DIN: 05288076), Ms. Malvika Sinha (DIN: 08373142) and Mr. V. S. Radhakrishnan (DIN: 08064705) stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the 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 and 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.

20. NUMBER OF MEETINGS OF THE BOARD

Ten (10) 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.

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

Pursuant to the provisions of the Act and the 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 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 which was taken into consideration by the Board in carrying out the performance evaluation.

22. 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 endeavours to provide relevant training to the Directors.

In accordance with the provisions of Section 178 of the Act and the SEBI Listing Regulations, 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. This Policy is made available on the Company's website at https://www.tatacapital.com/content/dam/tata-capital/pdf/tcl/TCFSL%20-%20Board%20Diversity%20Policy%20and%20Director%20Attributes.pdf

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*, includes:

- 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 Remuneration Policy of the Company is made available on the Company's website at https://www.tatacapital.com/content/dam/tata-capital/pdf/tcfsl/regulatory-policies/TCFSL-Remuneration_Policy.pdf

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 RBI Master Directions for NBFCs. The Company has received the 'Fit and Proper' declarations from all the Directors of the Company in April 2023, which have been taken on record by the NRC.

Further, pursuant to the Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs issued by the RBI on April 29, 2022, the Company has adopted a Compensation Policy for Key Managerial Personnel and Senior Management consisting of (a) constitution of a Remuneration Committee, (b) principles for fixed/ variable pay structures, and (c) malus/ clawback provisions. The same is available on the website of the Company, www.tatacapital.com.

23. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, Mr. Sarosh Amaria, Managing Director, Mr. Jaykumar Shah, Chief Financial Officer and Ms. Sonali Punekar, Company Secretary are the Key Managerial Personnel of the Company.

24. 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 2022-23.

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, 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 an Upper Layer NBFC 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 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, as amended from time to time.

There were Nil frauds reported by the Auditors under Section 143(12) of the Act.

25. 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 TCOC and the 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.

26. 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 2022-23, no complaints were received under the provisions of the POSH Act.

27. 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.

28. STATUTORY AUDITORS

At the Twelfth AGM of the Company held on June 27, 2022, M/s. Walker Chandiok & Co LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013) and M/s. M M Nissim & Co. LLP, Chartered Accountants (ICAI Firm Registration Number: 107122W/W100672) were appointed as Joint Statutory Auditors of the Company for a period commencing from the conclusion of the Twelfth AGM till the conclusion of the Fourteenth AGM of the Company to be held in the year 2024.

29. 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 read with Section 133 of the Act, as amended from time to time. Further, the Company follows the Master Directions issued by RBI for NBFCs.

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.

30. EXPLANATION ON STATUTORY AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s Walker Chandiok & Co LLP and M/s M M Nissim & Co. LLP, Joint Statutory Auditors of the Company, in their Reports dated April 25, 2023, on the Financial Statements of the Company for FY 2022-23.

31. 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 2022-23. 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 May 23, 2023, on the Secretarial and other related records of the Company, for FY 2022-23.

32. SCHEME OF ARRANGEMENT

The Board of Directors of the Company at its meeting held on March 28, 2023, has approved a Scheme of Arrangement for amalgamation of the Company, a wholly owned subsidiary of TCL and Tata Cleantech Capital Limited ("TCCL"), a subsidiary of TCL with TCL and their respective shareholders ("the Scheme"), under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder.

The Scheme will become effective, from the Appointed Date i.e. April 1, 2023 or such other later date as may be decided by the Board of Directors, and operative from Effective Date which is conditional upon fulfilment of all the conditions set out in the Scheme including approval of the Scheme by the National Company Law Tribunal ('NCLT'), grant of NBFC license in the name of TCL by Reserve Bank of India and upon the receipt of other applicable regulatory approvals.

Upon the Scheme becoming effective:

(i) The entire business of TCFSL shall be merged with and vested in TCL and thereafter TCL will carry on all the business activities undertaken by TCFSL.
(ii) From the Appointed Date till the Effective Date, the business carried on by TCFSL shall be deemed to have been carried on for and on behalf of and in trust for TCL.
(iii) All the shares of TCFSL held by TCL (either directly and/or through nominees) would stand cancelled without any further application, act or deed.
(iv) The holders of Non-Convertible Debentures (NCDs) of TCFSL will become holders of NCDs of TCL on the same terms, including the coupon rate, tenure, redemption price, quantum, nature of security, adequately safeguarding the interest of the NCD holders.

33. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which occurred between March 31, 2023, and May 23, 2023, being the date of this Report.

34. 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.

35. 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. The RPT Policy is available on the Company's website at https://www.tatacapital.com/content/dam/tata-capital/pdf/tcfsl/regulatory-policies/RPT%20Policy.pdf.

All the RPTs that were entered into during FY 2022-23, were in ordinary course of business and on an arm's length basis. There were no transactions requiring disclosure under Section 134(3)(h) of the Act. Hence, the prescribed Form AOC–2 does not form a part of this Annual Report.

During the year under review, the Company has not entered into any material Related Party Transactions.

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, as amended from time to time, are given in the Notes to the Financial Statements.

36. 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 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 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 utilising 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 equipments:

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

(B) <u>Technology absorption:</u>

Being a NBFC and not being involved in any industrial or manufacturing activities, the Company has no particulars to report regarding technology absorption.

(C) <u>Foreign Exchange Earnings and Outgo:</u>

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 outflow, was Rs. 12 crore.

37. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the website of the Company at:
https://www.tatacapital.com/content/dam/tata-capital/pdf/tcfsl/financials/annual-reports/form-mgt-7-draft-for-website.pdf

38. 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, 2023, 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, 2023, are provided in a separate Annexure forming part of this Report. In terms of the first proviso to Section 136(1) 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 Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary, at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

39. MANAGEMENT DISCUSSION AND ANALYSIS

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

40. 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 - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, forms part of this Annual Report. Further, the additional disclosure requirements for NBFCs in accordance with the SBR framework forms part of the Corporate Governance Report.

41. 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.

42. UNCLAIMED AMOUNT

During FY 2022-23, no amount was required to be transferred to the Investor Education and Protection Fund. Further, pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), Ms. Sonali Punekar, 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' section.

43. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from RBI, SEBI, Registrar of Companies and other Government and Regulatory agencies and to convey their appreciation to TCL, the holding company, 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 the commitment, team work, professionalism and the resilience and dedication demonstrated by them during the year under review.

For and on behalf of the Board of Directors
Sd/-
Rajiv Sabharwal
Chairman
DIN: 00057333

Mumbai
May 23, 2023

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:

- Education
- Climate Action
- Health
- 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/pdf/tcfsl/regulatory-policies/CSR_Policy_TCFSL.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	Mr. F.N. Subedar	Non-Executive Director (Chairman)	2	2
2	Ms. Varsha Purandare	Independent Director	2	2
3	Mr. Rajiv Sabharwal	Non-Executive Director	2	2
4	Mr. Sarosh Amaria	Managing Director	2	2

3. Provide the web-link(s) 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/pdf/tcfsl/regulatory-policies/TCFSL_Committees%27%20Composition.pdf

CSR policy and CSR Projects approved by the Board: https://www.tatacapital.com/content/dam/tata-capital/pdf/tcfsl/regulatory-policies/CSR_Policy_TCFSL.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The Company has undertaken Impact Assessment of the CSR Project Pankh Scholarships during FY 2022-23. A copy of the Executive Summary is attached herewith as an Annexure and the web-link of Impact Assessment is as under:

https://www.tatacapital.com/tcfsl/investor-relations/general-information.html

5. **(a) Average net profit of the company as per sub-section (5) of section 135.**

Financial Year	Net Profit (net of dividend)
FY 2019-20	646,77,47,831
FY 2020-21	826,72,00,000
FY 2021-22	13,22,35,00,000
Average Net Profit	9,31,94,82,610

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 18,63,89,652

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

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 18,63,89,652

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)** – Rs. 18,43,91,331

(b) Amount spent in Administrative Overheads – Rs. 5,08,669

(c) Amount spent on Impact Assessment, if applicable – Rs. 15,00,000

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] – Rs. 18,64,00,000

(e) 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 sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
18,64,00,000	NIL	NA	NA	NIL	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	18,63,89,652
(ii)	Total amount spent for the Financial Year	18,64,00,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	10,348
(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)]	10,348

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)**	**Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)**	**Amount Spent in the Financial Year (in Rs)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (in Rs)**	**Deficiency, if any**
					Amount (in Rs)	Date of Transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: N.A.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if Applicable	**Name**	**Registered address**
	Not Applicable						

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135: Not Applicable

Sd/-

F. N. Subedar
Chairman, CSR Committee
Non-Executive Director
DIN: 00028428

Sd/-

Varsha Purandare
Member, CSR Committee
Independent Director
DIN: 05288076

Sd/-

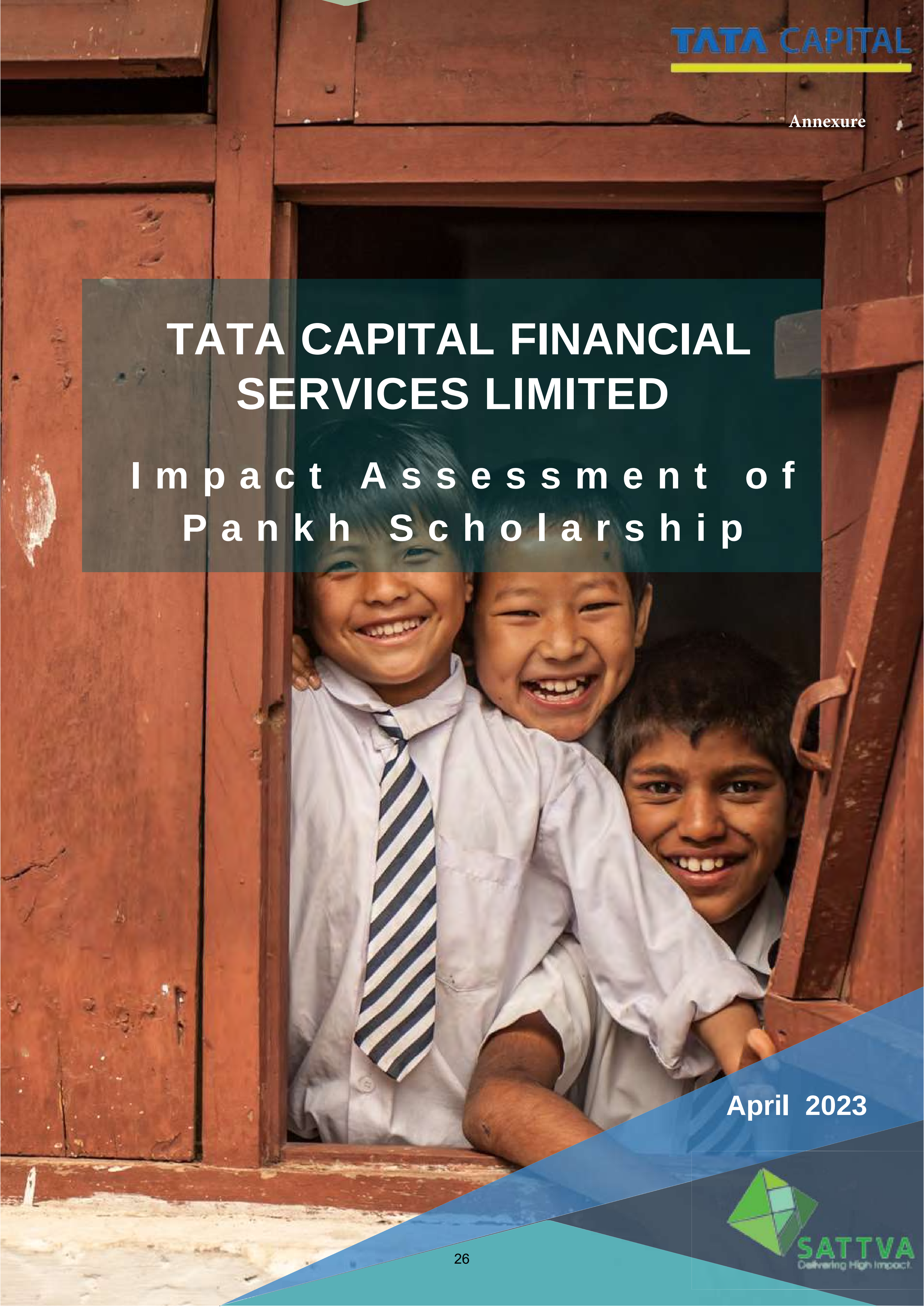
Rajiv Sabharwal
Member, CSR Committee
Non-Executive Director
DIN: 00057333

Sd/-

Sarosh Amaria
Member, CSR Committee
Managing Director
DIN: 08733676

TATA CAPITAL

Annexure



TATA CAPITAL FINANCIAL SERVICES LIMITED

Impact Assessment of Pankh Scholarship

April 2023

SATTVA
Delivering High Impact

BACKGROUND AND CONTEXT

EDUCATION ECOSYSTEM IN INDIA

Education is and has been a priority area for India for the past few decades. The country has been able to achieve some key goals like 100% enrollment due to efforts of the government, civil society, and funders. However, there is a long way to go with respect to achieving outcomes and meeting goals of universal and equitable access to education, as laid out by the Sustainable Development Goals (SDGs) of the United Nations.

4 QUALITY EDUCATION

The National Statistical Office's (NSO) 2020 report on Education consumption in India revealed that 12.6% of students drop out of school in India. 19.8% discontinued education at the secondary level. Further, the current Gross Enrollment Ratio (GER) in higher education is at 26.3% despite a youth population of 236 million.[1]

Affordability of education is one of the key factors that create both financial and social hurdles for students to continue their education. The declining proportion of budget allocation towards education is one of the many factors affecting the gap in accessing education.[2] India spends about 3.1% of its GDP on education spends despite The Kothari Commission's (1992) recommendation for an expenditure of at least 6%. Furthermore, the education budget has steadily decreased by 2% over the last decade.

In 2021-22, the government only spent 17.7% out of the cumulative INR 3112.65 crores of scholarship amount disbursed towards Merit-cum-means scholarship schemes for 3.72 lakh students.[3] Thus, in light of low government expenditure and the rising cost of education, there is a need for means-cum-merit based scholarships.

PANKH SCHOLARSHIP PROGRAM

As a part of its affirmative action endeavors, TCFSL aims to ensure holistic education & development through supplementary education, child development, scholarships for higher education, and upskilling of youth for sustainable livelihood. In line with this vision, **Pankh scholarship was instituted in 2013 to mentor and fund the education of young academic achievers from economically underprivileged and affirmative action families**. This was a part of TCFSL's education and skill development Corporate Social Responsibility (CSR) undertakings. At the time of inception, it was fully driven by the internal TCFSL team and the TCL employees through a nomination-based model of operation. These employees are then engaged with scholars in the capacity of mentors.

In 2020, TCFSL partnered with Buddy4Study (B4S) to scale the scholarship and make it accessible for students across the country. Buddy4Study is India's largest scholarship listing portal and helps more than 1 million students by connecting the right scholarships with the right students.

Currently, two tracks of the scholarship are run simultaneously; TCFSL direct track and the Buddy4Study track.

1. https://www.turnthebus.org/blog/school-dropouts-in-india-the-cause-and
2. January 2022, "SDG 4: Datashots", India Data Insights (IDI).
3. https://scholarships.gov.in/

SATTVA'S APPROACH

TCFSL commissioned Sattva Consulting to conduct an Impact Assessment of the Pankh Scholarship. The look-back period of the evaluation is from 2020 to 2022.

OBJECTIVES

To assess and establish the relevance of the program with respect to needs of students and the education ecosystems at large

To assess the effectiveness and rigor of implementation and program processes

To evaluate and outline the outcomes and (perceived) impact of the interventions

DESIGN OF THE STUDY

The study incorporated a **descriptive cross-sectional** design where data was collected from a representative population of the beneficiaries to provide a snapshot of the outcome and the associated characteristics, at a specific point in time. The study design addressed the following questions:

- *Did the intervention work as expected to achieve its objectives?*
- *How were the objectives achieved, what was the process, and what was the timeline for impact?*

The in-depth study leveraged Sattva's extensive experience of more than 10 years in impact assessments, an in-built knowledge repository, and tech-enabled data collection, analysis, and visualization solutions.

The study also incorporated a **mixed-method approach** consisting of quantitative and qualitative data collected from primary and secondary sources. This helped gather valuable impact-related insights from a **360-degree perspective across stakeholder**s involved and was fundamental to providing recommendations towards fine-tuning the model in scaling up the long-term impact.

The key research questions answered by the evaluation were ***contextualized across parameters of the Organisation for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC) framework***: Relevance, Coherence, Effectiveness, and Impact.

OECD's DAC FRAMEWORK

STAKEHOLDERS AND SAMPLING

Stakeholders	Online Survey Form	In-Depth Interviews	Focus Group Discussion
Pankh Scholars (Direct Track)*	22	2	
Pankh Scholars (B4S)**	333	2	
Pankh Alumni (Direct Track)		2	
Mentors (TCFSL employees)		2	
Parents		1	
TCFSL Program Team			1
B4S Program Team			1

*All scholars of the direct track (2013 to 2022) were considered in the study population
**B4S track Scholarship recipients from 2020 - 2022 were sampled for the purpose of the study

KEY INSIGHTS

IMPACT OF PANKH SCHOLARSHIP

Enabling continuity of education and evolution of career aspirations

- **97%** school going Pankh scholars plan to continue their education. Thus, the Pankh scholarship is effectively contributing towards lowering dropout rates in secondary education in India.
- **91%** (Direct track) and **82%** (B4S) scholars attribute their motivation to complete their education to the Pankh Scholarship.
- **61%** (B4S) and **91%** (Direct Track) scholars believe that their career aspirations have evolved after receiving the Pankh Scholarship. The higher proportion of direct track scholars who report improvement in career aspiration can be attributed to the role played by Mentors (TCFSL employees) who offer guidance and support to the scholars during their scholarship tenure.
- Scholars reported that the scholarship helped evolve their career aspirations by improving their confidence levels about their chosen careers, and/or increasing their awareness about career options among other factors.

Skill development of scholarship recipients

- **50%** of scholars have been able to undertake additional extracurricular activities including science and tech-based activities (like robotics), sports, and public speaking among others.
- **54%** of scholars report being able to pursue certificate courses or additional tutoring including courses on computer application, coding, Diplomas in marketing or hotel management as well as vocational skills.

Improvement in academic performance and job prospects

- **100%** (Direct Track) and **94%** (B4S) scholars have reported that their academic performance has improved since receiving the Pankh scholarship. This improvement is associated with factors like the ability to focus on academics due to reduced financial burden and increased motivation.
- **95%** (Direct Track) and **82%** (B4S) scholars have reported that their job prospects have improved since receiving the Pankh scholarship. This improvement is associated with factors like improved academic performance, upskilling enabled by the scholarship, and the ability to complete their degrees.

Reduction in financial distress and dependency on household income for education

- **87%** of scholars indicate that the scholarship has reduced financial distress in their households while also decreasing dependency on household income for educational expenses.
- The reduction in financial distress has been associated with access to better educational and job opportunities, reduced expenditure on education, and the ability to contribute towards household income.
- It can be hypothesized that the short-term outcomes will potentially lead to long-term impacts in the form of financial stability and security, continuing education for self or supporting the education of siblings, upward socio-economic mobility, and subsequent intergenerational growth.

NEED FOR PANKH SCHOLARSHIP

Challenges faced by scholars before receiving the scholarship

- **96%** of the surveyed scholars faced financial challenges while **41%** faced social challenges in accessing or continuing education before the Pankh scholarship.
- Pankh scholars reported that the most commonly faced financial challenges include low household income, high cost of education, and lack of financial support from families.
- **27%** of scholars had to seek financial support from various sources to access quality education while most others sought support at the time of transition to private schooling from government schools (in secondary and higher-secondary grades) and higher education (Undergraduate level).
- Scholars indicated that the social challenges faced by them are also a function of low household income. NSSO data suggests that the leading cause of school drop-outs is engagement in domestic and economic activities for girls and boys respectively.

PROGRAM PROCESSES AND THEIR EFFECTIVENESS

Application and selection process of the scholarship

- A high degree of satisfaction with the application process is indicated by both direct track and Buddy 4 Study scholars, although direct track application requirements are relatively less comprehensive.
- **91%** (Direct track) and **85%** (B4S) scholars report that they did not face any challenges with the application process.
- B4S scholars indicated providing extensive documentation including income certificates as a part of the application process, while direct track scholars indicate that salary slips sufficed as proof of income, making the process easier for them. The requirements can be standardized across both tracks.
- The interview process across both tracks includes 2 rounds of interviews. Scholars report that the interview process can be made more inclusive by allowing applicants to appear for the interview in their mother tongue.

Scholarship disbursement model

- The difference in the scholarship models (full coverage in direct track and part coverage of tuition fee in B4S track) leads to variation in the sufficiency of scholarship. Further, the model of reimbursement can also be relooked at.
- Only **29%** of B4S scholars indicate that the scholarship has been sufficient to cover their educational expenses. **50%** of scholars reported that the scholarship covers less than half of their total educational expenses.
- As a result of a lower proportion of educational expenses being covered in addition to the effect of the reimbursement model, scholars rely on their parents taking up additional jobs or taking soft loans from relatives or friends.
- On the other hand, **91%** of direct track scholars report that the scholarship amount was enough to cover all their educational expenses.

KEY RECOMMENDATIONS

STRATEGIC RECOMMENDATIONS

Create an Alumni database and form a community of Alumni for continuous engagement

Observation: There is no mechanism in place currently to track Alumni and their progress post the scholarship, or post-graduation. TCFSL or B4S do not currently have an alumni database for conducting any outreach activities either. Most outreach is internally through employees or social media in the case of B4S. Alumni scholars are not aware of the scholarship model and the scale of the scholarship presently. This indicates that the network and reach of Pankh alumnus is currently not leveraged. Neither is their current status of education or employment tracked to measure the impact of the scholarship

Recommendation: Creating a database of Alumni and engaging with them through the development of a Pankh Alumni community can help expand the reach of Pankh B4S through these Alumni, enable the gathering of valuable feedback, Create a networking circle for old and new alumni and monitor progress and growth of the alumnus.

PROCESS-BASED RECOMMENDATIONS

Standardisation of the selection criteria and disbursement model for both the tracks

Observation: Currently there are vast differences between the B4S track and the direct track in terms of both the disbursement model and the selection criteria and processes followed. While the B4S scholars receive a maximum of 80% of the total tuition fee within the cap allocated to the category of scholars, the direct track provides 100% scholarship without any cap for any category of scholar. While B4S follows very strict and rigorous processes of selection and document verification, the direct track neither has a specific scoring matrix for selection nor a rigorous document verification process. This creates a difference in satisfaction levels as well as the overall experience of the scholarship.

Recommendation: Create a standard model of application, selection, and disbursement of the scholarship amount for ease of tracking all applications as well as minimizing bias and subjectivity in scholarship disbursement. Mentors can reroute the nominees to the B4S platform to go through the process, with various checks and balances in place to avoid any subjectivity. The TCFSL team currently handling the direct track can focus more on monitoring and supporting the B4S team, while also mitigating any roadblocks in the scholarship process and the design of the scholarship itself

Strengthen existing standard operating procedure for the direct track

Observation: TCFSL has documented SOPs but these lack finer details like a comprehensive selection criteria, criteria for nomination of scholars, overall roles and responsibilities of mentors, division of roles and responsibilities of the program team members, and any FAQs about mentorship. The primary data has instances of responses from the direct track scholars mentioning the mentors as their relatives, whereas employees cannot nominate their relatives for the scholarship.

Recommendation: Create a Robust Standard Operating Procedure (SOP) document to provide clarity and consistency in the processes. This SOP should clearly define mentorship guidelines, nomination guidelines, Roles and responsibilities of all stakeholders involved, and guidelines on transfer of mentorship. An effective standard operating procedure clearly explains the steps taken to complete a task and informs the employee of any risks associated with the process.

Refining some of the B4S scholarship processes to maximise impact

Observation: A need to strengthen some processes and documentation was observed which can be improved upon to maximize the impact and reach of the scholarship. Some of the students gave feedback regarding the language in which telephonic interviews are conducted and how accommodations for regional languages can help the applicants in building a stronger case for themselves. Secondly, the database had scholars without any email ids who had to be contacted via Whatsapp messages directly, and for the scholars with email ids, almost 20% of the emails bounced back.

Recommendation: Refine B4S processes and fill gaps to maximize the impact and reach of the scholarship.

1. Conduct Telephonic Interviews in Regional Languages
2. Ensure All Scholars have Email IDs
3. Verify and update Email IDs regularly

These recommendations will ensure a more user-friendly application process, a fair and unbiased selection process, effective communication with the scholars, and a more efficient scholarship program overall.

CONCLUSION

TCFSL's Pankh scholarship is highly relevant to the needs of students and the overall education ecosystem in India. The Scholarship contributes towards achieving priorities highlighted in the National Education Policy 2020 as well as SDGs like Ensuring quality education, reduced inequalities, and gender equality among others.

TCFSL's partnership with B4S has increased the scale and reach of the scholarship, making it increasingly accessible for students from underprivileged backgrounds. Strengthening of the current scholarship model and processes will help enhance the positive impact of the scholarship.

Annexure B

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

(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 FINANCIAL SERVICES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Capital Financial Services 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, 2023 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, 2023 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 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 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, 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)

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

(a) All the Rules, Regulations, Directions, Guidelines and Circulars issued by the Reserve Bank of India applicable to Non-Deposit Accepting Non-Banking Financial Companies which are specifically applicable to the Company.
(b) Credit Information Companies (Regulation) Act, 2005 and Rules.
(c) SEBI Circulars and Guidelines for Mutual Funds issued by the Association of Mutual Funds in India as applicable to the Company as a Mutual Fund Distributor.
(d) Guidelines with respect to SEBI KYC registration agency (KRA) Regulations, 2011.
(e) Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.
(f) The Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Registration of Corporate Agents) Regulations, 2015.
(g) The Prevention of Money-Laundering Act, 2002 and The Prevention of Money Laundering (Maintenance of Records, etc) Rules, 2005.
(h) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
(i) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
(j) 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 into 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 ("SEBI LODR, 2015").

During the period under review, the Company has generally 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 constituted with balance of Executive Directors, Non-Executive Directors and Independent Directors as per Companies Act, 2013. 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.

We report that as regards the compliance of Regulations 17(1)(b) of SEBI LODR, 2015 made applicable to the Company on a comply or explain basis until March 31, 2023, the Company has been providing the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange under Regulation 27(2)(a) of SEBI LODR, 2015.

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. The Board of Directors of Tata Capital Financial Services Limited ("the Company" / "TCFSL") at its meeting held on March 28, 2023, has approved a Scheme of Arrangement for amalgamation of the Company, a wholly owned subsidiary of Tata Capital Limited ("TCL") and Tata Cleantech Capital Limited ("TCCL"), a subsidiary of TCL with TCL and their respective shareholders ("the Scheme"), under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder.

   The Scheme will become effective, from the Appointed Date i.e. April 1, 2023 or such other later date as may be decided by the Board of Directors, and operative from Effective Date which is conditional upon fulfilment of all the conditions set out in the Scheme including approval of the Scheme by the National Company Law Tribunal ("NCLT"), grant of NBFC license in the name of TCL by Reserve Bank of India and upon the receipt of other applicable regulatory approvals.

B. At the Annual General meeting of the Company held on June 27, 2022, the Members have passed a Special Resolution pursuant to Section 180 (1) (c) of the Act, for increasing its borrowing limits for an outstanding aggregate amount not exceeding Rs. 70,000 crore and have also passed a Special Resolution pursuant to Section 180 (1) (a) of the Act, for creation of charge on the assets of the Company for an outstanding aggregate value not exceeding Rs. 70,000 crore.

C. The Company had issued and redeemed the following Non-Convertible Debentures:

(i) Issued 4,66,200 Secured Redeemable Non-Convertible Debentures for an amount aggregating Rs. 8,640 crore, on a private placement basis. (The amount aggregating include Partly Paid inflow for TCFSL NCD "P" Series FY 2022-23 - STRPP – II for an outstanding amount of Rs. 20 crore).

(ii) Partly Paid inflow received during the year (TCFSL NCD A Series FY 2018-19) Rs.118 crore and (TCFSL NCD A Series FY 2019-20) Rs.100 crore.

(iii) Issued 430 Secured Redeemable Principal Protected Market linked Non-Convertible Debentures issued on a private placement basis for an amount aggregating Rs.43 crore.

(iv) Redeemed 31,795 Secured Redeemable Non-Convertible Debentures issued on a private placement basis for an amount aggregating Rs.3,179.50 crore.

(v) Redeemed 3,651 Secured Redeemable Principal Protected Market linked Non-Convertible Debentures issued on a private placement basis for an amount aggregating Rs.365.10 crore.

(vi) Redeemed 84,88,716 Secured, Redeemable, Non-Convertible Debentures issued to the Public for an amount aggregating Rs. 848.87 crore.

D. During the year, the Company had issued and redeemed the following Commercial Papers (“CPs”):

(i) Issued 2,24,700 units of CPs at Face Value for an aggregate amount of Rs. 11,235 crore.

(ii) Redeemed 1,93,760 units of CPs at Face Value for an aggregate amount of Rs. 96,88 crore.

E. During the year, the Company issued 5,89,74,358 Equity Shares on a Rights Basis, aggregating upto Rs. 1150 crore.

For Parikh & Associates
Company Secretaries

Sd/-
Signature
Jigyasa N. Ved
Partner
FCS No: 6488 CP No: 6018
UDIN: F006488E000354374
PR No.: 1129/2021

Place: Mumbai
Date: 23.05.2023

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 FINANCIAL SERVICES 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

Sd/-
Signature
Jigyasa N. Ved
Partner
FCS No: 6488 CP No: 6018
UDIN: F006488E000354374
PR No.: 1129/2021

Place: Mumbai
Date: 23.05.2023

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 remuneration of each Director to the median remuneration of the employees of the Company for FY 2022-23 is, as under:

Name of Director(s)	Ratio to Median
Mr. F. N. Subedar	4.75:1
Ms. Anuradha E. Thakur [1]	-
Ms. Varsha Purandare	7.41:1
Mr. Sarosh Amaria	58.03:1
Ms. Malvika Sinha [2]	-

Notes:

1. *Ms. Anuradha E. Thakur, ceased to be an Independent Director of the Company, with effect from end of the day of December 30, 2022, consequent upon her retirement and hence, ratio of the remuneration to the median remuneration of the employees, has not been computed.*
2. *Ms. Malvika Sinha was appointed as an Independent Director of the Company, with effect from December 31, 2022 and hence, ratio of the remuneration to the median remuneration of the employees, has not been computed.*

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 the Directors for FY 2022-23:

Name of Director(s)	% increase in Remuneration
Mr. F. N. Subedar	4
Ms. Anuradha E. Thakur[1]	-
Ms. Varsha Purandare	1
Mr. Sarosh Amaria	16
Ms. Malvika Sinha[2]	-

Notes:

1. *Ms. Anuradha E. Thakur, ceased to be an Independent Director of the Company, with effect from end of the day of December 30, 2022, consequent upon her retirement and hence, the percentage increase / decrease in her remuneration, has not been computed.*

2. *Ms. Malvika Sinha was appointed as an Independent Director of the Company, with effect from December 31, 2022 and hence the percentage increase / decrease in her remuneration, has not been computed.*

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 in the remuneration of the Chief Financial Officer ("CFO) and Company Secretary ("CS") for FY 2022-23:

Names	% increase in Remuneration
Mr. Jaykumar Shah	13
Ms. Sonali Punekar	9

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

There is a decrease in the median remuneration of employees in FY 2022-23 by 2.7% as compared to FY 2021-22.

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

The permanent employees on the rolls of the Company as on March 31, 2023, were 5,741.

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 in the salaries of employees other than that of managerial personnel in FY 2022-23 is 21.01% and the percentage increase in the overall managerial remuneration is 11.19%.

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.

Note: Remuneration does not include the payment/value of the Long Term Incentive Plan.

MANAGEMENT DISCUSSION AND ANALYSIS

1. ABOUT TATA CAPITAL FINANCIAL SERVICES LIMITED

Tata Capital Financial Services Limited ("TCFSL" or "Company"), registered with the Reserve Bank of India ("RBI") as a Systemically Important Non-Deposit taking Non-Banking Financial Company ("NBFC") mainly engaged in lending and offering a wide array of services/products in the financial services sector. TCFSL is a subsidiary of Tata Capital Limited ("TCL").

2. INDUSTRY AND ECONOMIC SCENARIO

While the post pandemic global economy continues to be affected by geopolitical tensions and inflationary pressures, India continues to remain a bright spot in the world economy. As per IMF, it will alone contribute 15% of the global growth in 2023 driven by its demographic dividend, pent-up demand growth, digital infrastructure and commitment to fiscal consolidation. Overall, India is expected to close FY 2022-23 with a GDP growth of 7%, which is the fastest amongst all the major economies. It is projected to further grow by 6.1% in FY 2023-24 - in contrast, the projected global growth rate for same period is only 2.9%.

It is also praiseworthy to note that the Indian financial sector remained largely unaffected amidst the recent turbulence in the US and European banking sectors. This resilience in India's financial system is attributable to adequate capitalisation & liquidity, healthy asset quality and proactive monitoring & timely interventions by the regulator.

In line with its global peers, RBI also undertook several rate hikes during the year to keep the inflationary pressures in check. Despite this, the industry demonstrated strong credit growth of 15% YoY in March 2023, driven by the overall improvement of the economy and pent-up post-Covid demand. This growth was also evidenced by several high frequency indicators including the Purchasing Manager Index readings, buoyant tax collections, healthy vehicle and tractor sales among others.

The overall NBFC sector benefited from resurgent domestic economic activity leading to strong momentum in disbursements and bolstering higher business growth. Asset quality indicators have also been improving steadily for NBFCs on the back of higher collections and lower than anticipated slippages on overall book including restructured book. Notably, most major players are focusing on growing their Retail AUM. As per ICRA, the NBFC-Retail AUM is projected to have grown at 16-18% in FY 2022-23 and expected to further grow at a healthy 12-14% in FY 2023-24. However, margins will be an area of focus as they are expected to remain under pressure in FY 2023-24 which may moderate slightly.

The overall outlook for industry remains positive as India treads on its growth trajectory leading to higher credit demand. The growth in credit is expected to be broad based across products and segments with key risks being elevated interest rates and inflation.

3. FINANCIAL PERFORMANCE

Tata Capital Financial Services Limited reported the highest ever profits during FY 2022-23 aided by expanding Net Interest Margins, prudent product mix, efficient liability management, focused management of operating costs and tightened credit policies / underwriting norms for containing credit costs.

Financial performance highlights of FY 2022-23 are, as under:

- Recorded highest ever disbursals of Rs. 51,326 crore during the year, up by 48% YoY.
- Loan book at Rs. 71,859 crore as at March 31, 2023, up by 28% YoY.
- A well-diversified portfolio comprising of Retail & SME mix at 78%.
- Net interest income including other revenues of Rs. 4,206 crore, up by 28% YoY.
- Total credit cost stood at 0.9% for the year, down by 84 bps YoY. The Company's total loan loss provisions stood at 3.2% of the loan book as on March 2023, which is 2.3x of provisions required as per Income Recognition and Asset Classification (IRAC) norms.
- GNPA & NNPA went down by 20 bps each to 2.0% and 0.3% respectively; Provision Coverage ratio stood at 85%.
- Profit before tax increased YoY by 72% to Rs. 1,853 crore.
- Net Profit after tax increased YoY by 69% to Rs. 1,382 crore.
- The Return on Equity increased from 11.7% in FY 2021-22 to 16.0% in FY 2022-23.
- The capital adequacy ratio including Common Equity Tier 1 is well above the minimum stipulated RBI norms.
- Credit rating was reaffirmed to AAA by the leading credit rating agencies.

4. SCHEME OF ARRANGMENT FOR AMALGAMATION OF THE COMPANY

The Board of Directors of TCFSL at its meeting held on March 28, 2023, approved a Scheme of Arrangement ("Scheme") for amalgamation of the Company and Tata Cleantech Capital Limited ("TCCL"), a subsidiary of TCL with TCL under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder.

The Company believes this merger will create long-term value for all stakeholders, especially considering the regulatory developments and reforms including higher regulatory standards for NBFCs. This strategic decision will lead to creation of a larger unified entity with a stronger capital base helping us conduct operations more efficiently and competitively.

5. RISK MANAGEMENT

The Company aims to operate within an effective risk management framework to actively manage all the material risks faced by the organization and make it resilient to shocks in a rapidly changing environment. It aims to establish consistent approach in management of risks and strive to reach the efficient frontier of risk and return for the organization and its shareholders.

Broad categories of risk faced by the company are Credit Risk, Market Risk, Operational Risk, Cyber Security and Reputation risk. The risk management policies are well defined for various risk categories supplemented by periodic monitoring through the sub committees of the Board.

Credit Risk: The credit aspects in the Company are primarily covered by various Credit Policies and Delegation of Authority Matrix approved by the Board of Directors. The Company measures, monitors and manages credit risks at individual borrower and portfolio level. During the course of the year, we have consistently recalibrated and re-aligned our underwriting criteria with the prevailing market environment across product lines and the associated digital scorecards, significantly leveraging our risk analytics capabilities. This helps us in refining our credit decisioning as well as granular monitoring of our existing portfolio.

Market Risk: Market risk management is guided by clearly laid down policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits. The Asset Liability Management (ALM) Policy stipulates a broad framework for liquidity risk management to ensure that the company is in a position to meet its liquidity obligations. The ALM policy is supplemented by LCR framework, stress testing and contingency funding plan.

Operational Risk: The Company has put in place a comprehensive system of internal controls, systems and procedures for documenting, assessing, and periodic monitoring of various risks and controls linked to various processes across all business lines. The governance framework for managing operational risks is defined in the Operational Risk Management Policy. Operational Risk Management Department engages with the First Line of Defense (Business and Operating Units) on periodic basis to identify and mitigate operational risks to minimise the risk and its impact.

Fraud Risk: TCFSL has adopted a robust Fraud Risk Management framework. It has an effective and very strong fraud risk governance mechanism that encompasses controls covering below objectives:

1. Prevent (reduce the risk of fraud from occurring)
2. Detect (discover fraud when it occurs) and
3. Respond (take corrective action and remedy the harm caused by fraud).

Changing business landscape and digitization has heightened the level of fraud risk in the environment arising due to new methods, schemes and technology. We continue to increase our investment in fraud prevention and detection capabilities to protect our stakeholders.

Compliance Risk: TCFSL has a Board approved Compliance Policy which lays down Compliance philosophy, expectations on Compliance culture, structure and role of the Compliance function, the role of Chief Compliance Officer, processes for identifying, assessing, monitoring, managing, and reporting on Compliance risk. The management of compliance risk is an integral component of the governance framework along with other internal control and risk management frameworks.

Cyber Security Risk: The Information Security Policy has been designed to provide an overview of the information security requirements and describe the controls that may be used to meet those requirements. Information Security Policy defines the overall framework for information security risk management. It documents the expected behaviour of system, data and information users. It contains appropriate approach to combat cyber threats given the level of complexity of business and acceptable levels of risk and cyber crisis management plan addressing the aspects: (i) Detection (ii) Response (iii) Recovery and (iv) Containment.

Reputation Risk: Reputational risk has been defined as the risk arising from negative perception on the part of customers, shareholders, investors, debt-holders, media reports that can adversely affect an organization's ability to maintain existing or establish new business relationships and continued access to sources of funding.

Our governance culture supported by sound risk management is aimed at ensuring we remain resilient during challenging periods and forge a sustainable future for the organisation.

The Risk Management Practices of the Company and its subsidiaries 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 the Organization.

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 NBFCs, as over the years, the sector has undergone considerable evolution in terms of size, complexity and interconnectedness within the financial sector. With a view to bridge the regulatory gaps between the Banks and NBFCs, NBFCs are now increasingly being subject to regulations and guidelines at par with banks.

The Reserve Bank of India had issued the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (the framework) vide circular RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 on October 22, 2021. The framework categorized NBFCs in Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL) and Top Layer (NBFC-TL). The Reserve Bank of India vide press release 2022-2023/975 dated September 30, 2022, has placed the Company in the Upper Layer.

7. OPPORTUNITIES AND THREATS

India remains largely underpenetrated in terms of credit. The domestic credit-to-private sector (% of GDP) ratio for India is at about 55%, which is significantly lower than other developed and emerging economies which are well beyond 100% in terms of penetration. Thus, the possibilities for increasing the size of the credit pie through tailored & superior credit offerings are numerous, which bodes well for our Company. To leverage this opportunity, the Company has focused on following a 'Phygital-led' business strategy by expanding its branch distribution as well as enhancing digital capabilities to offer a superior customer experience. It would also help the Company to cater to a relatively young Indian population who is increasingly becoming digital.

Furthermore, with emergence of several new age companies, we believe there is unexplored potential for existing large players like us to partner with these new age firms and build stronger technical capabilities, expand business reach and multiply customer base.

The Company would also focus on increasing cross-sell and increasing wallet share by offering customized solutions to their existing and new customers.

In terms of threats, we believe that the impact of elevated interest rates on funding costs could be visible and lead to slowdown of credit offtake as well as increase in credit costs. Growing competitive intensity from banking sector can also affect the growth of NBFCs like ours.

8. INTERNAL CONTROL SYSTEMS

TCFSL'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. TCFSL's internal control system is commensurate with its size and the nature of its operations.

9. INTERNAL FINANCIAL CONTROLS

The Management has laid down set of standards, processes and structure which enables to implement internal financial controls across the organization with reference to financial statements and that such controls are adequate and are operating effectively. Internal Finance control framework has been established in line with the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations 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 2022-23, 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 with the help of an independent firm, on behalf of Management 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. HUMAN RESOURCES

The Company had 5,741 permanent employees as of March 31, 2023.

The Company firmly believes that Human Capital is its most important asset. A series of engagement interventions across identified key themes were undertaken to increase employee morale and the initiatives focused on key aspects such as physical and mental wellness, celebrations, leadership engagement sessions, fitness and sports, and family engagement activities.

Continuing with its journey of "Happiness at the workplace", the Employee Engagement & Happiness Survey – 2023 was conducted. The Company had an impressive participation rate of 93% and the Engagement score was 85% which was higher than the comparative benchmarks identified. The Company also featured amongst India's Best Workplaces™ in BFSI – Top 50 which indicated the commitment of building a High-Trust, High-Performance Culture.

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 was ensured, and several initiatives are being deployed to further strengthen engagement across the Company.

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 continue to be a central depository and source to promote anytime, anywhere learning. The learning library has now been added and built with even more functional and behavioural 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. Learning initiatives were well recognized by the employees through the Happiness and Engagement survey (Great Place to Work) and emerged as one of the major strengths for the Company.

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, Internal Guidelines on Corporate Governance, an Occupational Health and Safety Management System, Anti-Bribery and Anti-Corruption Policy and Whistleblower Policy.

Tata Capital Limited ("TCL"), the holding company 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, 2023, the Company has 5 (five) Directors. Out of the 5 (five), 2 (two) are Independent, Non-Executive Directors; 2 (two) are Non-Independent, Non-Executive Directors and 1 (one) is an Executive Director. The profile of the 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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, 2023, 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 Companies Act, 2013 ("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) 10 (Ten) 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 3, 2022, April 21, 2022, May 13, 2022, July 22, 2022, October 26, 2022, December 12, 2022, December 23, 2022, January 23, 2023, March 16, 2023 and March 28, 2023. 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 in other companies and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2023 (including changes during the year) and list of core skills / expertise / competencies identified by the Board of Directors, are given herein below:

Name of the Director (DIN) and Director since	Category	Skills / Expertise/ Competencies	Number of Board Meetings attended during FY 2022-23	Whether attended last AGM held on June 27, 2022	Number of Directorships in other Companies		Number of Committee positions held in other Public Companies*		Directorships in other listed entity (Category of Directorship)
					Chair-person	Member	Chair-person	Member	
Mr. Rajiv Sabharwal (Chairman) (00057333) *Director since: April 1, 2018*	Non – Independent, Non- Executive	Leadership, Strategy, Finance, Risk, Treasury, Credit, Private Equity, Governance, Regulatory Affairs, Retail Banking, Banking Operations	10	Yes	2 (Public) 1 (Others)	4 (Public) 3 (Others)**	1	4	1) Tata Capital Housing Finance Limited (Debt listed)@ 2) Tata Capital Limited (Debt listed)^ 3) Tata Cleantech Capital Limited (Debt listed)@
Mr. F. N. Subedar (00028428)	Non – Independent, Non- Executive	Leadership, Strategy, Company Administration, Finance,	8	Yes	1 (Public)	4 (Public)	1	3	1) Tata Investment Corporation Limited@ 2) Tata Capital Limited (Debt listed)@ 3) DCB Bank Limited#

Name of the Director (DIN) and Director since	Category	Skills / Expertise/ Competencies	Number of Board Meetings attended during FY 2022-23	Whether attended last AGM held on June 27, 2022	Number of Directorships in other Companies		Number of Committee positions held in other Public Companies*		Directorships in other listed entity (Category of Directorship)
					Chair-person	Member	Chair-person	Member	
Director since: March 26, 2011		Taxation, Accounts, Operation, Governance, Regulatory Affairs							
Ms. Varsha Purandare (05288076) *Director since: April 1, 2019*	Independent, Non- Executive	Leadership, Strategy, Credit, Forex, Risk, Treasury, Capital Markets, Investment Banking, Private Equity, Governance, Regulatory Affairs	10	Yes	1 (Public)	9 (Public)	4	8	1) Orient Cement Limited# 2) Tata Capital Limited (Debt Listed)# 3) Tata Cleantech Capital Limited (Debt Listed)# 4) The Federal Bank Limited# 5) Deepak Fertilisers and Petrochemicals Corporation Limited# 6) TMF Holdings Limited (Debt Listed)# 7) Tata Motors Finance Limited (Debt Listed)# 8) Tata Motors Finance Solutions Limited (Debt Listed)#
Ms. Malvika Sinha$ (08373142) *Director since: December 31, 2022*	Independent, Non- Executive	Leadership, Strategy, Banking operations, Governance, Regulatory Affairs	3	NA	-	6 (Public)	-	7	1) Tata Capital Limited (Debt Listed)# 2) Mahanagar Gas Limited# 3) Mahindra Logistics Limited # 4) Tata Capital Housing Finance Limited (Debt Listed)#
Ms. Anuradha E. Thakur$$ (06702919) *Director since: January 28, 2015*	Independent, Non- Executive	Leadership, Strategy, Banking operations, Financial Services, Governance, Regulatory Affairs, Compliance, Accounts	7	Yes	NA	NA	NA	NA	NA
Mr. Sarosh Amaria (08733676) *Director since: May 5, 2020*	Executive (Managing Director)	Leadership, Strategy, Governance, Regulatory Affairs, Treasury, Corporate Finance	10	Yes	-	-	-	-	-

Notes:

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

**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.*

*** Includes Directorships in Foreign Companies.*

$Ms. Malvika Sinha was appointed as an Independent Director of the Company, with effect from December 31, 2022.

$$Ms. Anuradha E. Thakur, ceased to be an Independent Director of the Company, with effect from end of the day of December 30, 2022, consequent upon her retirement.

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) Details of change in composition of the Board during the current and previous financial year:

Sr. No.	Name of the Director	Capacity	Nature of Change	Effective Date
1.	Ms. Anuradha E. Thakur	Independent Director	Cessation	December 31, 2022
2.	Ms. Malvika Sinha	Independent Director	Appointment	December 31, 2022

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company approved the appointment of Mr. V. S. Radhakrishnan (DIN: 08064705) as an Independent Director (Additional) of the Company with effect from April 25, 2023, subject to the approval of the Members.

h) During FY 2022-23, 1 (one) meeting of the Independent Directors was held on March 27, 2023, wherein both the Independent Directors attended the meeting. The Independent Directors, *inter alia*, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors.

i) The Board periodically reviews the compliance reports of all laws applicable to the Company. During FY 2022-23, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

j) None of the Directors are related *inter-se.*

k) None of the 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 Information Technology Strategy Committee, the Investment Credit Committee, the Corporate Social Responsibility Committee, the Stakeholders Relationship Committee and the Working Committee.

During FY 2022-23, the Committee for Review of Policies and the Finance and Asset Liability Supervisory Committee of the Board were dissolved with effect from December 12, 2022.

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 placed before the Board of Directors for noting.

i) Audit Committee

Composition, Meeting and Attendance

During FY 2022-23, 8 (Eight) meetings of the Audit Committee ("AC") were held on the following dates: April 21, 2022, July 20, 2022, July 22, 2022, October 26, 2022, November 17, 2022, January 23, 2023, March 20, 2023 and March 28, 2023.

The composition of the Audit Committee (including changes) and the attendance details of meetings during FY 2022-23 is, given below:

Name of the Member(s)	Category	Member of Committee since	No. of Meetings	
			Held	Attended
Ms. Varsha Purandare[1]	Chairperson and Independent Director	April 1, 2019	8	8
Mr. Farokh N. Subedar	Non- Executive Director	March 15, 2012	8	8
Ms. Malvika Sinha[2]	Independent Director	December 31, 2022	3	3
Ms. Anuradha E. Thakur[3]	Chairperson and Independent Director	January 28, 2015	5	5

Notes:

1. *Ms. Varsha Purandare who was earlier a Member was appointed as the Chairperson of the AC, with effect from December 31, 2022.*
2. *Ms. Malvika Sinha was appointed as a Member of the AC, with effect from December 31, 2022.*
3. *Ms. Anuradha E. Thakur, ceased to be the Member and Chairperson of the AC, with effect from end of the day of December 30, 2022.*
4. *Mr. V. S. Radhakrishnan, Independent Director has been appointed as a Member of the AC, with effect from April 25, 2023.*

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 27, 2022 and was attended by Ms. Anuradha E. Thakur, former 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 and SEBI Listing Regulations and Guidelines 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/re-appointment and removal/replacement of the Auditors and their remuneration and discuss with Auditors the nature and scope of their audit before commencement;
- To examine the financial statements, financial results and the Auditors' Report thereon, including the draft limited review report;
- 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.;
- To review the functioning of and compliance with the Company's Whistle Blower Policy;
- To review the Compliance Policy of the Company and oversee its implementation;
- To review the compliance risk on a quarterly basis based on monitoring and testing results and approve the risk-based compliance testing and monitoring plan; and
- Review the appointment/ re-appointment, removal and terms of remuneration of the Chief Compliance Officer.

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 Chairman of the Board, the Managing Director, the Chief Financial Officer, the Company Secretary, the Joint 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")

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

During FY 2022-23, 2 (Two) meetings of the NRC were held on the following dates: May 13, 2022 and March 16, 2023.

The composition of the NRC (including changes) and the attendance details of meetings during FY 2022-23 is, given below:

Name of the Member(s)	Category	Member of Committee since	No. of Meetings	
			Held	Attended
Ms. Varsha Purandare[1]	Chairperson and Independent Director	April 1, 2019	2	2

Ms. Malvika Sinha[2]	Independent Director	December 31, 2022	1	1
Mr. Rajiv Sabharwal	Non – Executive Director	April 1, 2018	2	2
Ms. Anuradha E. Thakur[3]	Chairperson and Independent Director	March 30, 2017	1	1

Notes:

1. *Ms. Varsha Purandare who was earlier a Member was appointed as the Chairperson of the NRC, with effect from December 31, 2022.*
2. *Ms. Malvika Sinha was appointed as a Member of the NRC, with effect from December 31, 2022.*
3. *Ms. Anuradha E. Thakur, ceased to be the Member and Chairperson of the NRC, with effect from end of the day of December 30, 2022.*

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

The previous AGM of the Company was held on June 27, 2022 and was attended by Ms. Anuradha E. Thakur, former Chairperson 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 ("KMP"), 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;
– Oversee the framing, review, implementation and recommend to the Board for its approval the Remuneration Policy for the Directors, KMPs, the Executive team and other employees;
– Review of the Compensation structure i.e. design of annual and long term compensation plan (including share linked instruments, mix of cash and share linked instruments, deferred payment plans which may be subject to malus/ claw back arrangements, etc.); 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 behaviour and judgment.

iii) Risk Management Committee ("RMC")

Composition, Meetings and Attendance

During FY 2022-23, 5 (Five) meetings of the RMC were held on the following dates: May 9, 2022, August 4, 2022, November 14, 2022, December 12, 2022 and January 30, 2023.

The composition of the RMC (including changes) and the attendance details of meetings during FY 2022-23 is, given below:

Name of the Member(s)	Category	Member of Committee since	No. of Meetings	
			Held	Attended
Ms. Malvika Sinha[1]	Chairperson and Independent Director	December 31, 2022	1	1
Mr. Farokh N. Subedar	Non – Executive Director	January 24, 2022	5	5
Mr. Rajiv Sabharwal	Non – Executive Director	April 1, 2018	5	5
Mr. Sarosh Amaria	Managing Director	May 5, 2020	5	5
Ms. Varsha Purandare[2]	Chairperson and Independent Director	April 1, 2019	4	4
Ms. Anuradha E. Thakur[3]	Independent Director	March 30, 2015	4	4

Notes:

1. *Ms. Malvika Sinha was appointed as a Member and Chairperson of the RMC with effect from December 31, 2022.*
2. *Ms. Varsha Purandare ceased to be a Member and Chairperson of RMC with effect from December 31, 2022.*
3. *Ms. Anuradha E. Thakur, ceased to be the Member of the RMC, with effect from end of the day of December 30, 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 (i) Credit Risk (ii) Market & Liquidity Risk (iii) Operational Risk (Process, People, Outsourcing, Technology, Business Continuity and Fraud) (iv) Strategic Risks (including emerging and external risks)

(v) Compliance and Governance Risk (vi) Reputation Risk (vii) Information Security and Cyber Security Risk etc.;

- To review and analyse risk exposure related to specific issues and highlight the same to the Board;
- To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
- To ensure that 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) Stakeholders Relationship Committee ("SRC")

Composition, Meetings and Attendance

During FY 2022-23, 1 (One) meeting of the SRC was held on February 8, 2023.

The composition of the SRC (including changes) and the attendance details of meeting during FY 2022-23 is, given below:

Name of the Member(s)	Category	Member of Committee since	No. of Meetings	
			Held	Attended
Mr. Farokh N. Subedar	Chairman and Non – Executive Director	January 28, 2015	1	1
Ms. Malvika Sinha[1]	Independent Director	December 31, 2022	1	1
Mr. Sarosh Amaria	Managing Director	May 5, 2020	1	1
Ms. Anuradha E. Thakur[2]	Independent Director	January 28, 2020	-	-

Notes:

1. *Ms. Malvika Sinha was appointed as a Member of the SRC with effect from December 31, 2022.*
2. *Ms. Anuradha E. Thakur, ceased to be a Member of the SRC, with effect from end of the day of December 30, 2022.*

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 27, 2022 and was attended by Mr. Farokh N. Subedar, Chairman of the SRC.

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

Ms. Sonali Punekar, Company Secretary
11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
Telephone No.: (022) 6606 9000
Email: compliance.ncd@tatacapital.com

b) Investor Complaints:

Details of Complaints received from the Debenture holders and redressed during FY 2022-23 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	4	4	NIL
	Total	**NIL**	**4**	**4**	**NIL**

c) During FY 2022-23, no complaints were received from the Equity Shareholders of the Company.

v) Finance and Asset Liability Supervisory Committee ("ALCO")

Composition, Meetings and Attendance

During FY 2022-23, 3 (Three) meetings of the ALCO were held on the following dates: May 20, 2022, August 4, 2022 and November 14, 2022.

The composition of the ALCO and the attendance details of meetings during FY 2022-23 is, given below:

Name of the Member(s)	Category	Member of Committee since	No. of Meetings	
			Held	Attended
Ms. Varsha Purandare	Chairperson and Independent Director	April 1, 2019	3	3
Ms. Anuradha E. Thakur	Independent Director	January 28, 2015	3	3
Mr. Rajiv Sabharwal	Non – Executive Director	April 1, 2018	3	3
Mr. Sarosh Amaria	Managing Director	May 5, 2020	3	3

Terms of reference

The responsibilities of the ALCO, *inter alia*, include to oversee:

– Compliance with RBI Prudential Norms / directions / guidelines for asset liability management;
– Debt Composition and plan of the Company for fund raising; and
– Resource Raising Policy of the Company.

The ALCO of the Board of Directors was dissolved with effect from December 12, 2022 and a Management Level Asset – Liability Management Committee was constituted with roles and powers similar to the erstwhile ALCO.

vi) Information Technology Strategy Committee ("ITSC")

Composition, Meetings and Attendance

During FY 2022-23, 2 (Two) meetings of the ITSC were held on the following dates: August 5, 2022 and February 3, 2023.

The composition of the ITSC (including changes) and the attendance details of meetings during FY 2022-23 is, given below:

Name of the Member(s)	Category	Member of Committee since	No. of Meetings	
			Held	Attended
Ms. Malvika Sinha[1]	Chairperson and Independent Director	December 31, 2022	1	1
Mr. Farokh N. Subedar	Non – Executive Director	May 1, 2018	2	2
Mr. Rajiv Sabharwal	Non – Executive Director	November 14, 2018	2	2
Mr. Sarosh Amaria	Managing Director	May 5, 2020	2	2
Mr. Rahul Mulay[2]	Chief Information Officer	May 13, 2022	2	2
Ms. Varsha Purandare[3]	Chairperson and Independent Director	April 1, 2019	1	1

Notes:

1. *Ms. Malvika Sinha was appointed as a Member and Chairperson of the ITSC, with effect from December 31, 2022.*
2. *Mr. Rahul Mulay, Chief Information Officer was appointed as a Member of the ITSC, with effect from May 13, 2022.*
3. *Ms. Varsha Purandare ceased to be a Member and Chairperson of the ITSC, with effect from December 31, 2022.*

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.

vii) Investment Credit Committee ("ICC")

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

During FY 2022-23, 29 (Twenty Nine) meetings of the ICC were held on the following dates: April 14, 2022, April 22, 2022, May 13, 2022, May 30, 2022, June 10, 2022, June 13, 2022, July 6, 2022, July 20, 2022, August 8, 2022, August 29, 2022, September 9, 2022, September 14, 2022, September 23, 2022, October 14, 2022, October 21, 2022, October 27, 2022, November 12, 2022, November 29, 2022, December 9, 2022, December 21, 2022, December 26, 2022, January 12, 2023, January 27, 2023, February 15, 2023, February 22, 2023, February 24, 2023, March 16, 2023, March 27, 2023 and March 30, 2023.

The composition of the ICC (including changes) and the attendance details of meetings during FY 2022-23 is, given below:

Name of the Member(s)	Category	Member of Committee since	No. of Meetings	
			Held	Attended
Ms. Varsha Purandare	Chairperson and Independent Director	April 1, 2019	29	29
Mr. Rajiv Sabharwal	Non – Executive Director	April 1, 2018	29	27
Mr. Sarosh Amaria	Managing Director	May 5, 2020	29	29
Ms. Anuradha E. Thakur[1]	Independent Director	January 28, 2015	21	16

Notes:

1. *Ms. Anuradha E. Thakur, ceased to be a Member of the ICC, with effect from end of the day of December 30, 2022.*
2. *Mr. V. S. Radhakrishnan, Independent Director has been appointed as a Member of the ICC with effect from April 25, 2023.*

<u>Terms of reference</u>

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

– To approve Commercial Finance and Retail Business credit proposals, as per the authority granted by the Board to the ICC, from time to time, in terms of the Board approved 'Delegation of Authority Matrix';
– To approve investments in Debentures / Commercial Paper, Equity Shares, Preference Shares and other instruments, in terms of the Board approved Commercial and SME Finance Division ("CSFD") Investment Policy;
– To approve the opening and operating of Letters of Credit, Trade Credit, Forex facility, etc. for customers of the CSFD;
– To approve Sale / Purchase of Non Performing Assets as per the Policy for Sale / Purchase of Non Performing Assets, as may be approved by the Board of Directors, from time to time; and
– To periodically review proposals approved by Management Credit Committee.

viii) Corporate Social Responsibility ("CSR") Committee

Composition, Meetings and Attendance

During FY 2022-23, 2 (Two) meetings of the CSR Committee were held on the following dates: May 9, 2022 and March 24, 2023.

The composition of the CSR Committee and the attendance details of meetings during FY 2022-23 is, given below:

Name of the Member(s)	Category	Member of Committee since	No. of Meetings	
			Held	Attended
Mr. Farokh N. Subedar	Chairman and Non – Executive Director	March 7, 2014	2	2
Ms. Varsha Purandare	Independent Director	April 1, 2019	2	2
Mr. Rajiv Sabharwal	Non – Executive Director	May 5, 2020	2	2
Mr. Sarosh Amaria	Managing Director	May 5, 2020	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 the 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.

ix) Committee for Review of Policies ("ROP")

Composition, Meetings and Attendance

During FY 2022-23, 1 (One) meeting of the ROP was held on September 28, 2022.

The composition of the ROP and the attendance details of meeting during FY 2022-23 is, given below:

Name of the Member(s)	Category	Member of Committee since	No. of Meetings	
			Held	Attended
Ms. Anuradha E. Thakur	Chairperson and Independent Director	October 17, 2016	1	1
Mr. Sarosh Amaria	Managing Director	May 5, 2020	1	1

Terms of reference

The responsibilities of the ROP, *inter alia*, is to review various Codes / Policies adopted by the Company.

The ROP of the Board of Directors was dissolved with effect from December 12, 2022, for operational convenience.

x) Working Committee

Composition and Meetings

The composition of the Working Committee (including changes) is, given below:

Name of the Member(s)	Category	Member of Committee since
Ms. Malvika Sinha[1]	Chairperson and Independent Director	December 31, 2022
Mr. Farokh N. Subedar	Non- Executive Director	June 15, 2018
Mr. Rajiv Sabharwal	Non- Executive Director	April 30, 2018
Mr. Sarosh Amaria	Managing Director	May 5, 2020
Ms. Anuradha E. Thakur[2]	Independent Director	April 1, 2019

Notes:

1. *Ms. Malvika Sinha was appointed as a Chairperson and Member of the WC, with effect from December 31, 2022.*
2. *Ms. Anuradha E. Thakur, ceased to be the Chairperson and Member of the WC, with effect from end of the day of December 30, 2022.*

During FY 2022-23, no meeting of the Working Committee was held.

Terms of reference

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

– To explore and evaluate market appetite, potential pricing, structure of the proposed issuance and timing, negotiation of various other terms in connection with the issuance of masala bonds, external commercial borrowings and non-convertible debentures to Public.
– To interact with potential investors / facilitators and incur any expenditure for carrying out the above activities; and
– To recommend to the Board of Directors, the findings of the Working Committee.

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 FY 2022-23, within the maximum prescribed limits to the NEDs and IDs who were Directors of the Company during FY 2022-23, as recommended by the NRC and approved by the Board at their respective Meetings held on May 23, 2023. The details of the same are, as under:

Name of Director(s)	Sitting Fees paid for attending Board and Committee Meetings held during FY 2022-23 (Rs.)	Commission to be paid for FY 2022-23 (Rs.)
Mr. Farokh N. Subedar	7,20,000	30,00,000
Ms. Varsha Purandare	18,00,000	40,00,000
Ms. Malvika Sinha[1]	3,30,000	7,50,000
Ms. Anuradha E. Thakur[2]	11,10,000	30,00,000

Notes:

1. *Ms. Malvika Sinha was appointed as an Independent Director of the Company, with effect from December 31, 2022 and accordingly, commission amount for FY 2022-23 is on a pro-rata basis.*
2. *Ms. Anuradha E. Thakur, ceased to be an Independent Director of the Company, with effect from end of the day of December 30, 2022, consequent upon her retirement and accordingly, commission amount for FY 2022-23 is on a pro-rata basis.*

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 he 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/pdf/tcfsl/regulatory-policies/TCFSL-Remuneration_Policy.pdf

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

b. Managing Director

During FY 2022-23, the Company paid remuneration to Mr. Sarosh Amaria, Managing Director ("MD") of the Company as provided in Annual Return for FY 2022-23, which is available on the website of the Company. The current term of Mr. Amaria is of five years from May 5, 2020 to May 4, 2025. The commission to the MD is determined, *inter alia,* based on the performance of the Company and the MD. The Employee Stock Options ("ESOPs") of Tata Capital Limited granted to the MD for FY 2022-23 will vest in 4 tranches over a period of 4 years and are exercisable over a period of 7 years. The Contract with the MD 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 any 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.

V. General Body Meetings

a. Details of the last three Annual General Meetings of the Company:

Financial Year	Date	Time	Venue	Special Resolutions passed
2019-20	August 14, 2020	1:15 p.m.	Meeting conducted through Video Conferencing ("VC")	i. To approve the borrowing limits of the Company ii. To create charge on the assets of the Company
2020-21	June 24, 2021	10:00 a.m.	Meeting conducted through VC	Nil
2021-22	June 27, 2022	10:45 a.m.	Meeting conducted through VC	i. To approve the borrowing limits of the Company ii. To create charge on the assets of the Company iii. To approve private placement of Non-Convertible Debentures

b. Extraordinary General Meeting ("EGM"):

During FY 2022-23, an EGM of the members was held on Monday, March 27, 2023 at 9.30 a.m. through VC and a Special Resolution was passed for approving the appointment of Ms. Malvika Sinha (DIN: 08373142) 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 Information' 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: compliance.ncd@tatacapital.com. Financial Results are normally published in Business Standard Newspaper.

VII. General information for shareholders and debenture holder

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number ("CIN") allotted to the Company by Ministry of Corporate Affairs is U67100MH2010PLC210201.

(a) Details of Debenture Trustees and the Registrar and Transfer Agents of the Company are, given below:

Debenture Trustees
Vistra ITCL (India) Limited (formerly known as IL & FS Trust Company Limited) The IL&FS Financial Centre, Plot C – 22, G Block, Bandra Kurla Complex, Bandra I, Mumbai – 400 051. Website: www.vistraitcl.com, Tel: +91 22 69300000, Fax: +91 22 2653 3297. e-mail: itclcomplianceofficer@vistra.com
IDBI Trusteeship Services Limited Universal Insurance Building, Ground Floor, Sir P. M. Road, Fort, Mumbai – 400 001. 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 to the Public
Kfin Technologies Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032. Website: www.kfintech.com, Tel: +91 40-6716 2222, e-mail: einward.ris@kfintech.com
Equity Shares and 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, Tel: +91 22 6656 8484, Fax: +91 22 6656 8494. e-mail: csg-unit@tcplindia.co.in

(b) Annual General Meeting for FY 2022-23:

Date: June 27, 2023

Time: 10:45 A.M.

Venue: Through Video Conferencing

(c) Financial Year: April 1, 2022 to March 31, 2023

(d) Dividend Payment Date: Not Applicable

(e) Listing on Stock Exchanges 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

The annual listing fees as applicable have been paid for FY 2022-23 and FY 2023-24.

(f) Stock Code: Not Applicable*

(g) Market Price data- high, low during each month in last financial year: Not Applicable*

(h) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.: Not Applicable*

(i) In case the securities are suspended from trading, the directors report shall explain the reason thereof: Not Applicable

(j) 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 and Transfer Agent for dematerialisation.

(k) Distribution of shareholding: The Company is a wholly owned subsidiary of TCL. The entire equity shareholding of the Company is held by TCL and its nominees.

(l) Dematerialization of shares and liquidity:

All the Equity shares of the Company are in dematerialized form as on March 31, 2023. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity shares is INE306N01016.

(m) Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

(n) 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.

(o) Plant locations: Not Applicable

(p) Address for correspondence:

Tata Capital Financial Services Limited,
11th Floor, Tower A, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400 013

(q) 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.

(r) 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 Disclosures

Particulars	Details
Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.	There are no material related party transactions during the year under review that have potential conflict with the interest of the Company.
- Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years. - Details of penalties or stricture imposed on the Company by the	Nil Nil

Particulars	Details
Reserve Bank of India or any other statutory authority	
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 any 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/pdf/tcfsl/regulatory-policies/RPT%20Policy.pdf
Disclosure of commodity price risks and commodity hedging activities.	Not Applicable
Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations.	Not Applicable
A 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.	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.*
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.	During FY 2022-23, all the recommendations of the various Committees of the Board were accepted by the Board.

<table>
<tr><th>Particulars</th><th>Details</th></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>The particulars of payment of fees to the Joint Statutory Auditors for FY 2022-23 is given below:
<table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Audit Fees</td><td>Rs. 1.80 crore</td></tr><tr><td>Tax Audit Fees</td><td>Rs. 0.05 crore</td></tr><tr><td>Certification and other services</td><td>Rs. 0.05 crore</td></tr><tr><td>Total</td><td>Rs. 1.90 crore</td></tr></table>(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 Joint Statutory Auditors are a part.</td></tr>
<tr><td>Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.</td><td><table><tr><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>NA</td><td>NA</td></tr></table></td></tr>
<tr><td>Disclosure by the 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>NIL</td></tr>
<tr><td>Familiarization Program</td><td>Details of familiarisation programmes imparted to Independent Directors is disclosed on its website at:

https://www.tatacapital.com/content/dam/tata-capital/pdf/tcfsl/regulatory-policies/familiarisation-programme-for-independent-directors.pdf</td></tr>
</table>

IX. Non-compliance of any requirement of corporate governance report of sub-paras above, with reasons thereof shall be disclosed –

<u>Composition of the Board</u>

As on March 31, 2023, the composition of the Board is in compliance with the requirements of the Companies Act, 2013. Further, in accordance with the provisions of the SEBI Listing Regulations relating to the Board composition, which have been made applicable to the High Value Debt listed entities on a *‘comply or explain’ basis* until March 31, 2024, the Company has reconstituted its Board on April 25, 2023 and is in compliance with the requirements.

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 regulation 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, 2023, the Company is in compliance with all the mandatory requirements specified in Regulation 17 to 27 of SEBI Listing Regulations, except Regulation 17(1)(b) which has been made applicable to the Company as a High Value Debt Listed Entity effective September 7, 2021 on a *'comply or explain' basis* until March 31, 2024. The Company has been providing the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchanges. Further, as on April 25, 2023, the Company is in compliance with the aforesaid Regulation 17(1)(b).

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 of 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 Financial Services Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tata Capital Financial Services Limited having CIN U67100MH2010PLC210201 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, 2023 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. Farokh Nariman Subedar	00028428	26/03/2011
2.	Mr. Rajiv Sabharwal	00057333	01/04/2018
3.	Ms. Varsha Vasant Purandare	05288076	01/04/2019
4.	Mr. Sarosh Kersi Amaria	08733676	05/05/2020
5.	Ms. Malvika Sinha	08373142	31/12/2022

*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
Sd/-
Jigyasa N. Ved
Partner
FCS: 6488 CP: 6018
UDIN: F006488E000354836
PR No.: 1129/2021
Mumbai, 23.05.2023

Annexure II

DECLARATION BY THE MANAGING DIRECTOR

In accordance with SEBI (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, 2023.

For **Tata Capital Financial Services Limited**

Sd/-
Sarosh Amaria
Managing Director

Place: Mumbai
Date: May 23, 2023

Annexure III

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Tata Capital Financial Services Limited

We have examined the compliance of the conditions of Corporate Governance by Tata Capital Financial Services Limited ('the Company') for the year ended on March 31, 2023, 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 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, 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, 2023 and had provided necessary explanation pertaining to compliance of Regulation 17(1)(b) of SEBI Listing Regulations in the quarterly compliance report on Corporate Governance submitted to the Stock Exchanges under Regulation 27(2)(a) of SEBI Listing Regulations.

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
Sd/-
Jigyasa N. Ved
Partner
FCS: 6488 CP: 6018
UDIN**:** F006488E000354451
PR No.: 1129/2021
Mumbai, 23.05.2023

Consolidated Financial Statements

Walker Chandiok & Co LLP
Chartered Accountants

11th Floor, Tower II,
One International Centre,
S B Marg, Prabhadevi (W),
Mumbai - 400013

M M Nissim & Co LLP
Chartered Accountants

Barodawala Mansion, B-Wing
3rd Floor, Dr Annie Besant Road
Worli, Mumbai, Maharashtra
400018

Independent Auditor's Report

To the Members of Tata Capital Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Tata Capital Financial Services Limited ('the Holding Company') and its associates, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated 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 ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India of the consolidated state of affairs of the Holding Company and its associates as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its associates 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 consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	**How our audit addressed the key audit matter**
Impairment of loans and advances to customers (Refer Note 2.xii for significant accounting policies and Note 36 for credit risk disclosures)	
As at 31 March 2023, the Holding Company has reported gross loan assets of ₹ 7,204,354 lakhs against which an impairment loss of ₹ 226,756 lakhs has been recorded. The Holding Company recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 – Financial Instruments'. The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to: ➢ ensuring completeness and accuracy of the data used to create assumption in the model. ➢ determining the criteria for a significant increase in credit risk. ➢ factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure default. These parameters are derived from the Holding Company's internally developed statistical models and other historical data. During the previous years, RBI announced various relief measures for the borrowers which were implemented by the Holding Company such as "COVID 19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') dated on 6 August 2020 and 4 June 2021, which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Holding Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; • Considered the Holding Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109; • Understanding management's systems and controls implemented in relation to impairment allowance process; • Accuracy of the computation of the ECL estimate including reasonableness of the methodology and assumption used to determine macro-economic overlays; • Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets. Also evaluated the controls over the modelling process, validation of data and related approvals;

Key Audit Matter	How our audit addressed the key audit matter
On the basis of an estimate made by the management, an overlay to the tune of Rs 6,560 lakhs has been carried by the Holding Company as at 31 March 2023 on restructured loans basis their performance and outstanding position .The basis of estimates and assumptions Involved in arriving at the overlay are monitored by the Holding Company periodically and significantly depend on future developments in the economy. **Disclosure** The disclosures regarding the Holding Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions is also an area of focus. Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.	• Evaluated the appropriateness of the Holding Company's determination of Significant Increase in Credit Risk ("SICR") in accordance with the applicable accounting standard and the basis for classification of various exposures into various stages. Further, assessed the critical assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others; • Performed test of details over calculations of ECL, in relation to the completeness and accuracy of data; • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; and • Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 35A "Financial risk management" disclosed in the accompanying consolidated financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

Key Audit Matter	**How our audit addressed the key audit matter**
Information Technology system for the financial reporting process	
The Holding Company is highly dependent upon its information technology (IT) systems for carrying out its operations and owing to the significant volume of transactions that are processed daily basis as part of the operations, which impacts key financial accounting and reporting. The Holding company has put in place the IT General Controls and application controls to ensure that the information produced by the Holding company is complete, accurate and reliable. Among other things, the Management also uses the information produced by the entity's IT systems for accounting and preparation and the presentation of the of the consolidated financial statements. Since our audit strategy included focus on entity's key IT systems relevant to our audit due to their potential pervasive impact on the consolidated financial statements, we have determined the use of IT systems and related control environment for accounting and financial reporting as a key audit matter.	Our audit procedures for our assessment of the IT systems and controls over financial reporting, which includes carrying out the key audit procedures, but were not limited to the following: • Obtained an understanding of the Holding Company's key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e. job processing, data/ system backup and incident management and application controls relevant to our audit; • Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users; • Tested application controls (automated controls), related interfaces and report logic for system generated reports relevant to the audit of loans, expenses, payroll, borrowings and investment among others, for evaluating completeness and accuracy; and • Tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and accuracy of data.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Board of Director's Responsibilities for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Holding Company and its associates in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, RBI Guidelines and other accounting principles generally accepted in India. The respective Board of Directors of the Holding Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding 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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the Holding Company and of its associates are responsible for assessing the ability of the Holding Company and of its associates 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 intend to liquidate the Holding Company or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of Holding Company and its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

    - Conclude on the appropriateness of the 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 ability of the Holding Company and its associates 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 Holding Company and its associates 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; and

    - Obtain sufficient appropriate audit evidence regarding the financial information of the Holding Company and its associates, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. We remain solely responsible for our audit opinion.

12. 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.

13. 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.

14. 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.

Other Matter

15. The consolidated financial statements include the Holding Company's share of net profit after tax of ₹ 10 lakhs and other comprehensive income of ₹ (14) lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of 3 associates, whose financial information have not been audited by us. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associates, are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Holding Company.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Holding Company, covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we report that there are no qualifications or adverse remarks reported in the Order report of the Holding company. Further, following are the companies included in the consolidated financial statements for the year ended 31 March 2023 and covered under that Act for which financial information furnished to us by the management is unaudited till date and for which respective reports under section 143(11) of the Act of such companies have not been issued by their respective statutory auditors, as per the information and explanation given to us by the management in this respect.

S No	Name	CIN	Subsidiary/ Associate/ Joint Venture
1	Fincare Business Services Limited	U74900KA2014PLC075614	Associates
2	TVS Supply Chain Solutions Limited	U63011TN2004PLC054655	Associates
3	Fincare Small Finance Bank Limited	U67120GJ1995PLC025373	Associates

18. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, are disqualified as on 31 March 2023 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 Holding Company, and its associate companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the other unaudited financial information of the associates:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company as detailed in Note 42(i) to the consolidated financial statements;

ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 6 to the consolidated financial statements;

iii. There were no amounts which were required to be transferred to the to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023;

iv.

a. The management of the Holding Company has represented that, to the best of their knowledge and belief as disclosed in note 57 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company to or in any persons or entities, including foreign entities ('the 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 Holding Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management of the Holding Company ,as disclosed in the note 57 to the accompanying consolidated financial statements has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding 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

c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Holding Company during the year ended 31 March 2023 is in compliance with section 123 of the Act; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423
UDIN: **23042423BGWINE7138**

Mumbai
25 April 2023

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No. 044577
UDIN: **23044577BGUVMI8057**

Mumbai
25 April 2023

Annexure I

List of entities included in the Consolidated Financial Statements

1.Fincare Business Services Limited

2.TVS Supply Chain Solutions Limited

3.Fincare Small Finance Bank Limited

Annexure II to the Independent Auditor's Report of even date to the members of Tata Capital Financial Services Limited on the Consolidated financial statements for the year ended 31 March 2023

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

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

1. In conjunction with our audit of the consolidated financial statements of **Tata Capital Financial Services Limited** ('the Holding Company') and its associates as at and for the year ended **31 March 2023**, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and its associate companies which are companies covered under the Act, as at that date.

Board of Director's Responsibilities for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its associate companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the consolidated 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 ('the Guidance Note') 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note issued by the ICAI. 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Annexure II *(Continued)*

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements of the Holding Company and its associate companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Opinion

8. In our opinion, the Holding Company and its associate companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to the consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

<u>Annexure II *(Continued)*</u>

Other Matter

9. We did not audit the internal financial controls with reference to consolidated financial statements in so far as it relates to 3 associate companies, which are companies covered under the Act, in respect of which, the Holding Company's share of net profit after tax of ₹ 10 lacs, and total comprehensive income of ₹ (14) lacs for the year ended 31 March 2023 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of these associate companies, which are companies covered under the Act, are unaudited whose financial information, in our opinion and according to the information and explanation given to us by the management, is not material to the Holding Company. Our opinion under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements insofar as it relates to the aforesaid associates, which are companies covered under the Act, is not modified in respect of the above matter.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423
UDIN: **23042423BGWINE7138**

Mumbai
25 April 2023

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No. 044577
UDIN: **23044577BGUVMI8057**

Mumbai
25 April 2023

Consolidated Balance Sheet

as at March 31, 2023

(Rs. in lakh)

Particulars	Note	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	2,21,103	1,11,722
(b) Bank balances other than (a) above	4	23,765	178
(c) Derivative financial instruments	6	16,759	987
(d) Receivables			
(i) Trade receivables	5	4,776	926
(ii) Other receivables		-	-
(e) Loans	7	69,64,814	53,79,896
(f) Investments	8	4,11,895	2,65,556
(g) Other financial assets	9	38,631	30,240
Total financial assets		76,81,743	57,89,505
(2) Non-financial assets			
(a) Current tax assets (net)	10(i)	12,479	11,932
(b) Deferred tax assets (net)	10(ii)	71,847	65,688
(c) Investments accounted using equity method	11	1,802	1,805
(d) Property, plant and equipment	12	37,344	46,996
(e) Capital work-in-progress	12(i)	115	22
(g) Intangible assets under development	12(ii)	699	569
(g) Other intangible assets	12	2,099	1,867
(h) Right of use assets	39	16,112	7,801
(i) Other non-financial assets	13	25,754	19,090
Total non-financial assets		1,68,251	1,55,770
Total Assets		78,49,994	59,45,275
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments	6	264	28,987
(b) Payables			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	14(ii)	467	68
- Total outstanding dues of creditors other than micro enterprises and small enterprises	14(i)	1,00,518	84,261
(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	15	28,85,262	22,90,671
(d) Borrowings (other than debt securities)	16	31,99,338	21,85,506
(e) Subordinated liabilities	17	4,32,253	4,32,060
(f) Lease liabilities	39	15,430	8,511
(g) Other financial liabilities	18	1,49,362	99,908
Total financial liabilities		67,82,894	51,29,972
(2) Non-Financial liabilities			
(a) Current tax liabilities (net)	19	22,820	26,719
(b) Provisions	20	5,351	3,365
(c) Other non-financial liabilities	21	13,056	9,002
Total non-financial liabilities		41,227	39,086
(3) Equity			
(a) Equity share capital	22	1,71,885	1,65,987
(b) Other equity	23	8,53,988	6,10,230
Total equity		10,25,873	7,76,217
Total Liabilities and Equity		78,49,994	59,45,275

Summary of significant accounting policies — *2*

See accompanying notes forming part of the financial statements — *3-59*

In terms of our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

In terms of our report of even date
For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner
Membership No: 042423
Mumbai

Sanjay Khemani
Partner
Membership No: 044577
Mumbai

Rajiv Sabharwal
(Director)
(DIN No. : 00057333)
Mumbai

F.N. Subedar
(Director)
(DIN No. : 00028428)
Mumbai

Varsha Purandare
(Director)
(DIN No. : 05288076)
Pune

Malvika Sinha
(Director)
(DIN No. : 08373142)
Mumbai

Sarosh Amaria
(Managing Director)
(DIN No. : 08733676)
Mumbai

Jaykumar Shah
(Chief Financial Officer)
Mumbai

Sonali Punekar
(Company Secretary)
Mumbai

Date : April 25, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(Rs. in lakh)

	Particulars	*Note*	**For the year ended March 31, 2023 (Audited)**	**For the year ended March 31, 2022 (Audited)**
I	**Revenue from operations**			
(i)	Interest income	*24*	**7,24,147**	**5,65,582**
(ii)	Dividend income	*25*	**24**	**73**
(iii)	Rental income	*26*	**27,440**	**30,660**
(iv)	Fees and commission income	*27*	**22,444**	**18,693**
(v)	Net gain on fair value changes	*28*	**7,764**	**10,911**
	Total Revenue from operations		**7,81,819**	**6,25,919**
II	**Other income**	*29*	**12,067**	**8,098**
III	**Total Income (I+II)**		**7,93,886**	**6,34,017**
IV	**Expenses**			
(i)	Finance costs	*30*	**3,75,510**	**2,83,300**
(ii)	Impairment of financial instruments	*32*	**50,372**	**88,950**
(iii)	Employee benefit expenses	*31*	**81,742**	**56,519**
(iv)	Depreciation, amortisation and impairment	*12*	**19,356**	**25,982**
(v)	Other expenses	*33*	**81,592**	**71,245**
	Total expenses (IV)		**6,08,572**	**5,25,996**
V	**Profit before exceptional items and tax (III-IV)**		**1,85,314**	**1,08,021**
VI	**Exceptional Items**		-	-
VII	**Share in profit/(loss) of associates**		**10**	51
VIII	**Profit before tax (V-VI)**		**1,85,324**	**1,08,072**
IX	**Tax expense**			
	(1) Current tax	*10(i)*	**53,845**	**36,245**
	(2) Deferred tax	*10(ii)*	**(6,803)**	**(9,946)**
	Total tax expense		**47,042**	**26,299**
X	**Profit for the year (VII-VIII)**		**1,38,282**	**81,773**
XI	**Other Comprehensive Income**			
	(i) Items that will be reclassified subsequently to statement of profit and loss			
	(a) Fair value (loss) on financial assets carried at Fair Value Through Other Comprehensive Income (FVTOCI)		**(198)**	**(238)**
	(b) Income tax relating to fair value gain on financial assets carried at FVTOCI		**50**	**93**
	(c) The effective portion of gain on hedging instruments in a cash flow hedge		**2,753**	**4,142**
	(d) Income tax relating to the effective portion of (loss) on hedging instruments in a cash flow hedge		**(693)**	**(1,042)**
	(e) Share in other comprehensive income in associates (net)		**(14)**	**2**
	(ii) Items that will not be reclassified subsequently to statement of profit and loss			
	(a) Remeasurement of defined employee benefit plans		**(832)**	**(308)**
	(b) Income tax relating to the remeasurement of defined employee benefit plans		**210**	**78**
	Total Other Comprehensive Income		**1,276**	**2,727**
XII	**Total Comprehensive Income for the year (IX+X)**		**1,39,558**	**84,500**
XIII	**Earnings per equity share (Face value : Rs. 10 per share) :**			
	(1) Basic (Rupees)		**8.27**	**5.02**
	(2) Diluted (Rupees)		**8.27**	**5.02**

Summary of significant accounting policies — *2*

See accompanying notes forming part of the financial statements — *3-59*

In terms of our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

In terms of our report of even date
For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner
Membership No: 042423
Mumbai

Sanjay Khemani
Partner
Membership No: 044577
Mumbai

Rajiv Sabharwal
(Director)
(DIN No. : 00057333
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F.N. Subedar
(Director)
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(Director)
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(Director)
(DIN No. : 08373142
Mumbai

Sarosh Amaria
(Managing Director)
(DIN No. : 08733676)
Mumbai

Jaykumar Shah
(Chief Financial Officer)
Mumbai

Sonali Punekar
(Company Secretary)
Mumbai

Date : April 25, 2023

Tata Capital Financial Services Limited

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(Rs. in lakh)

Particulars	***Note***	**For the year ended March 31, 2023 (Audited)**	**For the year ended March 31, 2022 (Audited)**
1 CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**1,85,324**	1,08,072
Adjustments for :			
Depreciation, amortisation and impairment		**19,356**	25,982
Net loss / (gain) on derecognition of property, plant and equipment		**357**	(745)
Net gain on modification/derecognition of right-of-use assets		**(24)**	(169)
Finance cost		**3,75,510**	2,83,300
Interest income		**(7,24,147)**	(5,65,582)
Dividend income		**(24)**	(73)
Lease Rental income		**(3,907)**	-
Net gain on fair value changes			
- Realised		**(7,382)**	(9,249)
- Unrealised		**(382)**	(1,662)
Share based payments		**697**	415
Share in profit of associates		**(10)**	(51)
Provision for leave encashment		**284**	86
Impairment loss allowance on loans		**50,208**	88,971
Provision against trade receivables		**97**	(26)
Provision against derivative current credit exposure		**67**	-
Provision against assets held for sale		**-**	(1)
		(1,03,976)	(70,732)
Interest paid		**(3,46,663)**	(2,74,600)
Interest received		**6,92,881**	5,37,646
Dividend received		**24**	73
Cash generated from operation before working capital changes		**2,42,266**	**1,92,387**
Movement in working capital:			
(Increase)/decrease in trade receivables		**(3,947)**	1,062
Increase in trade payables		**16,656**	20,360
Increase in loans		**(16,06,750)**	(11,59,832)
(Increase)/decrease in other financial assets		**(9,477)**	32,561
Increase in other non financial assets		**(4,678)**	(5,650)
Increase/(decrease) in other financial liabilities		**45,553**	(24,125)
Increase/(decrease) in other non financial liabilities		**7,409**	(944)
		(13,12,968)	**(9,44,181)**
Taxes paid		**(58,081)**	(30,143)
NET CASH USED IN OPERATING ACTIVITIES (A)		**(13,71,049)**	**(9,74,324)**
2 CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment (including capital advances)		**(14,746)**	(1,838)
Proceeds from sale of property, plant and equipment		**5,480**	6,295
Purchase of investments		**(6,04,368)**	(5,22,930)
Purchase of mutual fund units		**(2,10,14,958)**	(1,64,00,180)
Proceeds from redemption of mutual fund units		**2,10,06,835**	1,63,43,194
Proceeds from sale of investments		**4,77,662**	4,56,622
Fixed deposits placed		**(23,501)**	(5)
NET CASH USED IN INVESTING ACTIVITIES (B)		**(1,67,596)**	**(1,18,842)**
3 CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity Shares		**1,15,001**	30,000
Share issue/ Debenture issue / loan processing expenses		**(1,219)**	(1,739)
Interim dividend paid on equity shares		**(5,478)**	(12,061)
Proceeds from borrowings (other than debt securities)		**35,65,505**	33,33,249
Proceeds from debt securities		**19,72,317**	52,64,908
Proceeds from subordinated liabilities		**-**	75,000
Repayment of borrowings (other than debt securities)		**(26,05,989)**	(26,08,752)
Repayment of debt securities		**(13,88,180)**	(49,71,966)
Repayment of subordinated liabilities		**-**	(485)
Repayment of principal portion of lease liabilities		**(3,167)**	(2,890)
Repayment of interest portion of lease liabilities		**(764)**	(692)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		**16,48,026**	**11,04,572**

Standalone Statement of Cash Flows (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

Particulars	***Note***	**For the year ended March 31, 2023 (Audited)**	**For the year ended March 31, 2022 (Audited)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		**1,09,381**	**11,406**
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**1,11,722**	1,00,316
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**2,21,103**	**1,11,722**
Summary of significant accounting policies	*2*		
See accompanying notes forming part of the financial statements	*3-59*		

In terms of our report of even date
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(DIN No. : 08733676)
Mumbai

Jaykumar Shah
(Chief Financial Officer)
Mumbai

Sonali Punekar
(Company Secretary)
Mumbai

Date : April 25, 2023

Statement of Changes in Equity

for the year ended March 31, 2023

(Rs. in lakh)

a. Equity share capital

Particulars	Rs. in Lakh
Balance as at April 1, 2021	**1,62,993**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	**1,62,993**
Changes in equity share capital during the year	2,994
Balance at March 31, 2022	**1,65,987**
Balance as at April 1, 2022	**1,65,987**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2022	**1,65,987**
Changes in equity share capital during the year	5,898
Balance at March 31, 2023	**1,71,885**

b. Other equity

Particulars	Reserves and surplus						Item of other comprehensive income				
	Securities premium	Debenture Redemption Reserve	Special Reserve Account	Retained earnings	General Reserve	Share options outstanding account	Cash flow hedge reserve	Remeasurement of defined benefit liability /asset	Fair value gain / (loss) on Financial Assets carried at FVTOCI	Share in profit of associates	Total other equity
Balance as at April 1, 2021	**3,34,897**	**30,000**	**64,613**	**81,506**	**1,184**	**470**	**(2,118)**	**(287)**	**145**	**18**	**5,10,428**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	**3,34,897**	**30,000**	**64,613**	**81,506**	**1,184**	**470**	**(2,118)**	**(287)**	**145**	**18**	**5,10,428**
Profit for the year	-	-	-	81,773	-	-	-	-	-	-	**81,773**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	3,100	(230)	(145)	2	**2,727**
Total comprehensive income for the year	**-**	**-**	**-**	**81,773**	**-**	**-**	**3,100**	**(230)**	**(145)**	**2**	**84,500**
Transfer to general reserve	-	-	-	-	126	(126)	-	-	-	-	-
Share based payment expense	-	-	-	-	-	357	-	-	-	-	**357**
Premium on issue of Equity Shares	27,006	-	-	-	-	-	-	-	-	-	**27,006**
Share issue expenses	-	-	-	-	-	-	-	-	-	-	-
Interim Dividend on equity shares	-	-	-	(12,061)	-	-	-	-	-	-	**(12,061)**
Transfer to Special Reserve Account	-	-	16,344	(16,344)	-	-	-	-	-	-	-
Balance at March 31, 2022	**3,61,903**	**30,000**	**80,957**	**1,34,874**	**1,310**	**701**	**982**	**(517)**	**-**	**20**	**6,10,230**
Balance as at April 1, 2022	**3,61,903**	**30,000**	**80,957**	**1,34,874**	**1,310**	**701**	**982**	**(517)**	**-**	**20**	**6,10,230**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	**3,61,903**	**30,000**	**80,957**	**1,34,874**	**1,310**	**701**	**982**	**(517)**	**-**	**20**	**6,10,230**
Profit for the year	-	-	-	1,38,282	-	-	-	-	-	-	**1,38,282**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	2,060	(622)	(148)	(14)	**1,276**
Total comprehensive income for the year	**-**	**-**	**-**	**1,38,282**	**-**	**-**	**2,060**	**(622)**	**(148)**	**(14)**	**1,39,558**
Transfer to general reserve	-	(30,000)	-	-	30,105	(105)	-	-	-	-	-
Share based payment expense	-	-	-	-	-	581	-	-	-	-	**581**
Premium on issue of Equity Shares	1,09,103	-	-	-	-	-	-	-	-	-	**1,09,103**
Share issue expenses	(6)	-	-	-	-	-	-	-	-	-	**(6)**
Interim Dividend on equity shares	-	-	-	(5,478)	-	-	-	-	-	-	**(5,478)**
Transfer to Special Reserve Account	-	-	27,632	(27,632)	-	-	-	-	-	-	-
Balance at March 31, 2023	**4,71,000**	**-**	**1,08,589**	**2,40,046**	**31,415**	**1,177**	**3,042**	**(1,139)**	**(148)**	**6**	**8,53,988**

Summary of significant accounting policies *2*

See accompanying notes forming part of the financial statements *3-59*

In terms of our report of even date
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(Chief Financial Officer)
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Sonali Punekar
(Company Secretary)
Mumbai

Date : April 25, 2023

1. CORPORATE INFORMATION

Tata Capital Financial Services Limited (the "Company") is a wholly owned subsidiary of Tata Capital Limited and a Systemically Important Non-Deposit Accepting Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated November 4, 2011. 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 and Significant accounting policies

i. Statement of compliance:

These consolidated 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), notified under Section 133 of the Companies Act, 2013 (the "Act") (as amended), other relevant provisions of the Act, guidelines issued by the Reserve Bank of India as applicable to an NBFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by 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 25, 2023.

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 amended) as specified under Section 133 of the Act 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 Holding Company's functional currency and all amounts have been rounded off to the nearest lakhs unless otherwise indicated.

iii. Principles of Consolidation

The Company is able to exercise control over the operating decision of the investee companies, resulting in variable returns to the Company and accordingly, the same are classified as investment in subsidiary and line by line consolidation is carried out under the principles of consolidation. The Consolidated Financial Statements of the Company have been prepared on the following basis:

a) The Consolidated Financial Statements include the share of profit/ (loss) of associates, which have been accounted for using the equity method as per Ind AS 28- (Accounting for Investments in Associates in Consolidated Financial Statements). Accordingly, the share of profit/ (loss) of the associates (the loss being restricted to the cost of the investment) have been added/deducted to the costs of investments.

b) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be and adjusted against the carrying amount of investment in the associate.

iv. Basis of measurement:

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

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

v. Measurement of fair values:

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

Valuation model and framework used for fair value measurement and disclosure of financial instrument Refer notes 34A and 34B
The Holding Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

vi. Use of estimates and judgements:

The preparation of financial statements in conformity with Ind AS requires the management of the Holding 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, 2023 are included in the following notes:

- Note xii - impairment test of non-financial assets: key assumption underlying recoverable amounts.
- Note xi - The Holding 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 42 - Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions
- Note xxi – 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 34 – determination of the fair value of financial instruments with significant unobservable inputs.
- Note 36A(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.

vii. 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 Holding 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 Holding Company.

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

The Holding Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. Revenue is measured at the transaction price allocated to the performance obligation in accordance with Ind AS 115. The Holding Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

Fees and commission income

1. The Holding Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery. Bounce charges levied on customers for non-payment of instalment on the contractual date is recognised on realisation.

2. Fees on value added services and products are recognised on rendering of services and products to the customer.

3. Distribution income is earned by distribution of services and products of other entities under distribution arrangements. The income so earned is recognised on successful distribution on behalf of other entities subject to there being no significant uncertainty of its recovery.

4. Foreclosure charges are collected from loan customers for early payment / closure of loan and are recognised on realisation.

5. **Wealth Management Business:**

a) Brokerage / Distribution Fee Income
Bonds / Fixed Deposits / Unlisted Equity / Wills & Trust / Alternative Investment Funds / International products / External Asset Cross sell / Other Referral Products

Income is recognised as per the contractual rate on trade date basis and is exclusive of goods and services tax and securities transaction tax (STT) wherever applicable.

b) Insurance Income

Income is recognised for the commission earned by the Holding Company on the issuance of policies logged in during the month and confirmed by the Insurers subject to cancellations done by the customers.

c) Income from Mutual Funds

Income is recognised as per the commission specified in the agreement on daily average assets under management which is provided by Registrar and Transfer Agents of each Mutual Fund Entities

d) Income from Portfolio Management Services ("PMS") & Alternative Investment Funds ("Trail based AIF")

a. Income from PMS and Trail based AIF is recognised on monthly basis on the monthly closing assets of each partner and as per the contractual commission specified in the agreement.
b. Processing fees, if any, is recognized on upfront basis in the year of receipt.
c. Performance based fee, wherever applicable, is recognized as a percentage of annual profit, in accordance with the terms of the agreement with clients on the completion of the period.

ix. Dividend income

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

x. Leases

Asset given on lease:
Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease is retained by the lessor. Leases of assets under which substantially all of the risks and rewards of ownership are effectively retained by the lessee are classified as finance lease.

Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return. The principal amount received reduces the net investment in the lease and interest is recognised as revenue.

Lease rental - under operating leases (excluding amount for services such as insurance and maintenance) are recognised on a straight-line basis over the lease term.

Asset taken on lease:
The Holding Company's lease asset classes primarily consist of leases for properties.

The Holding 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 Holding 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 Holding 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 Holding 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 Holding 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 Holding 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.

xi. Borrowing cost:

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost 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.

xii. Financial Instruments

Financial assets and financial liabilities are recognised in the Holding Company's balance sheet on trade date, i.e. when the Holding 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 Holding Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Holding 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 Holding Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made an investment – by – investment basis.

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

Investment in associates are recognised at cost.

Business model assessment

The Holding 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 Holding 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 Holding Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Holding 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 Holding 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 Holding 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 Holding 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 FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Reclassifications within classes of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Holding 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 Holding Company's financial assets.

Impairment of Financial Asset

Impairment approach

Overview of the Expected Credit Losses (ECL) principles

The Holding Company records allowance for expected credit losses for all loans (including those classified as measured at FVOCI), 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 Holding Company's policies for determining if there has been a significant increase in credit risk are set out in Note 36A.

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 Holding 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 Holding Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Holding 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 Holding 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 more than 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 Fraud Risk Management Committee. Once an account defaults as a result of the Days past due condition, it will be considered to be cured only when entire arrears of interest and principal are paid by the borrower. The Holding Company records an allowance for the LTECLs.

Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Holding 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 Holding 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 Holding 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 Holding Company's revenue recognition policies. The Holding 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 Holding 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 Holding 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 Holding 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 an contractual or portfolio EIR as the case may be.

Stage 3 For loans considered credit-impaired, the Holding 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 Holding Company relies on broad range of forward looking information for economic inputs.

The Holding 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 Holding 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 36A(iii)).

Impairment of Trade receivable and Operating lease receivable

Impairment allowance on trade receivables is made under simplified approach 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 Holding Company's internal processes and when the Holding 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 Holding 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 Holding 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 Holding Company provides fully secured, partially secured and unsecured loans to individuals and Corporates. In its normal course of business upon account becoming delinquent, the Holding 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 Holding 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 Holding 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 Holding 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 Holding 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 Holding Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Holding Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

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

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 Holding 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 Holding 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 Holding Company or a contract that will or may be settled in the Holding Company’s own equity instruments and is a non-derivative contract for which the Holding 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 Holding Company’s own equity instruments.

Classification

The Holding 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 Holding Company derecognises financial liabilities when, and only when, the Holding 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 Holding 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 Holding 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 Holding Company's own equity instruments.

Compound instruments

The Holding Company has issued financial instruments with equity conversion rights and call options. When establishing the accounting treatment for these non-derivative instruments, the Holding 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 Holding 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 into 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 Holding 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 Holding 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 Holding Company documents the risk management objective and strategy for undertaking the hedge. The Holding 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 Holding 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, (with an original maturity of three months or less from the date of placement), 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 -included as part of cash and cash equivalents.

xiii. Property, plant and equipment(PPE)

a) PPE

PPE acquired by the Holding 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 Holding 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 Holding 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. The residual value of each asset given on Operating lease is determined at the time of recording of the lease asset. If the residual value of the Operating lease asset is higher than 5%, the Holding Company has a justification in place for considering the same.

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, software, plant and machinery and vehicles, in whose case the life of the assets has been internally 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.
Based on internal assessment, depreciation on tangible property, plant and equipment deployed on operating lease has been provided on the straight-line method over the primary lease period of 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, while Goodwill if any is tested for impairment at each Balance Sheet date. 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 Holding Company are:

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

In case of leased assets, useful life is considered as per the lease period.

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 the Holding 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.

xiv. 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 Holding 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.

xv. 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 Holding 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 Holding Company makes Provident Fund contributions, a defined benefit plan for qualifying employees. Under the Schemes, both employees and the Holding 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 Holding Company. Hence the Holding 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, 2023.

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 Holding 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.

xvi. Foreign currency transactions

Transactions in currencies other than the Holding 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 Holding Company and foreign operations has been determined based on the primary economic environment in which the Holding 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.

xvii. Operating Segments

The Holding Company's main business is financing by way of loans for retail and corporate borrowers in India. The Holding Company's operating segments consist of "Financing Activity", " Investment Activity" and "Others". All other activities of the Holding Company revolve around the main businesses. This in the context of Ind AS 108 – operating segments reporting are considered to constitute reportable segment. The Chief Operating Decision Maker (CODM) of the Holding Company is the Managing Director along with the Board of Directors in the operating segment. Operating segment disclosures are consistent with the information reviewed by the CODM.

An operating segment is a component of the Holding Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Holding Company's other components, and for which discrete financial information is available. Accordingly, all operating segment's operating results of the Holding Company are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The "Financing Activity" segment consists of asset financing, term loans (corporate and retail), channel financing, credit substitutes, investments linked to/arising out of lending business and bill discounting. The "Investment Activity" segment includes corporate investments and "Others" segment primarily includes advisory services, wealth management, distribution of financial products and leasing.
Revenue and expense directly attributable to segments are reported under each operating segment. Expenses not directly identifiable to each of the segments have been allocated to each segment on the basis of associated revenues/expense of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.
Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

xviii. Investments in associates

The Holding Company has elected to measure investment in associate at cost as per Ind AS 27 – Separate Financial Statements, accordingly measurement at fair value through statement of profit and loss account and related disclosure under Ind AS 109 does not apply.

xix. 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

xx. 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 Holding Company intends to settle its current tax assets and liabilities on a net basis.

xxi. 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.

xxii. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Holding 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 Holding 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 Holding 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

xxiii. 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) uncalled liability on shares and other investments partly paid;
c) funding related commitment to associate; and

d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
e) other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.
f) commitments under Loan agreement to disburse Loans
g) lease agreements entered but not executed

xxiv. 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.

xxv. 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.

xxvi. Recent accounting pronouncements :

The Ministry of Corporate Affairs (MCA) on 31st March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1st April, 2023.

- Indian Accounting Standard (Ind AS) 1 – Presentation of financial statements – This amendment requires the Holding Company to disclose its material accounting policies rather than their significant accounting policies.

  The Holding Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

  The Holding Company does not expect this amendment to have any material impact in its financial statements.

- Indian Accounting Standard (Ind AS) 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has changed the definition of a "change in accounting estimates" to a definition of “accounting estimates”. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Holding Company does not expect this amendment to have any material impact in its financial statements.

- Indian Accounting Standard (Ind AS) 12 – Income taxes – This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.

  The Holding Company does not expect this amendment to have any material impact in its financial statements.

Notes forming part of the Consolidated Financial Statements *(Continued)*
as at March 31, 2023

(Rs. in lakh)

3. CASH AND CASH EQUIVALENTS

PARTICULARS	As at March 31. 2023	As at March 31. 2022
(a) Cash on hand	30	14
(b) Balances with banks		
- In current accounts	2,20,138	98,331
- In deposit accounts	-	13,006
(c) Cheques on hand	935	371
Total	**2,21,103**	**1,11,722**

Note:

(i) As at March 31, 2023, the Company had undrawn committed borrowing facilities of Rs. 5,74,700 Lakh (March 31, 2022 : Rs. 4,37,500 Lakh).

4. OTHER BALANCES WITH BANKS

PARTICULARS	As at March 31. 2023	As at March 31. 2022
(a) Earnarked balances with banks in current accounts (refer note (i) below)	199	131
(b) Balances with banks in deposit accounts (Refer note (ii) and (iii) below)	23,566	47
Total	**23,765**	**178**

Note:

(i) Pertains balance in current account towards unclaimed matured debentures, unclaimed application money and accrued interest thereon.

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

(iii) Deposits amounting to Rs. 25 lakh (March 31, 2022 : Rs. 25 lakh) pertain to collateral deposits with banks for Aadhaar authentication.

5. TRADE RECEIVABLES

PARTICULARS	As at March 31. 2023	As at March 31. 2022
(i) Receivables considered good - secured	-	-
(ii) Receivables considered good - unsecured	4,776	813
(iii) Receivables which have significant increase in credit risk - unsecured	88	132
(iv) Receivables - credit impaired - unsecured	-	-
	4,864	945
Less: Allowance for impairment loss	-	-
(i) Significant increase in credit risk	88	19
Total	**4,776**	**926**

Trade receivables include amounts due from the related parties Rs. 261 lakh (March 31, 2022 : Rs. 131 lakh).

(Rs. in lakh)

5. TRADE RECEIVABLES *(Continued)*

PARTICULARS	As at March 31, 2023							
	Unbilled Dues	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	4,759	17	-	-	-	**4,776**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	36	7	10	35	**88**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
Total								**4,864**

Note : Ageing of the trade receivables is determined from the date of transaction.

PARTICULARS	As at March 31, 2022							
	Unbilled Dues	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	797	16	-	-	-	**813**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	57	12	63	**132**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
Total								**945**

Note : Ageing of the trade receivables is determined from the date of transaction.

(Rs. in lakh)

6. Derivative financial instruments

As at March 31, 2023

Derivatives held for cashflow hedge	Notional value - USD (in mn)	Notional value - JPY (in mn)	Notional value (Rs. in lakh)	Fair value assets (Rs. in lakh)	Fair value liabilities (Rs. in lakh)
(i) Currency derivatives :					
Foreign exchange forward	121	-	99,015	901	-
Cross currency swap	465	-	3,81,825	13,501	264
Subtotal (i)	586	-	4,80,840	14,402	264
(ii) Interest rate derivatives :					
Interest rate swap*	-	-	-	2,357	-
Subtotal (ii)	-	-	-	2,357	-
Total	**586**	**-**	**4,80,840**	**16,759**	**264**

*Interest rate swap has been taken in respect of the same contract for which forward contract has been entered, accordingly notional value of Interest rate swap is not shown separately.

As at March 31, 2022

Derivatives held for cashflow hedge	Notional value - USD (in mn)	Notional value - JPY (in mn)	Notional value (Rs. in lakh)	Fair value assets (Rs. in lakh)	Fair value liabilities (Rs. in lakh)
(i) Currency derivatives :					
Foreign exchange forward	176	14,455	2,22,465	-	28,573
Cross currency swap	100	-	75,520	88	298
Subtotal (i)	276	14,455	2,97,985	88	28,871
(ii) Interest rate derivatives :					
Interest rate swap*	-	-	-	899	116
Subtotal (ii)	-	-	-	899	116
Total	**276**	**14,455**	**2,97,985**	**987**	**28,987**

*Interest rate swap has been taken in respect of the same contract for which forward contract has been entered, accordingly notional value of Interest rate swap is not shown separately.

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

As at March 31, 2023

PARTICULARS	Notional amount	Carrying amount of hedging instruments assets	Carrying amount of hedging instruments liabilities	Weighted average contract / strike price of the hedging instrument (Rupees)	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness profit / (loss)
INR USD - Forward exchange contracts	-	901	-	86.85	901
INR JPY - Forward exchange contracts	-	-	-	-	-
INR USD - Currency Swaps	3,81,825	13,501	264	79.78	13,236

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 (Rupees)	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness profit / (loss)
INR USD - Forward exchange contracts	1,32,873	-	3,747	82.59	(3,746)
INR JPY - Forward exchange contracts	89,592	-	24,826	0.82	(24,826)
INR USD - Currency Swaps	75,520	88	298	76.21	(210)

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

6. Derivative financial instruments *(Continued)*

Hedged item

As at March 31, 2023 (Rs. in lakh)

PARTICULARS	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness	Cost of hedge reserve as at	Cost of hedging as at	Foreign Currency Monetary Items Translation Reserve
FCY Term Loans	(14,997)	(1,262)	-	-

As at March 31, 2022 (Rs. in lakh)

PARTICULARS	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness	Cost of hedge reserve as at	Cost of hedging as at	Foreign Currency Monetary Items Translation Reserve
FCY Term Loans	1,532	(27,652)	-	-

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, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Forward exchange contracts and Currency swaps	26,390	(9,584)	-	-

6.3 Movement in the cash flow hedge reserve are as follows:

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Opening Balance	982	(2,118)
Effective portion of changes in fair value Currency Swap	13,446	1,094
Effective portion of changes in fair value Interest rate risk	1,575	2,540
Effective portion of changes in fair value Interest rate Cap	-	56
Effective portion of changes in fair value foreign currency risk	29,473	(13,468)
Foreign currency translation differences	(16,529)	2,790
Foreign currency translation differences on interest	-	-
Amortisation of forward premium	(25,279)	11,130
Provision against derivative current credit exposure	67	-
Tax on movements on reserves during the year	(693)	(1,042)
Closing Balance	**3,042**	**982**

All hedges are 100% effective i.e. there is no ineffectiveness (refer note 36)

6.4 Net investment hedging : Nil

6.5 Undesignated Derivatives : Nil

6.6 Average interest rate:
- Interest rate swap: 7.83%
- Cross currency swap: 8.24%

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

7. LOANS

PARTICULARS	As at March 31, 2023	As at March 31, 2022
LOANS		
(A)		
- Amortised Cost		
(i) Bills purchased and bills discounted	1,70,657	2,37,005
(ii) Loans repayable on demand (refer note 7(g) below)	7,356	7,356
(iii) Term loans	63,89,219	49,49,784
(iv) Credit substitutes (refer note 7(a) below)	3,10,862	2,44,152
(v) Finance lease and hire purchase	2,25,380	1,61,039
(vi) Factoring	65,244	-
(vii) Retained portion of assigned loans	866	1,212
- At Fair Value through Other Comprehensive Income		
- Term loans	32,259	-
- At Fair Value through Profit and Loss		
- Credit substitutes (refer note 7(a) below)	2,511	2,519
Gross Loans	72,04,354	56,03,067
Less : Impairment loss allowance (refer note 7(b) below)		
- Stage I & II	1,06,381	1,12,453
- Stage III	1,20,375	98,393
Loans net of impairment loss allowance	69,77,598	53,92,221
Add: Unamortised loan sourcing costs	22,841	12,928
Less : Revenue received in advance	(35,625)	(25,253)
Total (A)	69,64,814	53,79,896
(B)		
(i) Secured by tangible assets (refer note 7(c) below)	45,17,532	37,20,003
(ii) Secured by intangible assets	-	-
(iii) Covered by bank / government guarantees	-	-
(iv) Unsecured (refer note 7(d) below)	26,86,822	18,83,064
Gross Loans	72,04,354	56,03,067
Less : Impairment loss allowance		
- Stage I & II	1,06,381	1,12,453
- Stage III	1,20,375	98,393
Loans net of impairment loss allowance	69,77,598	53,92,221
Add: Unamortised loan sourcing costs	22,841	12,928
Less : Revenue received in advance	(35,625)	(25,253)
Total (B)	69,64,814	53,79,896
(C)		
(I) Loans in India		
(i) Public sector	23,822	213
(ii) Others (Refer note 7(h) below)	71,80,532	56,02,854
Gross Loans	72,04,354	56,03,067
Less : Impairment loss allowance		
- Stage I & II	1,06,381	1,12,453
- Stage III	1,20,375	98,393
Loans net of impairment loss allowance	69,77,598	53,92,221
Add: Unamortised loan sourcing costs	22,841	12,928
Less : Revenue received in advance	(35,625)	(25,253)
Total (C) (I)	69,64,814	53,79,896
(II) Loans outside India		
(i) Public sector	-	-
(ii) Others	-	-
Total - Loans outside India	-	-
Total (C) (I + II)	69,64,814	53,79,896

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

7. LOANS *(Continued)*

7. a. Investments in bonds, debentures and other financial instruments which, in substance, form a part of the Company's financing activities ("Credit Substitutes") have been classified under Loans. In the past these were classified as a part of Investments. The classification results in a better presentation of the substance of these investments and is in alignment with regulatory filings.

7. b. Impairment loss allowance of Rs. 88 lakh (March 31, 2022 : Rs. Nil lakh) has been provided on loans designated as fair value through other comprehensive income.

7. c. Loans secured by tangible assets include loans measured at fair value through profit and loss Rs. 1,020 lakh (March 31, 2022 : Rs. 1,000 lakh) and loans measured at FVTOCI Rs. Nil lakh (March 31, 2022 : Rs. Nil lakh)

7. d. Unsecured loans include loans measured at fair value through profit and loss Rs. 1,491 lakh (March 31, 2022 : Rs. 1,519 lakh) and loans measured at FVTOCI Rs. 32,259 (March 31, 2022 : Rs. Nil)

7. e. Loans to related parties Rs. 1,73,106 lakh (March 31, 2022 : Rs. 1,15,806 lakh).

7. f. The details of Gross investments and unearned finance income in respect of assets given under finance lease are as under:

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Gross Investments:		
- Within one year	80,723	73,682
- Later than one year and not later than five years	1,33,594	89,795
- Later than five years	800	698
Total	**2,15,117**	**1,64,175**
Unearned Finance Income:		
- Within one year	17,255	22,084
- Later than one year and not later than five years	16,126	3,754
- Later than five years	79	16
Total	**33,460**	**25,854**
Present Value of Rentals *:		
- Within one year	63,468	51,598
- Later than one year and not later than five years	1,17,468	86,041
- Later than five years	721	682
Total	**1,81,657**	**1,38,321**

* Present Value of Rentals represent the Current Future Outstanding Principal.

7. g. Loans repayable on demand pertains to loan given to TCL employee welfare trust and accounts for 0.10% of total gross loans and advances (March 31, 2022 : 0.13%)

7. h. Loans to others include loans to retail and corporate other than public sector undertakings (PSUs).

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

8. INVESTMENTS

PARTICULARS		As at March 31, 2023	As at March 31, 2022
Investments in India			
(A)	**Investments carried at fair value through profit or loss**		
	Fully paid equity shares (quoted)	**3,957**	**7,195**
	Fully paid equity shares (unquoted)	**4,613**	**4,461**
	Mutual funds (quoted)	**76,786**	**61,658**
	Security receipts	**-**	**8**
(B)	**Investments carried at Amortised Cost**		
	Investment in Government Securities	**2,53,342**	**1,35,991**
	Investment in Treasury Bills	**73,197**	**56,243**
Total Investments		**4,11,895**	**2,65,556**

The market value of quoted investment is equal to the book value.

Note : There are no investments outside India.

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

8 a. Scrip-wise details of Investments:

PARTICULARS	Face value Per Unit (in Rs)	As at March 31, 2023		As at March 31, 2022	
		No. of Units	Rs in lakh	No. of Units	Rs in lakh
(A) Investments carried at fair value through profit or loss					
Mutual and other funds (quoted)					
Tata Liquid Fund Regular Plan - Growth	1000	49,913	1,756	49,670	1,656
HSBC Cash Fund - Growth	1000	2,24,696	5,003	-	-
ICICI Prudential Overnight Fund - Reg - Growth	1000	12,46,731	15,002	-	-
Kotak Liquid Scheme - Reg - Growth	1000	4,43,005	20,012	-	-
Tata Overnight Fund - Growth	1000	16,98,701	20,004	-	-
UTI Liquid Cash Plan - Reg - Growth	1000	4,09,715	15,010	-	-
Axis Overnight Fund - Reg - Growth	1000	-	-	17,82,911	20,002
HSBC Overnight Fund - Reg - Growth	1000	-	-	8,12,830	9,000
Kotak Overnight Fund - Reg - Growth	1000	-	-	19,45,549	22,001
Mirae Asset Overnight Fund - Reg - Growth	1000	-	-	8,28,105	9,000
			76,787		61,659
Fully paid equity shares (quoted)					
Hindustan Unilever Limited	1	2,000	51	2,000	41
Shriram Properties Limited	10	14,75,913	898	15,16,413	1,179
Praj Industries Limited	2	-	-	7,52,268	2,997
The New India Assurance company Limited	5	10,83,376	1,055	10,83,376	1,210
3i Infotech Limited	10	15,19,007	417	15,19,007	778
Consolidated Construction Consortium Limited	2	4,16,472	5	4,16,472	9
Diamond Power Infrastructure Limited	10	16,31,881	-	16,31,881	25
Gol Offshore Limited	10	6,44,609	-	6,44,609	-
Jupiter Wagons Ltd.	10	16,32,504	1,505	21,60,192	943
Future Consumer Limited	6	32,992	-	32,992	2
Dishman Carbogen Amcis Limited	2	300	-	-	-
Sadbhav Engineering Limited	1	1,68,240	-	-	-
Jyoti Structurers Limited	2	3,25,108	17	-	-
Tata Steel Limited	1	8,210	9	821	11
IVRCL Limited	2	15,94,857	-	15,94,857	-
			3,957		7,195
Fully paid equity shares (unquoted)					
Aricent Technologies Holdings Limited *	10	-	-	8	-
International Asset Reconstruction Company Private Limited	10	1,39,46,295	4,613	1,39,46,295	4,461
Coastal Projects Limited *	10	59,62,855	-	59,62,855	-
			4,613		4,461
Security Receipts					
International Asset Reconstruction Company Private Limited	1000	15,921	-	1,04,135	8
			-		8
(B) Investments carried at Amortised Cost					
Government Securities					
6.84% GOI 2022	100	-	-	2,00,00,000	20,788
7.61% GOI 2030	100	30,00,000	3,275	30,00,000	3,301
6.79% GOI 2029	100	20,00,000	2,075	20,00,000	2,084
8.24% GOI 2033	100	25,00,000	2,866	25,00,000	2,891
8.24% GOI 2033	100	19,00,000	2,179	19,00,000	2,199
7.35% GOI 2024	100	2,00,00,000	20,946	2,00,00,000	21,389
8.20% GOI 2025	100	3,00,00,000	31,659	3,00,00,000	32,309
8.35% GOI 2022	100	-	-	3,00,00,000	31,107
8.15% GOI 2026	100	95,00,000	10,412	95,00,000	10,586
8.35% GOI 2022	100	-	-	90,00,000	9,336
6.54% GOI 2032	100	1,65,00,000	16,090	-	-
6.68% GOI 2031	100	93,100	89	-	-
6.54% GOI 2032	100	1,00,00,000	9,635	-	-
6.54% GS 2032	100	2,00,00,000	19,248	-	-
7.50% GS 2034	100	1,00,00,000	10,208	-	-
			1,28,682		1,35,990

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

8 a. Scrip-wise details of Investments:

PARTICULARS	Face value Per Unit (in Rs)	As at March 31, 2023		As at March 31, 2022	
		No. of Units	Rs in lakh	No. of Units	Rs in lakh
State Development Loan					
7.82% GJ 2032	100	**45,00,000**	**4,656**	-	-
8.18% TN 2028	100	**50,00,000**	**5,227**	-	-
8.17% GJ 2028	100	**25,00,000**	**2,611**	-	-
6.45% MH 2027	100	**25,00,000**	**2,472**	-	-
7.33% MH SDL 13 Sep 2027	100	**25,00,000**	**2,498**	-	-
7.70% MH SDL 2030	100	**80,00,000**	**8,281**	-	-
7.79% TN SGS 2032	100	**90,00,000**	**9,368**	-	-
7.78% MH SDL 27 Oct 2030	100	**5,00,000**	**519**	-	-
7.86% MH SDL 08 June 2030	100	**6,00,000**	**620**	-	-
7.70% MH SDL 19 Oct 2030	100	**2,50,000**	**259**	-	-
7.57% GJ SGS 2026	100	**50,00,000**	**5,162**	-	-
7.68% KA SDL 2031	100	**1,00,00,000**	**10,312**	-	-
7.70% MH 2030	100	**50,00,000**	**5,226**	-	-
7.68% KA SDL 2034	100	**30,00,000**	**3,071**	-	-
7.68% KA SDL 2034	100	**26,73,200**	**2,736**	-	-
7.80% TN 2032	100	**25,00,000**	**2,574**	-	-
7.75% TN 2032	100	**25,00,000**	**2,558**	-	-
7.80% GJ 2032	100	**15,00,000**	**1,547**	-	-
7.77% GJ SDL 2032	100	**80,00,000**	**8,230**	-	-
7.57% GJ SGS 2032	100	**5,00,000**	**508**	-	-
7.57% GJ SGS 2032	100	**30,00,000**	**3,052**	-	-
7.57% GJ SGS 2032	100	**15,00,000**	**1,526**	-	-
7.57% GJ SGS 2032	100	**10,00,000**	**1,017**	-	-
7.60% GJ SGS 2032	100	**50,00,000**	**5,060**	-	-
7.60% GJ SGS 2032	100	**50,00,000**	**5,062**	-	-
7.68% KA SDL 2034	100	**25,00,000**	**2,571**	-	-
7.70% MH 2032	100	**65,00,000**	**6,731**	-	-
7.64% MH 2033	100	**1,05,00,000**	**10,695**	-	-
7.82% TN 2032	100	**50,00,000**	**5,255**	-	-
7.82% TN 2032	100	**50,00,000**	**5,255**	-	-
			1,24,659		-
Treasury Bill					
182DTB 28072022	100	-	-	**1,55,00,000**	**15,295**
91 DTB 14042022	100	-	-	**4,10,00,000**	**40,948**
364 DTB 06072023	100	**5,00,000**	**491**	-	-
364 DTB 25052023	100	**2,25,00,000**	**22,284**	-	-
091 DTB 06042023	100	**1,00,00,000**	**9,991**	-	-
364 DTB 08022024	100	**1,05,00,000**	**9,906**	-	-
364 DTB 25052023	100	**15,00,000**	**1,485**	-	-
182 DTB 14092023	100	**2,35,00,000**	**22,755**	-	-
182 DTB 22092023	100	**65,00,000**	**6,285**	-	-
			73,197		**56,243**
Total Investments			**4,11,895**		**2,65,556**

* Amount less than Rs. 50,000.

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

9. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) Security deposits	5,315	8,004
(b) Advances recoverable from related parties	88	115
(c) Assignment of Negotiable instruments application money (refundable)	1,462	10
(d) Receivable on sale/redemption of investment	162	176
Less : Provision for receivable on sale/redemption of investment	(162)	(162)
Net receivable on sale/redemption of investment	-	14
(e) Income accrued but not due	5,791	7,090
(f) Advances to employees	50	43
(g) Receivable under buyer's credit facility	22,485	12,680
Less : Provision for buyer's credit facility	129	99
Net receivable under buyer's credit facility	22,356	12,581
(h) Other receivables	3,569	2,383
Total	**38,631**	**30,240**

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

10. (i) INCOME TAXES

CURRENT TAX ASSET (NET)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Advance tax and tax deducted at source (net of provision for tax Rs. 1,27,863 lakh (March 31, 2022 : Rs. 91,304))	12,479	11,932
Total	**12,479**	**11,932**

A The income tax expense consist of the following:

Particulars	For the year ended March 31. 2023	For the year ended March 31. 2022
Current tax:		
Current tax expense for the year	53,845	36,638
Current tax benefit pertaining to prior years	-	(393)
	53,845	36,245
Deferred tax (benefit)/charge		
Origination and reversal of temporary differences	(6,803)	(9,946)
Change in tax rates	-	-
	(6,803)	(9,946)
Total income tax expense for the year	**47,042**	**26,299**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before income taxes	1,85,324	1,08,072
Indian statutory income tax rate	25.168%	25.168%
Expected income tax expense	46,642	27,200
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Non deductible expenses	433	96
Tax on income at different rates	40	(817)
Tax pertaining to prior years	(73)	(54)
Recognition of previously unrecognized tax lossess	-	(126)
Total income tax expense	**47,042**	**26,299**

Note:

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

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

10. (i) INCOME TAXES

B. Amounts recognised in OCI

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(832)	210	(622)	(308)	78	(230)
Items that are or may be reclassified subsequently to profit or loss						
Fair value gain on Financial Assets carried at FVTOCI	(198)	50	(148)	(238)	93	(145)
The effective portion of gains and loss on hedging instruments in a cash flow hedge	2,753	(693)	2,060	4,142	(1,042)	3,100
Total	**1,723**	**(433)**	**1,290**	**3,596**	**(871)**	**2,725**

(Rs. in lakh)

10. (ii) DEFERRED TAX ASSET

The major components of deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

Particulars	Opening Balance	Recognised / (reversed) through profit and loss	Change in Tax Rate	Recognised directly in equity	Recognised / reclassified from other comprehensive income	Closing Balance
Deferred Tax Assets :-						
(a) Impairment loss allowance - Stage III	22,805	4,653	-	-	-	27,458
(b) Impairment loss allowance - Stage I & II	28,723	(1,116)	-	-	(22)	27,585
(c) Employee benefits	371	71	-	-	-	442
(d) Deferred income	5,629	2,173	-	-	-	7,802
(e) Other deferred tax assets	1,609	(597)	-	-	-	1,012
(f) Depreciation on property, plant, equipment & intangibles	7,707	595	-	-	-	8,302
(g) Right to use asset	677	20	-	-	-	697
(h) Cash flow hedge	(330)	-	-	-	(693)	(1,023)
(i) FV of Security Deposit	-	(48)	-	-	-	(48)
Deferred Tax Liabilities :-						
(a) Debenture issue expenses	(894)	197	-	-	-	(697)
(b) Investments measured at fair value	(609)	854	-	-	-	245
(c) Loans measured at FVTOCI	-	-	-	-	72	72
Net Deferred Tax Asset	**65,688**	**6,802**	**-**	**-**	**(643)**	**71,847**

The major components of deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

Particulars	Opening Balance	Recognised / reversed through profit and loss	Change in Tax Rate	Recognised directly in equity	Recognised / reclassified from other comprehensive income	Closing Balance
Deferred Tax Assets :-						
(a) Impairment loss allowance - Stage III	22,602	203	-	-	-	22,805
(b) Impairment loss allowance - Stage I & II	21,180	7,543	-	-	-	28,723
(c) Employee benefits	349	22	-	-	-	371
(d) Deferred income	4,888	741	-	-	-	5,629
(e) Other deferred tax assets	1,615	(6)	-	-	-	1,609
(f) Depreciation on property, plant, equipment & intangibles	6,364	1,343	-	-	-	7,707
(g) Right to use asset	652	25	-	-	-	677
(h) Cash flow hedge	712	-	-	-	(1,042)	(330)
Deferred Tax Liabilities :-						
(a) Debenture issue expenses	(1,108)	214	-	-	-	(894)
(b) Investments measured at fair value	(501)	(108)	-	-	-	(609)
(c) Loans measured at FVTOCI	(60)	(33)	-	-	93	-
Net Deferred Tax Asset	**56,693**	**9,944**	**-**	**-**	**(949)**	**65,688**

Gross deferred tax assets and liabilities are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred Tax Assets :-		
(a) Impairment loss allowance - Stage III	27,458	22,805
(b) Impairment loss allowance - Stage I & II	27,585	28,723
(c) Employee benefits	442	371
(d) Deferred income	7,802	5,629
(e) Other deferred tax assets	1,012	1,609
(f) Depreciation on property, plant, equipment & intangibles	8,302	7,707
(g) Right to use asset	697	677
(h) Cash flow hedge	(1,023)	(330)
(i) FV of Security Deposit	(48)	-
Deferred Tax Liabilities :-		
(a) Debenture issue expenses	(697)	(894)
(c) Fair value of investments	245	(609)
(d) Loans measured at FVTOCI	72	-
Net Deferred Tax Asset	**71,847**	**65,688**

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

11. INVESTMENTS ACCOUNTED USING EQUITY METHOD

PARTICULARS		As at March 31, 2023	As at March 31, 2022
Investments in India			
(A)	**Investments carried at cost**		
	Associates companies		
	Fully paid equity shares (unquoted)	1,802	1,805
	Less: Diminution in value of investments	-	-
	Net Carrying value of investments	1,802	1,805
Total Investments		1,802	1,805

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

11 a. Scrip-wise details of Investments accounted using equity method:

PARTICULARS	Face value Per Unit (in Rs)	As at March 31, 2023		As at March 31, 2022	
		No. of Units	Rs in lakh	No. of Units	Rs in lakh
(A) Investments carried at cost					
Associates companies					
Fully paid equity shares (unquoted)					
Fincare Business Services Limited	1	**25,47,910**	**845**	**25,47,910**	**849**
TVS Supply Chain Solutions Limited	1	**14,54,880**	**815**	**14,54,880**	**806**
Fincare Small Finance Bank Limited	10	**2,38,980**	**142**	**2,38,980**	**150**
			1,802		**1,805**
Less: Diminution in value of investments			-		-
			1,802		**1,805**
Total Investments			**1,802**		**1,805**

Tata Capital Financial Services Limited

Notes forming part of the Consolidated Financial Statements (Continued)

as at March 31, 2023

(Rs. in lakh)

12. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2022	Additions/ Adjustments	Deletions	Written off during the year	Closing balance as at March 31, 2023	Opening balance as at April 1, 2022	Depreciation/ Amortisation for the year**	Deletions/ Adjustments	Closing balance as at March 31, 2023	As at March 31, 2023
TANGIBLE ASSETS										
Buildings #	3,677	-	-	-	3,677	999	200	-	1,199	2,478
	3,677	*-*	*-*	*-*	*3,677*	*799*	*200*	*-*	*999*	*2,678*
Leasehold Improvements	2,740	1,191	31	-	3,900	1,722	359	26	2,055	1,845
	2,354	*415*	*30*	*-*	*2,740*	*1,479*	*263*	*20*	*1,722*	*1,018*
Furniture & Fixtures	773	401	20	1	1,153	485	185	17	653	500
	713	*104*	*27*	*17*	*773*	*396*	*113*	*24*	*485*	*288*
Computer Equipment	6,270	1,662	1,133	1	6,798	4,382	1,076	1,134	4,324	2,474
	4,854	*1,416*	*-*	*-*	*6,270*	*3,426*	*956*	*-*	*4,382*	*1,888*
Office Equipment	1,287	464	7	1	1,743	962	198	6	1,154	589
	1,116	*190*	*18*	*-*	*1,287*	*785*	*189*	*12*	*962*	*326*
Plant & Machinery	198	-	4	-	194	161	15	4	172	22
	199	*-*	*-*	*-*	*198*	*136*	*25*	*-*	*161*	*37*
Vehicles	1,032	532	181	-	1,383	352	292	121	523	860
	559	*561*	*77*	*10*	*1,032*	*191*	*190*	*29*	*352*	*680*
ASSETS GIVEN UNDER OPERATING LEASE/RENTAL										
Construction Equipment	8,566	2,050	1,623	-	8,993	6,869	948	1,481	6,336	2,657
	10,097	*-*	*1,480*	51	*8,566*	7,164	*971*	*1,266*	*6,869*	*1,697*
Vehicles	3,877	1,488	1,339	-	4,026	2,758	268	1,207	1,819	2,207
	3,991	*-*	*114*	*-*	*3,877*	2,525	*320*	*87*	*2,758*	*1,119*
Plant & Machinery	69,993	3,816	12,611	-	61,198	41,420	8,926	10,706	39,640	21,558
	78,875	*1,311*	*10,193*	*-*	*69,993*	40,103	*10,356*	*9,039*	*41,420*	*28,573*
Computer Equipment	22,741	-	11,225	52	11,464	16,220	2,641	9,356	9,505	1,959
	28,297	*242*	*5,701*	97	*22,741*	*16,043*	*5,129*	*4,951*	*16,220*	*6,521*
Furniture & Fixtures	389	-	324	-	65	315	35	289	61	4
	931	*-*	*542*	*-*	*389*	*713*	*98*	*495*	*315*	*74*
Office Equipments	2,485	-	2,081	105	299	2,239	8	1,979	268	31
	2,755	*-*	*147*	122	*2,485*	*1,954*	*529*	*244*	*2,239*	*246*
Railway Wagons	15,010	-	12,139	-	2,871	13,404	159	10,756	2,807	64
	15,010	*-*	*-*	*-*	*15,010*	*10,832*	*2,572*	*-*	*13,404*	*1,606*
Electrical Installation & Equipments	985	-	462	-	523	742	106	421	427	96
	2,077	*-*	*1,092*	*-*	*985*	*1,426*	*185*	*869*	*742*	*243*
TANGIBLE ASSETS - TOTAL	**1,40,024**	**11,604**	**43,180**	**160**	**1,08,287**	**93,030**	**15,416**	**37,503**	**70,943**	**37,344**
	1,55,505	*4,239*	*19,420*	*298*	*1,40,025*	*87,971*	*22,096*	*17,038*	*93,029*	*46,996*

Notes forming part of the Consolidated Financial Statements (Continued)

as at March 31, 2023

(Rs. in lakh)

12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(Rs. in lakh)

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2022	Additions/ Adjustments	Deletions	Written off during the year	Closing balance as at March 31, 2023	Opening balance as at April 1, 2022	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2023	As at March 31, 2023
INTANGIBLE ASSETS (other than internally generated)										
Software	4,709	935	-	-	*5,644*	2,842	703	-	*3,545*	*2,099*
	4,131	*578*	-	-	*4,709*	*2,114*	*729*	-	*2,842*	*1,867*
INTANGIBLE ASSETS - TOTAL	**4,709**	**935**	**-**	**-**	**5,644**	**2,842**	**703**	**-**	**3,545**	**2,099**
	4,131	*578*	-	-	*4,709*	*2,114*	*729*	-	*2,842*	*1,867*
Total	**1,44,733**	**12,539**	**43,180**	**160**	**1,13,931**	**95,872**	**16,119**	**37,503**	**74,488**	**39,443**
	1,59,636	*4,817*	*19,420*	*298*	*1,44,734*	*90,085*	*22,824*	*17,038*	*95,872*	*48,862*

Figures in italics relate to March 31, 2022

Immovable property having net carrying value amounting to Rs. 18 lakh is hypothecated against borrowings, refer notes 14.1 and 36(B)(iii).

** 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 ended is Rs. 3,237 lakh (March 31, 2022 : Rs. 3,158 lakh)

The Company confirms that, the title deeds of immovable properties are held in the name of the company.

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

12(i) CAPITAL WORK IN PROGRESS

As at March 31, 2023

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	115	-	-	-	**115**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**115**

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	115	-	-	-	**115**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**115**

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	22	-	-	-	**22**
(ii) Projects temporarily suspended	-	-	-	-	
Total					**22**

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	22	-	-	-	**22**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**22**

12(ii) INTANGIBLE ASSETS UNDER DEVELOPMENT

As at March 31, 2023

PARTICULARS	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	347	151	201	-	**699**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**699**

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	699	-	-	-	**699**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**699**

Notes forming part of the Standalone Financial Statements *(Continued)*
as at March 31, 2023

(Rs. in lakh)

As at March 31, 2022

PARTICULARS	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	322	240	7	-	**569**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**569**

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	569	-	-	-	**569**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**569**

12(iii) The Company has given assets under non-cancellable operating leases. The total of future minimum lease payments that the company is committed to receive is:

Lease Payments	As at March 31, 2023	As at March 31, 2022
- Within one year	12,549	19,466
- Later than one year and not later than five years	20,070	22,720
- Later than five years	1,062	2,194
Total	**33,681**	**44,380**

Accumulated Depreciation on lease assets is Rs. 60,863 lakh (Year ended March, 31, 2022 : Rs. 83,967 lakh).

Accumulated Impairment losses on the leased assets Rs. Nil (Year ended March, 31, 2022 Rs. Nil)

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

13. OTHER NON-FINANCIAL ASSETS

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) Capital advances	2,086	100
(b) Prepaid expenses	1,604	1,089
(c) Balances with government authorities	20,791	17,183
(d) Assets held-for-sale	3,055	3,055
Less : Provision on assets held-for-sale	3,055	3,055
Net asset held-for-sale	-	-
(e) Other advances	1,273	718
Total	25,754	19,090

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

14. TRADE PAYABLES

(i) Total outstanding dues of creditors other than micro enterprises and small enterprises

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(i) Accrued expenses	**31,038**	**36,501**
(ii) Payable to dealers/vendors/customer	**66,639**	**46,902**
(iii) Others	**2,841**	**858**
Total	**1,00,518**	**84,261**

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 :

(ii) Total outstanding dues of micro enterprises and small enterprises

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	459	63
(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;	8	5
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-
Total	**467**	**68**

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

(Rs. in lakh)

14. TRADE PAYABLES *(Continued)*

PARTICULARS	As at March 31, 2023						
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	467	-	-	-	**467**
(ii) Others	30,981	54,543	13,125	545	796	528	**1,00,518**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total							**1,00,985**

Note : Ageing of the trade payables is determined from the date of transaction.

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	-	-	68	-	-	-	**68**
(ii) Others	36,597	35,217	10,832	846	179	590	**84,261**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total							**84,329**

Note : Ageing of the trade payables is determined from the date of transaction.

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

15. DEBT SECURITIES

PARTICULARS	As at March 31, 2023	As at March 31, 2022
DEBT SECURITIES In India		
At amortised cost		
Secured		
Privately Placed Non-Convertible Debentures (Refer note 14.1 below)	**19,20,380**	**14,10,983**
Public issue of Non-Convertible Debentures (Refer notes 14.2 below)	**2,78,137**	**3,66,419**
Unsecured		
(i) Privately Placed Non-Convertible Debentures	**99,211**	**77,347**
(ii) Commercial paper (Refer note 14.3 below) [Net of unamortised discount of Rs. 13,951 lakh (March 31, 2022 : Rs. 10,868 lakh) and ancilliary borrowing cost of Rs. 15 lakh (March 31, 2022 : 10 lakh)]	**5,87,534**	**4,35,922**
DEBT SECURITIES Outside India	**-**	**-**
Total	**28,85,262**	**22,90,671**

Notes

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

15.2. Public issue of Non-Convertible Debentures are secured by a pari passu charge on the specific immovable property, receivables against unsecured loans, bills discounted and trade advances and other current assets of the Company.

15.3. Discount on commercial paper varies between 6.80% to 8.06% (March 31, 2022 : 4.25% to 5.20%) and are repayable at maturity ranging between 7 days and 365 days from the date of respective commercial paper.

15.4. Of the above, Public issue of Non-Convertible Debentures amounting to face value of Rs 672 lakh (March 31, 2022 : Rs 670 lakh) are held by related parties.

15.5. Of the above, Privately placed Secured Non-Convertible Debentures amounting to face value of Rs. 6,500 lakh (March 31, 2022 : Rs. 500 lakh) and Unsecured Non-Convertible Debentures amounting to face value of Rs. 49,000 lakh (March 31, 2022 : Rs. 49,000 lakh) are held by related parties.

15.6. The Company has not defaulted in the repayment of debt securities and interest thereon for the year ended March 31, 2023 and March 31, 2022.

(Rs. in lakh)

15.7. Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2023

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2023*		As at March 31, 2022*	
			Number of NCDs	Rs in lakh	Number of NCDs	Rs in lakh
TCFSL NCD 'A' FY 2021-22	15-Apr-21	14-Apr-23	3,600	36,000	3,600	36,000
TCFSL NCD "B" FY 2020-21 - Option I	29-Apr-20	28-Apr-23	750	7,500	750	7,500
TCFSL NCD 'A' FY 2020-21	21-Apr-20	19-May-23	9,250	92,500	9,250	92,500
TCFSL NCD 'F' FY 2020-21	14-Jul-20	14-Jul-23	500	5,000	500	5,000
TCFSL NCD 'F' FY 2020-21 Discount Reissuance 1	20-Jul-20	14-Jul-23	3,500	35,000	3,500	35,000
TCFSL NCD 'C' FY 2021-22	15-Jul-21	14-Jul-23	2,100	21,000	2,100	21,000
TCFSL NCD 'C' FY 2021-22 Reissuance 1 on ZCB Discounting	02-Aug-21	14-Jul-23	2,000	20,000	2,000	20,000
TCFSL NCD 'G' FY 2020-21	28-Jul-20	28-Jul-23	1,250	12,500	1,250	12,500
TCFSL NCD 'D' FY 2022-23 - Option I	30-Jun-22	29-Sep-23	815	8,150	-	-
TCFSL NCD 'I' FY 2020-21	31-Dec-20	30-Nov-23	10,000	1,00,000	10,000	1,00,000
TCFSL NCD "H" FY 2018-19 - Option I	19-Dec-18	19-Dec-23	1,940	19,400	1,940	19,400
TCFSL NCD "H" FY 2018-19 - Option I - 1 Reissuance on Premium	03-Jan-19	19-Dec-23	975	9,750	975	9,750
TCFSL NCD "H" FY 2018-19 - Option I - 2 Reissuance on Premium	15-Feb-19	19-Dec-23	300	3,000	300	3,000
TCFSL NCD "H" FY 2018-19 - Option II - 2 Reissuance on Premium	15-Feb-19	19-Dec-23	550	5,500	550	5,500
TCFSL NCD 'G' FY 2021-22	06-Sep-21	29-Dec-23	1,000	10,000	1,000	10,000
TCFSL NCD 'K' FY 2020-21	30-Mar-21	29-Mar-24	4,250	42,500	4,250	42,500
TCFSL NCD "A" FY 2022-23 - Option I	29-Apr-22	29-Apr-24	1,750	17,500	-	-
TCFSL NCD 'B' FY 2021-22	10-May-21	10-May-24	5,000	50,000	5,000	50,000
TCFSL NCD "D" FY 2019-20	27-May-19	27-May-24	2,180	21,800	2,180	21,800
TCFSL NCD "C" FY 2022-23 - Option II	01-Jun-22	31-May-24	4,250	42,500	-	-
TCFSL NCD "F" FY 2019-20 Option - II	20-Jun-19	20-Jun-24	885	8,850	885	8,850
TCFSL NCD 'F' FY 2019-20 Op-II Reissuance 1	10-Jul-19	20-Jun-24	1,000	10,000	1,000	10,000
TCFSL NCD 'D' FY 2021-22	02-Aug-21	02-Aug-24	2,000	20,000	2,000	20,000
TCFSL NCD 'G' FY 2022-23	23-Aug-22	25-Sep-24	1,640	16,400	-	-
TCFSL NCD 'E' FY 2021-22	06-Aug-21	04-Oct-24	7,000	70,000	7,000	70,000
TCFSL NCD 'E' FY 2021-22 Premium Reissuance 1 at PAR	24-Aug-21	04-Oct-24	4,000	40,000	4,000	40,000
TCFSL NCD AA FY 2014-15	20-Nov-14	20-Nov-24	950	9,500	950	9,500
TCFSL NCD AF FY 2014-15-Option-I	08-Dec-14	08-Dec-24	600	6,000	600	6,000
TCFSL NCD AF FY 2014-15-Option-I	08-Dec-14	08-Dec-24	150	1,500	150	1,500
TCFSL NCD "E" FY 2019-20 Option - I	04-Jun-19	15-Jan-25	300	3,000	300	3,000
TCFSL NCD "E" FY 2019-20 Option - I Reissuance 1	26-Feb-20	15-Jan-25	350	3,500	350	3,500
TCFSL NCD "K" FY 2022-23 - Option - I	18-Nov-22	27-Mar-25	560	5,600	-	-
TCFSL NCD "B" FY 2020-21 - Option II	29-Apr-20	29-Apr-25	400	4,000	400	4,000
TCFSL NCD "B" FY 2022-23	10-May-22	09-May-25	2,000	20,000	-	-
TCFSL NCD "D" FY 2022-23 - Option II	30-Jun-22	25-Jul-25	2,500	25,000	-	-
TCFSL NCD "D" FY 2022-23 - Option II Premium Reissuance 1	03-Aug-22	25-Jul-25	3,250	32,500	-	-
TCFSL NCD "D" FY 2022-23 - Option II Premium Reissuance 2	23-Aug-22	25-Jul-25	2,250	22,500	-	-
TCFSL Market Linked NCD "A" 2022-23	19-Sep-22	19-Aug-25	430	4,300	-	-
TCFSL NCD “E” FY 2022-23 Option - I	26-Jul-22	10-Sep-25	1,500	15,000	-	-
TCFSL NCD "E" FY 2022-23 - Option - I - Reissue No.1	04-Nov-22	10-Sep-25	1,110	11,100	-	-
TCFSL NCD “I” FY 2022-23	13-Oct-22	13-Oct-25	350	3,500	-	-
TCFSL NCD “K” FY 2022-23 Option II	18-Nov-22	18-Nov-25	1,500	15,000	-	-
TCFSL NCD “K” FY 2022-23 Option II Discount Reissuance 1	05-Dec-22	18-Nov-25	2,000	20,000	-	-
TCFSL NCD “K” FY 2022-23 Option II Premium Reissuance 2	08-Dec-22	18-Nov-25	6,000	60,000	-	-
TCFSL NCD “L” FY 2022-23	08-Dec-22	08-Dec-25	2,000	20,000	-	-
TCFSL NCD 'P' FY 2022-23 STRPP I	14-Mar-23	13-Mar-26	2,00,000	2,00,000	-	-

(Rs. in lakh)

15.7. Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2023 *(Continued)*

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2023* Number of NCDs	As at March 31, 2023* Rs in lakh	As at March 31, 2022* Number of NCDs	As at March 31, 2022* Rs in lakh
TCFSL NCD “M” FY 2022-23 Premium	17-Jan-23	17-Apr-26	5,000	50,000	-	-
TCFSL NCD “O” FY 2022-23 Option I	21-Feb-23	21-May-26	1,300	13,000	-	-
TCFSL NCD 'P' FY 2022-23 STRPP II	14-Mar-23	16-Mar-27	2,00,000	2,000	-	-
TCFSL NCD “E” FY 2022-23 Option - II	26-Jul-22	26-Jul-27	4,750	47,500	-	-
TCFSL NCD “E” FY 2022-23 Option - II Premium Reissuance 1	23-Aug-22	26-Jul-27	2,500	25,000	-	-
TCFSL NCD “H” FY 2022-23	07-Sep-22	07-Sep-27	2,060	20,600	-	-
TCFSL NCD “J” FY 2022-23	19-Oct-22	19-Oct-27	5,000	50,000	-	-
TCFSL NCD “J” FY 2022-23 Premium Reissuance 1	08-Dec-22	19-Oct-27	2,500	25,000	-	-
TCFSL NCD “N” FY 2022-23	08-Feb-23	08-Feb-28	1,100	11,000	-	-
TCFSL NCD “N” FY 2022-23 Discount Reissuance 1	21-Feb-23	08-Feb-28	1,520	15,200	-	-
TCFSL NCD "H" FY 2018-19 - Option II	19-Dec-18	19-Dec-28	1,120	11,200	1,120	11,200
TCFSL NCD "H" FY 2018-19 - Option II - 1 Reissuance on Premium	03-Jan-19	19-Dec-28	230	2,300	230	2,300
TCFSL NCD "F" FY 2019-20 Option - I	20-Jun-19	20-Jun-29	2,730	27,300	2,730	27,300
TCFSL NCD 'F' FY 2019-20 Op-I Reissuance 1	19-Jul-19	20-Jun-29	1,000	10,000	1,000	10,000
TCFSL NCD 'H' FY 2019-20	06-Nov-19	06-Nov-29	1,000	10,000	1,000	10,000
TCFSL NCD 'L' FY 2019-20	06-Mar-20	06-Mar-30	10,000	1,00,000	10,000	1,00,000
TCFSL NCD 'H' FY 2021-22	29-Sep-21	29-Sep-31	950	9,500	950	9,500
TCFSL NCD 'H' FY 2021-22 Discount Reissuance 1	03-Dec-21	29-Sep-31	2,190	21,900	2,190	21,900
TCFSL NCD 'H' FY 2021-22 Discount Reissuance 2	16-Dec-21	29-Sep-31	500	5,000	500	5,000
TCFSL NCD 'H' FY 2021-22 Discount Reissuance 3	29-Dec-21	29-Sep-31	850	8,500	850	8,500
TCFSL NCD 'I' FY 2021-22	20-Jan-22	20-Jan-32	12,500	1,25,000	12,500	1,25,000
TCFSL NCD "A" FY 2022-23 - Option II	29-Apr-22	29-Apr-32	1,810	18,100	-	-
TCFSL NCD "C" FY 2022-23 - Option I	01-Jun-22	01-Jun-32	2,500	25,000	-	-
TCFSL NCD “F” FY 2022-23	12-Aug-22	12-Aug-32	1,875	18,750	-	-
TCFSL NCD “O” FY 2022-23 Option II	21-Feb-23	21-Feb-33	810	8,100	-	-
TCFSL NCD 'D' FY 2018-19	22-Oct-18	08-Apr-22	1,120	-	1,120	11,200
TCFSL NCD 'D' FY 2018-19 Further issue Annual Compounding Premiur	23-Jan-19	08-Apr-22	485	-	485	4,850
TCFSL Market Linked 'A' 2018-19 Tranche-III	27-Feb-19	14-Apr-22	137	-	137	1,370
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 1	12-Mar-19	14-Apr-22	159	-	159	1,590
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 2	26-Apr-19	14-Apr-22	100	-	100	1,000
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 3	07-Jun-19	14-Apr-22	175	-	175	1,750
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 4	05-Feb-20	14-Apr-22	200	-	200	2,000
TCFSL Market Linked NCD "A" Series 2018-19 Tranche III Reissuance 5	19-Aug-20	14-Apr-22	330	-	330	3,300
TCFSL NCD "A" FY 2019-20	25-Apr-19	25-Apr-22	500	-	500	5,000
TCFSL NCD 'J' FY 2019-20	30-Jan-20	29-Apr-22	2,000	-	2,000	20,000
TCFSL NCD "I" FY 2018-19	03-Jan-19	10-Jun-22	400	-	400	4,000
TCFSL NCD 'I' FY 2018-19 Reissuance no 1	27-Sep-19	10-Jun-22	100	-	100	1,000
TCFSL NCD 'I' FY 2019-20	10-Dec-19	10-Jun-22	250	-	250	2,500
TCFSL NCD 'B' FY 2019-20	14-May-19	06-Jul-22	210	-	210	2,100
TCFSL NCD 'B' FY 2019-20 Reissuance 1 on Par Premium	23-Feb-21	06-Jul-22	2,000	-	2,000	24,174
TCFSL NCD 'AH' FY 2012-13	05-Sep-12	05-Sep-22	500	-	500	5,000
TCFSL NCD 'D' FY 2020-21	17-Jun-20	23-Sep-22	1,500	-	1,500	15,000
TCFSL NCD 'D' FY 2020-21 Premium Reissuance 1	27-Aug-20	23-Sep-22	4,000	-	4,000	40,000
TCFSL NCD 'H' FY 2020-21	01-Dec-20	01-Dec-22	4,000	-	4,000	40,000
TCFSL Market Link NCD Tranche "B" FY 2018-19	20-Mar-19	05-Dec-22	2,500	-	2,500	25,000
TCFSL Market Linked Tranchee 'B' 2018-19 Reissuance 1	20-Sep-19	05-Dec-22	50	-	50	500
TCFSL NCD "P" FY 2017-18	22-Jan-18	20-Jan-23	480	-	480	4,800
TCFSL NCD "P" FY 2017-18 Reissuance no 1	12-Feb-20	20-Jan-23	1,250	-	1,250	12,500
TCFSL NCD 'F' FY 2021-22	06-Sep-21	28-Feb-23	7,000	-	7,000	70,000
TCFSL NCD 'J' FY 2020-21	17-Mar-21	17-Mar-23	3,000	-	3,000	30,000
TCFSL NCD 'J' FY 2020-21 Premium Reissuance 1	24-Aug-21	17-Mar-23	3,000	-	3,000	30,000
Total (A)				**18,66,800**		**13,57,134**
Add : Interest accrued on borrowing				61,821		57,096
Add : Unamortised premium				702		772
Total (B)				**62,523**		**57,868**
Less : Unamortised borrowing cost				(585)		(288)
Less : Unamortised discount				(8,358)		(3,731)
Total (C)				**(8,943)**		**(4,019)**
TOTAL (A+B+C)				**19,20,380**		**14,10,983**

*Coupon rate of "NCDs" outstanding as on March 31, 2023 varies from 5.10% to 9.36% (March 31, 2022 : 4.82% to 9.85%)

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

15.8. Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2023

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
SERIES I TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-22	-	-
SERIES I TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-22	-	-
TCFSL NCD Series II (2019)	27-Sep-18	27-Sep-23	7,68,789	7,688
TCFSL NCD Series II (2019)	27-Sep-18	27-Sep-23	1,45,70,710	1,45,707
SERIES II TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-24	9,77,140	9,771
SERIES II TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-24	34,09,175	34,092
SERIES III TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-27	9,24,814	9,248
SERIES III TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-27	60,03,935	60,039
				2,66,545
Add: Interest accrued on borrowing				12,748
Less: Unamortised borrowing cost				(1,156)
Total				**2,78,137**

Note : Coupon rate of above outstanding as on March 31, 2023 varies from 8.40% to 8.90%

15.9. Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2022

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
SERIES I TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-22	9,66,134	9,661
SERIES I TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-22	75,22,582	75,226
TCFSL NCD Series II (2019)	27-Sep-18	27-Sep-23	7,68,789	7,688
TCFSL NCD Series II (2019)	27-Sep-18	27-Sep-23	1,45,70,710	1,45,707
SERIES II TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-24	9,77,140	9,772
SERIES II TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-24	34,09,175	34,092
SERIES III TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-27	9,24,814	9,248
SERIES III TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-27	60,03,935	60,039
				3,51,433
Add: Interest accrued on borrowing				17,026
Less: Unamortised borrowing cost				(2,040)
Total				**3,66,419**

Note : Coupon rate of above outstanding as on March 31, 2022 varies from 8.35% to 8.90%

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

15.10 Particulars of Privately Placed unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2023

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL Unsecured NCD Partly paid "A" FY 2018-19	19-Mar-19	17-Mar-34	5,900	59,000
TCFSL Unsecured NCD Partly paid "A" FY 2019-20	23-Mar-20	23-Mar-35	5,000	40,000
TOTAL				**99,000**
Add: Interest accrued on borrowing				262
Less: Unamortised borrowing cost				(51)
Total				**99,211**

Note : Coupon rate of above outstanding as on March 31, 2023 varies from 7.85% to 8.93%

15.11. Particulars of Privately Placed unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2022

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL Unsecured NCD Partly paid "A" FY 2018-19	19-Mar-19	17-Mar-34	5,900	47,200
TCFSL Unsecured NCD Partly paid "A" FY 2019-20	23-Mar-20	23-Mar-35	5,000	30,000
TOTAL				**77,200**
Add: Interest accrued on borrowing				202
Less: Unamortised borrowing cost				(55)
Total				**77,347**

Notes :
1. Coupon rate of above outstanding as on March 31, 2022 varies from 7.85% to 8.93%
2. NCDs outstanding as on March 31, 2023 are redeemable at par, except "TCFSL NCD "G" FY 2020-21 ZCB" which is redeemable at premium.
3. Information about the company's exposure to interest rate risk, and liquidity risk is included in note 35B and 35C

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

16. BORROWINGS (OTHER THAN DEBT SECURITIES)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
At amortised cost		
(a) Term loans		
Secured - In India		
From Banks (Refer note 15.1 and 15.2 below)	**20,29,422**	**13,76,440**
From Others (Refer note 15.1 and 15.2 below)	**3,68,741**	**1,40,470**
Secured - Outside India		
From Banks (Refer note 15.2 below)	**4,72,801**	**2,91,413**
Unsecured - In India		
From Banks	-	-
(b) Loans repayable on demand		
Secured		
From Banks		
(i) Working capital demand loan (Refer note 15.2 below)	**2,78,107**	**2,59,223**
(ii) Bank Overdraft (Refer note 15.2 below)	**34**	**2**
Unsecured		
From Banks		
(i) Working capital demand loan (Refer note 15.2 below)	**45,034**	**40,000**
(c) Loan from related parties (unsecured)		
(i) Inter corporate deposits from related parties (Refer notes 15.2 below) (repayable on demand)	-	**77,958**
(d) Other loans		
Unsecured		
(ii) Inter corporate deposits from others (Refer note 15.2 below)	**5,199**	-
Total	**31,99,338**	**21,85,506**

Note:

16.1. Loans and advances from banks and others are secured by pari passu charge on the receivables of the Company through Security Trustee.

16.2. **Terms of repayment of borrowings and rate of interest:**
As per terms of agreements, loans from banks aggregating Rs. 24,97,190 lakh (March 31, 2022 : Rs. 16,66,885 lakh) are repayable at maturity ranging between 3 and 60 months from the date of respective loan. Rate of interest payable on term loans varies between 6.40% to 8.99% (March 31, 2022 : 4.85% to 7.70%).

As per terms of agreements, loans from others aggregating Rs. 3,67,518 lakh (March 31, 2022 : Rs. 1,40,000 lakh) are repayable at maturity ranging between 35 and 63 months from the date of respective loan. Rate of interest payable on term loans varies between 7.20% to 8.35%. (March 31, 2022 : 5.50% to 6.25%).

Rate of interest payable on working capital demand loans varies between 7.40% to 8.30% (March 31, 2022 : 4.10% to 7.10%) and Bank Overdraft varies between 8.70% to 9.10% (March 31, 2022 : 7.45% to 8.20%).

Rate of interest payable on Inter-corporate deposits varies between 5.20% to 7.20% (March 31, 2022 : 7.08% to 7.62%).

16.3. The Company has not defaulted in the repayment of borrowings (other than debt securities) and interest thereon for the year ended March 31, 2023 and March 31, 2022.

16.4. The quarterly returns/statements of current assets filed by the company with banks or financials institutions are in agreement with the books of accounts.

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

17. SUBORDINATED LIABILITIES

PARTICULARS	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Unsecured - In India		
Debentures		
Non-Convertible Subordinated Debentures	3,10,550	3,10,433
Non-Convertible Perpetual Debentures	1,21,703	1,21,627
Total	**4,32,253**	**4,32,060**

Note:

1. Of the above, subordinated liabilities amounting to face value of Rs. 20,670 lakh (March 31, 2022 : 28,680 lakh) are held by related parties.

2. The Company has not defaulted in the repayment of subordinated liabilities and interest thereon for the year ended March 31, 2023 and March 31, 2022.

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

17.1. Particulars of Subordinated unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2023

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2023* Number of NCDs	As at March 31, 2023* Rs in lakh	As at March 31, 2022* Number of NCDs	As at March 31, 2022* Rs in lakh
TCFSL Tier II Bond 'A' FY 2014-15	26-Sep-14	25-Sep-24	**1,000**	**10,000**	1,000	10,000
TCFSL Tier II Bond 'B' FY 2014-15	07-Jan-15	07-Jan-25	**350**	**3,500**	350	3,500
TCFSL Tier II Bond 'C' FY 2014-15	30-Jan-15	30-Jan-25	**750**	**7,500**	750	7,500
TCFSL Tier II Bond 'D' FY 2014-15	31-Mar-15	31-Mar-25	**2,000**	**20,000**	2,000	20,000
TCFSL Tier II Bond 'A' FY 2015-16	22-Jul-15	22-Jul-25	**900**	**9,000**	900	9,000
TCFSL Tier II Bond 'B' FY 2015-16	30-Mar-16	30-Mar-26	**2,000**	**20,000**	2,000	20,000
TCFSL Tier-II Bond 'A' FY 2016-17	11-Aug-16	11-Aug-26	**2,000**	**20,000**	2,000	20,000
TCFSL Tier-II Bond 'B' FY 2016-17	26-Oct-16	26-Oct-26	**150**	**1,500**	150	1,500
TCFSL Tier-II Bond 'A' FY 2018-19	28-Dec-18	28-Dec-28	**2,000**	**20,000**	2,000	20,000
TCFSL Tier-II Bond "A" FY 2019-20	16-Apr-19	16-Apr-29	**200**	**2,000**	200	2,000
TCFSL Tier II NCD "A" FY 2019-20 Discount Reissuance 1	13-Jun-19	16-Apr-29	**650**	**6,500**	650	6,500
TCFSL Tier II NCD "A" FY 2019-20 Premium Reissuance 2	26-Jun-19	16-Apr-29	**1,000**	**10,000**	1,000	10,000
TCFSL Tier II NCD "A" FY 2019-20 Premium Reissuance 3	29-Jul-19	16-Apr-29	**295**	**2,950**	295	2,950
TCFSL Tier-II Bond "B" FY 2019-20	13-Nov-19	13-Nov-29	**1,000**	**10,000**	1,000	10,000
TCFSL Tier-II Bond "B" FY 2019-20 Premium Reissuance 1	03-Jan-20	13-Nov-29	**700**	**7,000**	700	7,000
TCFSL Tier-II Bond "A" FY 2020-21	17-Sep-20	17-Sep-30	**750**	**7,500**	750	7,500
TCFSL Tier-II Bond "A" FY 2020-21 Premium Reissuance 1	13-Oct-20	17-Sep-30	**1,250**	**12,500**	1,250	12,500
TCFSL Tier-II Bond "A" FY 2020-21 Discount Reissuance 2	23-Mar-21	17-Sep-30	**1,000**	**10,000**	1,000	10,000
TCFSL Tier-II Bond "A" FY 2021-22	28-Jun-21	27-Jun-31	**1,500**	**15,000**	1,500	15,000
TCFSL Tier-II Bond "B" FY 2021-22	24-Nov-21	24-Nov-31	**500**	**50,000**	500	50,000
TCFSL NCD Series III (2018)	27-Sep-18	27-Sep-28	**2,95,490**	**2,955**	2,95,490	2,955
TCFSL NCD Series III (2018)	27-Sep-18	27-Sep-28	**34,18,488**	**34,185**	34,18,488	34,185
SERIES IV TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-29	**46,500**	**465**	46,500	465
SERIES IV TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-29	**17,26,973**	**17,270**	17,26,973	17,270
Total (A)				**2,99,825**		**2,99,825**
Add: Interest accrued on borrowing				**11,391**		11,391
Add : Unamortised premium				**101**		117
Total (B)				**11,492**		**11,508**
Less: Unamortised borrowing cost				**(659)**		(777)
Less : Unamortised discount				**(108)**		(123)
Total (C)				**(767)**		**(900)**
TOTAL (A+B+C)				**3,10,550**		**3,10,433**

*Note : Coupon rate of above outstanding as on March 31, 2023 varies from 7.30% to 10.15% (March 31, 2022: 7.30% to 10.15%)

Notes forming part of the Consolidated Financial Statements (Continued)

as at March 31, 2023

(Rs. in lakh)

17.2. Particulars of Perpetual unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2023

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2023* Number of NCDs	As at March 31, 2023* Rs in lakh	As at March 31, 2022* Number of NCDs	As at March 31, 2022* Rs in lakh
TCFSL Perpetual 'A' FY 2013-14	27-Mar-14	27-Mar-24	**1,871**	**9,355**	1,871	9,355
TCFSL Perpetual 'A' FY 2015-16	16-Jul-15	16-Jul-25	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual 'B' FY 2015-16	06-Jan-16	06-Jan-26	**500**	**5,000**	500	5,000
TCFSL Perpetual 'C' FY 2015-16	02-Feb-16	02-Feb-26	**500**	**5,000**	500	5,000
TCFSL Perpetual 'D' FY 2015-16	09-Feb-16	09-Feb-26	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual 'E' FY 2015-16	23-Mar-16	23-Mar-26	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual 'A' FY 2016-17	30-Jun-16	30-Jun-26	**500**	**5,000**	500	5,000
TCFSL Perpetual 'B' FY 2016-17	13-Jan-17	13-Jan-27	**100**	**1,000**	100	1,000
TCFSL Perpetual 'C' FY 2016-17	08-Mar-17	08-Mar-27	**400**	**4,000**	400	4,000
TCFSL Perpetual 'A' FY 2017-18	21-Jun-17	21-Jun-27	**500**	**5,000**	500	5,000
TCFSL Perpetual 'B' FY 2017-18	14-Jul-17	14-Jul-27	**500**	**5,000**	500	5,000
TCFSL Perpetual 'C' FY 2017-18	11-Sep-17	11-Sep-27	**930**	**9,300**	930	9,300
TCFSL Perpetual 'D' FY 2017-18	26-Mar-18	26-Mar-28	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual 'D' FY 2017-18	26-Mar-18	26-Mar-28	**250**	**2,500**	250	2,500
TCFSL Perpetual 'A' FY 2020-21	30-Sep-20	30-Sep-30	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual 'B' FY 2020-21	19-Oct-20	19-Oct-30	**750**	**7,500**	750	7,500
TCFSL Perpetual 'A' FY 2021-22	28-Feb-22	28-Feb-32	**100**	**10,000**	100	10,000
Total (A)				**1,18,655**		**1,18,655**
Add: Interest accrued on borrowing				**3,365**		3,363
Less: Unamortised borrowing cost				**(317)**		(391)
				1,21,703		**1,21,627**

Notes :

1. Coupon rate of above outstanding as on March 31, 2023 varies from 7.89% to 10.95% (March 31, 2022 : 7.89% to 10.95%)
2. NCDs outstanding as on March 31, 2023 are redeemable at par.

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Funds Raised through Perpetual Debt Instruments	**-**	10,000
Amount outstanding at the end of year	**1,18,655**	1,18,655
Percentage of amount of Perpetual Debt Instruments of the amount of Tier I Capital	**12.13%**	17.07%
Financial year in which interest on Perpetual Debt Instruments is not paid on account of 'Lock-In Clause'.	**NA**	NA

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

18. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) Security deposit	51,426	47,864
(b) Payable for capital expenditure	5,339	5,039
(c) Advances from customers	3,606	3,429
(d) Accrued employee benefit expense	11,512	9,202
(e) Unclaimed matured debentures, unclaimed application money and accrued interest thereon	199	131
(f) Payable under buyer's credit facility	22,485	12,680
(g) Amounts payable - assigned loans	297	362
(h) Book Overdraft	54,498	21,201
Total	**1,49,362**	**99,908**

19. CURRENT TAX LIABILITIES (NET)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Provision for tax (net of advance tax Rs. 1,15,103 Lakh (March 31, 2022 : Rs. 94,217 Lakh)	22,820	26,719
Total	**22,820**	**26,719**

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

20. PROVISIONS

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits :		
(a) Provision for gratuity	375	97
(b) Provision for compensated absences	1,756	1,472
(c) Provision for long-term service award	124	122
Others :		
(a) Provision for off Balance Sheet exposure	3,096	1,674
Total	5,351	3,365

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

21. OTHER NON-FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) Statutory dues	7,625	6,251
(b) Revenue received in advance	268	555
(c) Margin money received under Letter of credit/Buyer's credit	982	1,499
(d) Others	4,181	697
Total	**13,056**	**9,002**

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

22. SHARE CAPITAL

PARTICULARS	As at March 31, 2023	As at March 31, 2022
AUTHORISED		
2,500,000,000 (March 31, 2022 : 2,500,000,000 shares) Equity shares of Rs.10 each	**2,50,000**	**2,50,000**
3,000,000,000 (March 31, 2022 : 3,000,000,000 shares) Preference shares of Rs.10 each	**3,00,000**	**3,00,000**
	5,50,000	**5,50,000**
ISSUED, SUBSCRIBED & PAID UP		
1,71,88,46,458 (March 31, 2022: 1,65,98,72,100 shares) Equity shares of Rs.10 each fully paid up	**1,71,885**	**1,65,987**
Total	**1,71,885**	**1,65,987**

22. (a). Details of shareholders holding more than 5 percent shares in the Company are given below:

PARTICULARS	As at March 31, 2023			As at March 31, 2022		
	No. of shares	Rs. in lakh	% holding	No. of shares	Rs. in lakh	% holding
Tata Capital Limited (Holding Company)	1,71,88,46,458	1,71,885	100%	1,65,98,72,100	1,65,987	100%

22. (b). Reconciliation of number of equity shares outstanding

Particulars	No. of shares	Rs. in lakh
Equity Shares		
Opening balance as on April 01, 2021	1,65,98,72,100	1,65,987
Additions during the year	-	-
Closing Balance as on March 31, 2022	**1,65,98,72,100**	**1,65,987**
Additions during the year	5,89,74,358	5,898
Closing Balance as on March 31, 2023	**1,71,88,46,458**	**1,71,885**

During the year, the Company has issued 5,89,74,358 equity shares of face value Rs. 10 each fully paid up on a "Right Basis", at a price of Rs. 195 each, including a premium of Rs. 185 each (March 31, 2022: 2,99,40,119 equity shares of face value Rs. 10 each fully paid up, at a price of Rs. 100.20 each, including a premium of Rs. 90.20 each.).

22. (c). Rights, preferences and restrictions attached to shares

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

22. (d). 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, 2021	1,65,98,72,100	1,65,987
	Add: Additions during the year	-	-
	Closing Balance as on March 31, 2022	**1,65,98,72,100**	**1,65,987**
	Add: Additions during the year	5,89,74,358	5,898
	Closing Balance as on March 31, 2023	**1,71,88,46,458**	**1,71,885**

22. (e). There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.

22. (f). There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

Notes forming part of the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

23. OTHER EQUITY

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) Securities Premium Account	4,71,000	3,61,903
(b) Debenture Redemption Reserve	-	30,000
(c) Special Reserve Account	1,08,589	80,957
(d) Retained earnings	2,40,046	1,34,874
(e) Other Comprehensive Income		
(i) Fair value gain on Financial Assets carried at FVTOCI	(148)	-
(ii) The effective portion of gains and loss on hedging instruments in cash flow hedge	3,042	982
(iii) Remeasurement of defined employee benefit plans	(1,139)	(517)
(iv) Share in other comprehensive income of Associates	6	20
(f) Share options outstanding account	1,177	701
(g) General Reserve	31,415	1,310
Total	**8,53,988**	**6,10,230**

During the year ended March 31, 2023, the Company has declared and paid, an interim dividend for the financial year 2022-23 on equity shares aggregating to Rs. 5,478 lakh (March 31,2022 : Rs. 12,061 lakh)

As prescribed by Section 45-IC of the Reserve Bank of India Act, 1934, the Company has transferred Rs. 27,635 lakh during the year ended March 31, 2023 (March 31, 2022 : Rs. 16,344 lakh) to Special Reserve.

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	Debenture Redemption Reserve	As per section 71(4) of the Companies Act 2013, created out of the profits of the Company available for payment of dividend and credited to such account, shall not be utilised except for redemption of debentures
3	Special Reserve Account/Statutory Reserve	As prescribed by section 45-IC of the Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by RBI from time to time.
4	Surplus in profit and loss account	Created out of accretion of profits.
5	General Reserve	Created upon employees stock options that expired unexercised or upon forfeiture of options granted.
6	Share Options Outstanding Account	Created upon grant of Holding Company options to employees.
7	Other Comprehensive Income	Created on account of items measured through other comprehensive income

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

24. INTEREST INCOME

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
On Financial Assets measured at Amortised Cost		
(a) Interest on loans	7,10,070	5,57,064
(b) Interest income from investments	12,598	7,853
(c) Interest income on deposits with banks	715	428
On Financial Assets measured at fair value through OCI		
(a) Interest on loans	308	-
On Financial Assets measured at fair value through profit and loss		
(a) Interest on loans	456	237
Total	7,24,147	5,65,582

25. DIVIDEND INCOME

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend income	24	73
Total	24	73

26. RENTAL INCOME

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental Income	26,383	29,691
Branch co-sharing income	1,057	969
Total	27,440	30,660

27. FEES AND COMMISSION INCOME

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
On Financial Assets measured at Amortised Cost		
(a) Foreclosure charges	2,543	3,503
(b) Fees on value added services and products	1,375	855
(c) Advisory Fees	1,496	925
(d) Others	17,030	13,410
Total	22,444	18,693

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

28. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

PARTICULARS		For the year ended March 31, 2023	For the year ended March 31, 2022
(A)	Net Gain / (loss) on financial instruments at fair value through profit or loss		
(i)	On trading portfolio	-	-
	- Investments	-	-
	- Derivatives	-	-
	- Others	-	-
(ii)	On financial instruments designated at fair value through profit or loss	-	-
(B)	Others		
	- On equity securities	817	7,909
	- On other financial securities	6,947	3,002
	- On derivative contracts	-	-
(C)	Total Net gain/(loss) on fair value changes	**7,764**	**10,911**
(D)	Fair value changes :		
	-Realised	**7,382**	**9,249**
	-Unrealised	**382**	**1,662**
	Total Net gain/(loss) on fair value changes	**7,764**	**10,911**

29. OTHER INCOME

PARTICULARS		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Branch advertisement income	**541**	**75**
(b)	Income from distribution of financial products	**11,482**	**6,987**
(c)	Gain on derecognition of property, plant and equipment	**-**	**914**
(d)	Interest on tax refunds	**-**	**5**
(e)	Miscellaneous income	**44**	**117**
Total		**12,067**	**8,098**

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

30. FINANCE COSTS

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
At amortised cost		
(a) Interest on borrowings	1,60,494	98,074
(b) Interest on debt securities	1,39,422	1,28,524
(c) Interest on subordinated liabilities	36,907	33,335
(d) Interest on lease liabilities	764	692
(e) Other interest expense	3,709	357
(f) Discounting Charges on debt securities		
(i) On commercial paper	29,733	20,749
(ii) On debentures	4,481	1,569
Total	3,75,510	2,83,300

31. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salaries, wages and bonus	73,547	51,515
(b) Contribution to provident and other fund	2,973	1,805
(c) Staff welfare expenses	3,744	2,184
(d) Expenses related to post-employment defined benefit plans	781	600
(e) Share based payments to employees	697	415
Total	81,742	56,519

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

32. Impairment of financial instruments

PARTICULARS	For the year ended March 31, 2023		For the year ended March 31, 2022	
(I) Loans				
(a) Impairment loss allowance on loans (Stage III) - at amortised cost	21,982		4,316	
Less : Delinquency Support	(1,521)	20,461	(81)	4,235
(b) Write off - Loans (net of recoveries) - at amortised cost		34,280		54,665
(c) Impairment loss allowance on loans (Stage I & II)				
- at amortised cost	(4,621)		30,089	
- at FVTOCI	88	(4,533)	(18)	30,071
		50,208		88,971
(II) Trade receivables - at amortised cost		97		(21)
(III) Derivative current credit exposure		67		-
Total (I+II)		50,372		88,950

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

33. OTHER OPERATING EXPENSES

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Advertisements and publicity	6,830	4,555
(b) Brand Equity and Business Promotion	2,177	1,567
(c) Corporate social responsibility cost	1,864	1,276
(d) Information technology expenses	14,904	14,037
(e) Insurance charges	39	36
(f) Incentive / commission/ brokerage	430	402
(g) Legal and professional fees	5,730	4,554
(h) Loan processing cost	2,136	2,382
(i) Loss on derecognition of property, plant and equipment	333	-
(j) Printing and stationery	277	392
(k) Reversal of provision against assets held for sale	-	(1)
(l) Power and fuel	1,066	818
(m) Repairs and maintenance	421	169
(n) Rent	49	535
(o) Rates and taxes	432	194
(p) Service providers' charges	31,198	30,305
(q) Training and recruitment	775	663
(r) Communication cost	438	435
(s) Travelling and conveyance	3,855	2,478
(t) Directors fees,allowances and expenses	163	212
(u) Other expenses	8,475	6,236
Total	81,592	71,245

(a) Auditors' Remuneration (excluding taxes):

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit Fees	180	175
Tax Audit Fees	5	5
Other Services (includes out of pocket expenses) *	6	13
	191	193

(Auditors' remuneration is included in Other expenses)

* Other Services include fees for certifications

(b) Expenditure in Foreign Currency

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Legal and professional fees	948	96
Information Technology Expenses	58	1,108
Other expenses	191	22
	1,197	1,226

(c) Corporate social responsibility expenses

(i) Gross amount required to be spent by the company during the year was Rs. 1,864 lakh. (March 31, 2022 : Rs. 1,276 lakh)

(ii) Amount spent during the year on:

PARTICULARS	Paid	Yet to be paid
i) Construction/acquisition of any asset		
Paid	-	291
Yet to be paid	-	-
ii) On purposes other than (i) above		
Paid	1,864	985
Yet to be paid	-	-

(iii) 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.

(iv) The total of previous years' shortfall amounts: Nil

(v) The reason for above shortfalls by way of a note: Not Applicable

(vi) The nature of CSR activities undertaken by the Company: The CSR activities are undertaken as per Section 135 CSR Rules of the Companies Act 2013. The company's mission is 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 Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

34. Employee benefit expenses

A. Defined contribution plans

1) Superannuation Fund

The Company makes contribution towards superannuation fund, a defined contribution retirement plan for qualifying employees. The Superannuation fund is administered by superannuation fund set up as Trust by Tata Capital Limited (“the ultimate Holding 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 Rs. 95 Lakhs (Year ended 31 March 2022 Rs. 92 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 Rs. 2,878 Lakhs (Year ended 31 March 2022 Rs, 1,713 Lakhs) for Provident Fund contributions and Rs. Nil (Year ended 31 March 2022 Rs. 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

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.

5. Legislative risk : Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Movement in net defined benefit (asset) liability

a) Reconciliation of balances of Defined Benefit Obligations.

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Defined Obligations at the beginning of the year	5,826	-	4,796	-
Current service cost	783	-	655	-
Interest cost	364	-	297	-
Amalgamations / Acquisitions	(8)	-	15	-
Actuarial (Gains)/ Losses on obligations arising from:				
a. Due to change in financial assumptions	68	-	(42)	-
b. Due to change in experience adjustments	599	-	423	-
Others (please specify below)				
Benefits paid directly by the Company	(453)	-	(318)	-
Defined Obligations at the end of the year	**7,179**	**-**	**5,826**	**-**

(Rs. in lakh)

34. Employee benefit expenses

b) Reconciliation of balances of Fair Value of Plan Assets

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Fair Value at the beginning of the year	**5,730**	-	**5,232**	-
Expected return on plan assets	(165)	-	73	-
Employer contributions	848	-	73	-
Amalgamations / Acquisitions	(8)	-	15	-
Others (please specify below)				
Interest Income on Plan Assets	400	-	337	-
Fair Value of Plan Assets at the end of the year	**6,805**	**-**	**5,730**	**-**

c) Funded status

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Deficit of plan assets over obligations	-	-	-	-
Surplus of plan assets over obligations	(374)	-	(97)	-
Unrecognised asset due to asset ceiling	-	-	-	-
Total	**(374)**	**-**	- **97**	**-**

d) Categories of plan assets

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Corporate bonds	171	-	1,082	-
Equity shares	-	-	414	-
Government securities	18	-	1,281	-
Insurer managed funds-ULIP Product	6,611	-	2,702	-
Cash	3	-	251	-
Total	**6,803**	**-**	**5,730**	**-**

e) Amount recognised in Balance sheet

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Present value of the defined benefit obligation	7,179	-	5,826	-
Fair value of plan assets	6,805	-	5,730	-
Net asset / (liability) recognised in the Balance Sheet	**(374)**	**-**	**(97)**	**-**

f) Amount recognised in Statement of Profit and Loss

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Current Service Cost	783	-	655	-
Interest Cost (net)	(36)	-	(40)	-
Expenses for the year	**747**	**-**	**615**	**-**

g) Amount recognised in OCI

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
a. Due to change in financial assumptions	68	-	(42)	-
b. Due to change in experience adjustments	599	-	423	-
c. (Return) on plan assets (excl. interest income)	165	-	(73)	-
Total remeasurements in OCI	**832**	**-**	**308**	**-**
Total defined benefit cost recognized in P&L and OCI	**1,579**	**-**	923	**-**

Notes forming part of the Consolidated Financial Statements (Continued)

for the year ended March 31, 2023

(Rs. in lakh)

34. Employee benefit expenses

h) Expected cash flows for the following year

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Expected total benefit payments	**11,164**	8,600
Year 1	784	567
Year 2	802	665
Year 3	817	722
Year 4	991	735
Year 5	950	885
Next 5 years	6,820	5,026

i) Major Actuarial Assumptions

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount Rate (%)	7.10%	6.50%
Salary Escalation/ Inflation (%)	Non CRE: 9.00%, CRE & J Grade: 6.50%	Non CRE: 8.25%, CRE & J Grade:6%
Expected Return on Plan assets (%)	7.10%	6.50%
Mortality Table	Indian assured lives Mortality (2006-08) Ult.	Indian assured lives Mortality (2006-08) Ult.
Withdrawal (rate of employee turnover)	CRE and J Grade : 40%; Non CRE :Less than 5 years 25% and more than 5 years 10%	CRE and J Grade : 40%; Non CRE :Less than 5 years 25% and more than 5 years 10%
Retirement Age	60 years	60 years
Weighted Average Duration	6 years	6 years
Estimate of amount of contribution in the immediate next year (Rs. in lakh)	784	567

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

Sensitivity analysis

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

	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(472)	533	(390)	441
Future salary growth (1% movement)	519	(469)	430	(388)
Others (Withdrawal rate 5% movement)	(434)	641	(343)	502

j) Provision for compensated absences

	March 31, 2023		March 31, 2022	
	Non current	Current	Non current	Current
Liability for compensated absences	1,315	417	1,137	310

Experience adjustments	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
Funded					
2022-23	7,179	6,805	(374)	(599)	(165)
2021-22	5,826	5,730	(97)	(423)	73
Unfunded					
2022-23	-	-	-	-	-
2021-22	-	-	-	-	-

Note :
The actuarial valuation as at 31 March 2023 has been carried out on the basis of the membership data provided as at 28 February 2023.

35. Fair values of financial instruments

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. For shorter tenure financial assets such as channel finance, the remaining tenure is assumed to be six months.

Derivatives held for risk management :
The Company enters into 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)

35. 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.

C. Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2023 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:					
Cash and cash equivalents	-	-	-	2,21,103	2,21,103
Other balances with banks	-	-	-	23,765	23,765
Derivative financial instruments	-	-	16,759	-	16,759
Trade receivables	-	-	-	4,776	4,776
Loans including credit substitutes	2,511	32,259	-	69,30,044	69,64,814
Investments (Other than in Associate)	85,356	-	-	3,26,539	4,11,895
Other financial assets	-	-	-	38,631	38,631
Total	**87,867**	**32,259**	**16,759**	**75,44,858**	**76,81,743**
Financial Liabilities:					
Trade and other payables	-	-	-	1,00,985	1,00,985
Borrowings *	-	-	-	65,16,853	65,16,853
Lease liabilities	-	-	-	15,430	15,430
Other financial liabilities	-	-	-	1,49,362	1,49,362
Derivative financial liabilities	-	-	264	-	264
Total	**-**	**-**	**264**	**67,82,630**	**67,82,894**

* Borrowings includes Debt Securities, Subordinated liabilities and Borrowings (Other than debt securities).

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	Amortised cost	Total Carrying Value
Financial Assets:					
Cash and cash equivalents	-	-	-	1,11,722	1,11,722
Other balances with banks	-	-	-	178	178
Derivative financial assets	-	-	987	-	987
Trade receivables	-	-	-	926	926
Loans including credit substitutes	2,519	-	-	53,77,377	53,79,896
Investments (Other than in Associate)	73,322	-	-	1,92,234	2,65,556
Other financial assets	-	-	-	30,240	30,240
Total	**75,841**	**-**	**987**	**57,12,677**	**57,89,505**
Financial Liabilities:					
Trade and other payables	-	-	-	84,329	84,329
Borrowings *	-	-	-	49,08,237	49,08,237
Lease liabilities	-	-	-	8,511	8,511
Other financial liabilities	-	-	-	99,908	99,908
Derivative financial liabilities	-	-	28,987	-	28,987
Total	**-**	**-**	**28,987**	**51,00,985**	**51,29,972**

* Borrowings includes Debt Securities, Subordinated liabilities and Borrowings (Other than debt securities).

(Rs. in lakh)

35. Fair values of financial instruments *(Continued)*

C. Financial assets and liabilities *(Continued)*

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

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	-	76,786	-	76,786
Equity Shares	3,957	-	4,613	8,570
Security Receipts	-	-	-	-
Loans including credit substitutes *	-	-	34,770	34,770
Derivative Financial Assets	-	16,759	-	16,759
Total	**3,957**	**93,545**	**39,383**	**1,36,885**
Financial Liabilities:				
Derivative Financial Liabilities	-	264	-	264
Total	**-**	**264**	**-**	**264**

* Loans including credit substitutes under level 3 includes investment in compulsorily convertible debentures.

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	-	61,658	-	61,658
Equity Shares	7,195	-	4,461	11,656
Security Receipts	-	8	-	8
Loans including credit substitutes *	-	-	2,519	2,519
Derivative Financial Assets	-	987	-	987
Total	**7,195**	**62,653**	**6,980**	**76,828**
Financial Liabilities:				
Derivative Financial Liabilities	-	28,987	-	28,987
Total	**-**	**28,987**	**-**	**28,987**

* Loans including credit substitutes under level 3 includes investment in compulsorily convertible debentures.

The following table summarises disclosure of fair value of financial assets and liabilities measured at amortised cost:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets at amortised cost:				
Loans including credit substitutes	69,30,044	69,97,729	53,77,377	54,20,589
Investments	3,26,539	3,18,903	1,92,234	1,88,958
Total	**72,56,583**	**73,16,632**	**55,69,611**	**56,09,547**
Financial Liabilities at amortised cost:				
Borrowings (includes debt securities and subordinated liabilities)	65,16,853	65,18,143	49,08,237	48,94,129
Total	**65,16,853**	**65,18,143**	**49,08,237**	**48,94,129**

The Company has not disclosed fair values for cash and cash equivalents, other balances with bank, trade and other receivables, other financial assets, trade and other payables, lease liabilities and other financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Investment in associates:
The Company has elected to measure Investment in associates at cost and accordingly the requirement of disclosure of fair value of the instrument under Ind AS 107 does not apply.

Fair value of the Financial intruments 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.

T bills and Governemnt securities are valued based on market quotes.

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

35. Fair values of financial instruments *(Continued)*

D. 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, 2023	0	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Equity Shares - unquoted	4,613	4,461	Level 3	Valuation is based on Net asset value method which is based on the asset and liabilities values as per the latest financial statements of the investee company and estimated earnings upto the reporting date	Forecast of annual revenue is based on the earnings for the latest reported financial year	The estimated fair value would increase (decrease) if the annual earnings growth were higher (lower)
Compulsorily Convertible Debenture	2,511	2,519	Level 3	Discounted contractual cash flows.	Discounting rate	Higher the discounting rate lower the fair value of loans
Loans - FVTOCI	32,259	-	Level 3	Discounted contractual cash flows.	Discounting rate	Higher the discounting rate lower the fair value of loans
Total	**39,383**	**6,980**				

Certain equity investments are carried at Nil value on account of low trading. Fair value of the unquoted equity investment received upon settlement of loan has been considered at Nil value as the investee is under going liquidation.

E. Sensitivity disclosure for level 3 fair value measurements:

Particulars	Unobservable input	Sensitivity	Impact of change in rates on Total Comprehensive Income: As at March 31, 2023		0	
			Favourable	Unfavourable	Favourable	Unfavourable
Equity Shares	Forecasted earnings	1%	46	(46)	45	(45)
Compulsorily Convertible Debenture	Discounting rate	1%	55	(53)	25	(25)
Loans	Discounting rate	1%	323	(317)	-	-
Total			**424**	**(416)**	**70**	**(70)**

(Rs. in lakh)

35. Fair values of financial instruments

F Level 3 fair value measurements

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

i

Particulars	FVTOCI Loans	FVTPL Loans	FVTPL Investments	Total
As at April 1, 2022	-	2,519	4,461	6,980
Total gains or losses:				
in profit or loss	-	101	152	253
in OCI	(198)	-	-	(198)
Purchases	32,457	1,400	-	33,857
Settlements	-	(1,509)	-	(1,509)
Transfers into Level 3	-	-	-	-
As at March 31, 2023	**32,259**	**2,511**	**4,613**	**39,383**

Total gains or losses for the period in the above table are presented in the statement of profit or loss and OCI as follows.

ii

Particulars For the year ended March 31, 2023	FVTOCI Loans	FVTPL Loans	FVTPL Investments	Total
Total gains and losses				
Recognised in profit or loss:				
Fair value changes :				
-Realised	-	-	-	-
-Unrealised	-	101	152	253
Recognised in FVTOCI	(198)	-	-	(198)
Total Net gain/(loss) on fair value changes	(198)	101	152	55
Total	**(198)**	**101**	**152**	**55**

iii

Particulars	FVTOCI Loans	FVTPL Loans	FVTPL Investments	Total
As at April 1, 2021	4,649	1,000	3,689	9,338
Total gains or losses:				-
in profit or loss	-	-	772	772
in OCI	-	-	-	-
Purchases/transfer	-	1,519	-	1,519
Settlements	(4,649)	-	-	(4,649)
Transfers into Level 3	-	-	-	-
As at March 31, 2022	**-**	**2,519**	**4,461**	**6,980**

Total gains or losses for the period in the above table are presented in the statement of profit or loss and OCI as follows.

iv

Particulars For the period ended March 31, 2022	FVTOCI Loans	FVTPL Loans	FVTPL Investments	Total
Total gains and losses				
Recognised in profit or loss:				
Fair value changes :				
-Realised	-	-	-	-
-Unrealised	-	-	772	772
Recognised in FVTOCI	-	-	-	-
Total Net gain/(loss) on fair value changes	-	-	772	772
Total	**-**	**-**	**772**	**772**

35A. Risk Management Framework

A Introduction;

As a financial institution, 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 in cognizance with industry risk dynamics and emergence of new challenges and opportunities.
The purpose of risk management is the creation and protection of value. Company's risk management framework has been laid down with long term sustainability and value creation keeping in mind:
• 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 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:

Company's 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 Company through alignment of risk by creating, preserving and realizing value.

A comprehensive Enterprise Risk Management ("ERM") Framework has been adopted across 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 11 identified key risk areas based on their probability and impact.

The 11 categories of risks identified and monitored by the Company are Credit Risk, Market Risk, Liquidity Risk, Process, People, Outsourcing, Compliance & Governance, 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 & Liquidity Risk	Enterprise Risk Management Asset Linked Market Policy	Risk Management Committee of the Board Asset Liability Management Committee
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 Compliance & Governance	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.

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 & Liquidity Risk (iii) Operational Risk (Process, People, Outsourcing, Technology, Business Continuity and Fraud) (iv) Strategic Risks (including emerging and external risks) (v) Compliance and Governance (vi)Reputation Risk(vii) Information Security and Cyber Security Risk.

Investment Credit Committee of the Board (ICC): Provides 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 suggests 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 to institute an effective governance mechanism and risk management process for all outsourced IT operations so 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.

35A. Risk Management Framework

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

a) 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.

b) 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 Key Risk Indicators (KRIs), operational risk process reviews, etc.
• Operational risk profile based on the KRIs which are beyond the tolerance limit

c) 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 approves/recommends actions against frauds. It reviews the frauds reported and investigated with detailed root cause analysis and corrective action.

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), Credit & Collection review, Retail Risk Review (RRR) for retail business.

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's approach to rigorous portfolio review driven by analytics helps us to take corrective action proactively and to have a resilient underwriting policy and processes for Retail, SME and Corporate portfolio.

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.

b) **Market risk;**

Market risk is 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 minimum 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 Company 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 36 .C.i for summary on sensitivity to a change in interest rates as on 31st March 2023.

35A. Risk Management Framework

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 guides 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 by the Company are cash flow hedges.

Refer Note No 36.C.ii for gist of foreign currency risk exposure as on 31st March 2023.

Equity price risk
The Company's 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 36.B for the summary of Maturity analysis for Company's financial liabilities and financial assets as on 31st March 2023.

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 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 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.

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. Company continues to seamlessly carry out normal operations hence addressing the risk associated with occurrence of the pandemic.

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 pandemic Company ensured seamless accessibility of critical systems through virtual private network (VPN), thereby minimizing the risk of security/data breaches and cyber-attacks.
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.

(Rs. in lakh)

36. Risk Management review

This note presents information about the Company's exposure to financial risks and its management of capital.

For information on the financial risk management framework, see Note 35A

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/ not pledged

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 35.

i. Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost. The amounts in the table represent gross carrying amounts for financial assets. For loan commitments, the amounts in the table represent the amounts committed.
Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 2xi.

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review *(Continued)*

A. Credit risk

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.

Outstanding Gross Loans	As at March 31, 2023					As at March 31, 2022				
	Count	Stage 1	Stage 2	Stage 3	Total	Count	Stage 1	Stage 2	Stage 3	Total
Days past due										
Zero overdue	11,12,070	68,13,452	88,786	1,994	69,04,232	6,62,805	51,57,972	1,69,726	5,885	53,33,583
1-29 days	34,380	71,037	21,230	1,565	93,832	28,674	64,607	22,137	3,128	89,872
30-59 days	15,034	-	51,497	1,626	53,123	14,481	-	44,465	4,169	48,634
60-89 days	8,026	-	16,305	2,307	18,612	8,469	-	19,256	6,861	26,117
More than 90 days	51,610	-	-	1,34,555	1,34,555	47,084	-	-	1,04,861	1,04,861
Total	12,21,120	68,84,489	1,77,818	1,42,047	72,04,354	7,61,513	52,22,579	2,55,584	1,24,904	56,03,067

Note: Gross carrying amount does not include loan commitments Rs.8,67,458 lakh (March 31, 2022 : Rs. 7,62,135 lakh) which are categorised as Stage I asset under zero overdue.

2)

Impairment allowance on Loans	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due								
Zero overdue	62,122	17,927	1,642	81,691	37,596	43,376	3,981	84,953
1-29 days	4,780	4,678	1,353	10,811	3,800	7,404	1,920	13,124
30-59 days	-	11,830	1,066	12,896	-	11,850	2,507	14,357
60-89 days	-	8,228	1,715	9,943	-	10,101	3,663	13,764
More than 90 days	-	-	1,14,599	1,14,599	-	-	86,322	86,322
Total	66,902	42,663	1,20,375	2,29,940	41,396	72,731	98,393	2,12,520

Notes:

1. Includes impairment allowance on loan commitments Rs. 3,096 lakh (March 31, 2022 : Rs. 1,674 lakh)

2. The above includes impairment allowance towards loan designated as FVTOCI amounting to Rs. 88 lakh (March 31, 2022 : Rs. Nil lakh)

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

A. Credit risk

3)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
LOANS		
- Amortised Cost	**71,69,584**	56,00,548
- At Fair Value through Other Comprehensive Income	**32,259**	-
- At Fair Value through Other Profit and Loss	**2,511**	2,519
Total - Gross Loans	**72,04,354**	56,03,067
Less: Un-amortized loan sourcing cost and revenue received in advance	**(12,784)**	(12,325)
Total - Carrying Value of Loans	**71,91,570**	55,90,742
Less : Impairment Allowance	**(2,26,756)**	(2,10,846)
Total - Net Loans	**69,64,814**	53,79,896

4) **Trade receivables**

PARTICULARS	As at March 31, 2023			As at March 31, 2022		
Category of Trade receivables	**Gross**	**Impairment allowance**	**Net**	**Gross**	**Impairment allowance**	**Net**
Stage 1: Considered good	**4,776**	**-**	**4,776**	813	**-**	813
Stage 2:Significant increase in credit risk	**88**	**88**	**-**	132	19	113
Stage 3: Credit impaired	**-**	**-**	**-**	-	-	-
Net Carrying value of trade receivables	**4,864**	**88**	**4,776**	945	19	926

Lifetime expected credit losses are considered for trade receivables as per simplified approach

(Rs. in lakh)

36. Risk management 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, 2023			As at March 31, 2022		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Foreign Exchange Forward contracts	99,015	901	-	2,22,465	-	28,573
Cross currency interest rate swap	3,81,825	13,501	264	75,520	88	298
Interest rate swap	-	2,357	-	-	899	116
Total	**4,80,840**	**16,759**	**264**	**2,97,985**	**987**	**28,987**

Derivatives held for risk management purposes, not designated as hedging instruments:

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 35.

The cross currency 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.

(Rs. in lakh)

36. Risk management review (Continued)

A. Credit risk

ii Collateral and other credit enhancements

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 corporate and small business lending, first charge over real estate properties, plant and machineries, inventory and trade receivables, equity and debt securities, floating charge over the corporate assets are obtained. For Construction equipment finance, the asset is hypothecated to the Company.

For retail lending, loan against properties over residential/commercial properties is obtained. For vehicle and tractor loans, the respective movable asset is hypothecated to the Company.

The table represents categories of collaterals available against the loan exposures:

Particulars	Categories of collaterals available	As at March 31, 2023	As at March 31, 2022
Financial assets			
Loans			
Bills purchased and bills discounted	Charge on Trade receivables and inventories	1,70,657	2,37,005
Term loans	A) Charges over: i) real estate properties (including residential and commercial), ii) Property and equipment, iii) inventory and trade receivables, iv) marketable securities (equity and debt securities)	64,21,478	49,49,784
Credit substitutes	B) hypothecation of underlying asset financed such as construction and earth moving equipment, vehicles and tractors C) floating charge on corporate assets as mentioned in point A	3,13,373	2,46,671
Finance lease and hire purchase	Hypothecation of the underlying asset financed, primarily includes plant and equipment	2,25,380	1,61,039
Factoring	Charge on Trade receivables and inventories	65,244	-
Retained portion of assigned loans	mortgages over residential properties	866	1,212
Total		**71,96,998**	**55,95,711**

Assets obtained by taking possession of collateral

The Companies 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 or other assets with the help of external agents to recover funds, to settle outstanding debt. Any surplus funds if any received are returned to the customers/obligors. As a result of this practice, the residential properties, vehicles, construction equipments and tractors 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, plant and machinery, equity shares and debt securities 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.

As on March 31, 2023, the Company has given loan against shares / equity oriented mutual funds / debt securities amounting to Rs. 6,22,453 Lakh (March 31, 2022 : 6,49,058 lakh). The customer has the obligation to maintain Loan to Value (LTV) of 50% as per RBI norms for shares and equity oriented mutual funds at any point in time, failing which the Company has right to make good the shortfall within 7 working days.

As on March 31, 2023, the Company is in possession of assets held for sale gross carrying value Rs. 3,055 lakh ((March 31, 2022 : Rs. 3,055 lakh) and provision towards the same Rs. 3,055 lakh (March 31, 2022 : 3,055 lakh)).

The Company has written-off loans of Rs. 34,280 lakh in financial year ended March 31, 2023 (March 31, 2022 : Rs. 54,665 lakh). The Company retains its contractual right against the obligor and may pursue all remedies to recover these dues.

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

A. Credit risk *(Continued)*

ii Collateral and other credit enhancements *(Continued)*

The table represents categories of collaterals available against the Stage 3 assets, basis valuation available with the Company:

Particulars	Categories of collaterals available	As at March 31, 2023	As at March 31, 2022
Financial assets			
Loans			
Bills purchased and bills discounted	Charge on Trade receivables and inventories	-	-
Term loans	A) Charges over: i) real estate properties (including residential and commercial), ii) Property and equipment, iii) inventory and trade receivables,	**23,427**	3,785
Credit substitutes	iv) marketable securities (equity and debt securities) B) hypothecation of underlying asset financed such as construction and earth moving equipment, vehicles and tractors C) floating charge on corporate assets as mentioned in point A	-	-
Total		**23,427**	3,785

Note: Fresh valuation is obtained for stage 3 assets upon becoming overdue for more than 15 months.

(Rs. in lakh)

36. Risk management 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 for Corporate and SME Finance Division.

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.

1) "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.

2) "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.

3) "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.

4) 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 more than 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 Fraud Risk Management Committee (FRMC). Once an account defaults as a result of the Days past due condition, it will be considered to be cured only when entire arrears of interest and principal are paid by the borrower.

5) 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 in a normal distribution curve 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.

6) 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.

3) Estimation techniques:

The Company has applied the following estimation technique for ECL model:

1) The Company has used historic default rates for calculating the 12-month PD and Lifetime PDs
2) 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.

3) 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:
i) Overdue status
ii) Restructuring, reschedulement of loans and requests for granting of forbearance
iii) Fraudulent customer
iv) Exit directed by the Risk Management Committee
v) Accounts classified by SICR committee indicating significant increase in credit risk
vi) 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 determining capital adequacy of the bank) norms is also used.

4) 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 norms is also used.

5) 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 includes but are not limited to Private consumption, Real GDP, Housing Price Index, Lending interest rate, Consumer prices, Real agriculture, Long-term bond yield, etc.

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.

6) 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.

7) 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.

8) 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.

9) 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

10) For portfolios in respect of which the Company has limited historical data, external benchmark information is used to supplement the internally available data.

11) 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 and assets received in lieu of settlement of loan. LGD estimates are calculated on a discounted cash flow basis using the internal rate of return as the discounting factor. The Company has adopted collection curve method for computation of loss given defaults to determine expected credit losses. In the Absence of observed history of default, LGD applied is based on Basel IRB norms for certain products.

12) 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. 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 for various loan commitments.

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 as well as un-utilised limit post applying the credit conversion factor (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) Modified financial assets:

The Company renegotiates loans 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 debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor 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 downgradation and accordingly loss allowance is measured using 12 month PD.

Pursuant to RBI Covid restructuring policy, accounts for which Covid restructuring facility were given have been reclassified from Stage I to Stage II if DPD at invocation was between 0-29 and If the DPD was 30+ then the accounts were further downgraded within Stage II and corresponding staging wise ECL provision was done.

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management 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	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	52,22,579	2,55,584	1,24,904	56,03,067	41,67,567	1,71,881	1,32,917	44,72,365
New assets originated or purchased (Including charges levied on existing exposure)	42,37,484	797	159	42,38,440	32,29,307	3,467	79	32,32,853
Assets derecognised or repaid (excluding write offs)	(24,88,938)	(73,036)	(29,875)	(25,91,849)	(19,53,678)	(61,567)	(22,340)	(20,37,585)
Transfers to Stage 1	15,870	(9,482)	(6,388)	-	17,698	(11,361)	(6,337)	-
Transfers to Stage 2	(96,754)	96,754	-	-	(2,32,434)	2,32,434	-	-
Transfers to Stage 3	-	(82,862)	82,862	-	-	(74,339)	74,339	-
Amounts written off	(5,752)	(9,937)	(29,615)	(45,304)	(5,881)	(4,931)	(53,754)	(64,566)
Gross carrying amount closing balance	**68,84,489**	**1,77,818**	**1,42,047**	**72,04,354**	**52,22,579**	**2,55,584**	**1,24,904**	**56,03,067**

Note : Gross carrying amount does not include loan commitments Rs.8,67,458 lakh (March 31, 2022 : Rs. 7,62,135 lakh).

b)

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	41,396	72,731	98,393	2,12,520	34,769	49,237	94,077	1,78,083
Remeasurements due to changes in EAD / estimates	54,763	6,244	50,659	1,11,666	43,587	33,964	51,623	1,29,174
Assets derecognised or repaid (excluding write offs)	(17,208)	(17,977)	(23,276)	(58,461)	(16,242)	(12,026)	(13,796)	(42,064)
Transfers to Stage 1	490	(124)	(366)	-	493	(172)	(321)	-
Transfers to Stage 2	(12,029)	12,029	-	-	(20,872)	20,872	-	-
Transfers to Stage 3	-	(22,458)	22,458	-	-	(15,635)	15,635	-
Amounts written off	(510)	(7,782)	(27,493)	(35,785)	(339)	(3,509)	(48,825)	(52,673)
ECL allowance - closing balance	**66,902**	**42,663**	**1,20,375**	**2,29,940**	**41,396**	**72,731**	**98,393**	**2,12,520**

Note : Includes impairment allowance on loan commitments Rs. 3,096 lakh (March 31, 2022 : 1,674 lakh)

Bank balances of the company are with highly rated banks. Hence, the Company doesn’t expect any ECL on cash and cash equivalents and other bank balances.

The increase in the ECL impairment allowance is on account of increase in credit risk.

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

A. **Credit risk**

iii Amounts arising from ECL

Exposure to modified financial assets

(Rs. in lakh)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Loan exposure to modified financial assets		
(i) **Gross carrying amount**	**1,56,340**	2,26,610
(ii) Impairment allowance	**57,796**	74,336
(iii) Net carrying amount	**98,544**	1,52,274

Notes forming part of the Consolidated Financial Statements (Continued)

for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

A. **Credit risk**

Loans by Division

iv) Concentration of Credit Risk

The table below shows the credit quality based on credit concentration 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.

STAGE	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
SBU								
Consumer Finance & Advisory Business	**28,36,036**	**1,39,590**	**94,902**	**30,70,528**	18,47,413	2,04,654	82,343	21,34,410
Corporate & SME Finance Division	**40,41,097**	**38,228**	**47,145**	**41,26,470**	33,67,810	50,930	42,561	34,61,301
Others	**7,356**	**-**	**-**	**7,356**	7,356	-	-	7,356
Total	**68,84,489**	**1,77,818**	**1,42,047**	**72,04,354**	52,22,579	2,55,584	1,24,904	56,03,067

Note : Gross carrying amount does not include loan commitments Rs. 8,67,458 lakh (March 31, 2022 : 7,62,135 Rs. lakh).

STAGE	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
SBU								
Consumer Finance & Advisory Business	**51,124**	**36,293**	**79,509**	**1,66,926**	29,911	62,948	60,700	1,53,559
Corporate & SME Finance Division	**15,749**	**6,370**	**40,866**	**62,985**	11,456	9,783	37,693	58,932
Others	**29**	**-**	**-**	**29**	29	-	-	29
Total	**66,902**	**42,663**	**1,20,375**	**2,29,940**	41,396	72,731	98,393	2,12,520

Note : Includes impairment allowance on loan commitments Rs. 3,096 lakh (March 31, 2022 : 1,674 lakh)

(Rs. in lakh)

36. Risk management review (Continued)

B. Liquidity risk

For the definition of liquidity risk and information on how liquidity risk is managed by the Company, see Note 35.

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.

ii. Maturity analysis for financial liabilities and financial assets

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

As at March 31, 2023	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									
Trade payables	1,00,985	1,00,985	34,039	30,935	21,479	14,532	-	86,453	14,532
Debt securities issued	28,85,262	28,85,262	1,18,500	3,48,000	7,62,111	12,01,501	4,55,150	12,28,611	16,56,651
Borrowings (Other than debt securities)	27,26,537	27,26,537	1,34,040	3,35,400	9,30,767	13,26,330	-	14,00,207	13,26,330
Subordinated liabilities	4,32,253	4,32,253	-	-	23,128	1,73,300	2,35,825	23,128	4,09,125
External commercial borrowings	4,72,801	4,72,801	38,035	-	-	4,34,766	-	38,035	4,34,766
Lease liability	15,430	15,430	278	499	2,138	8,718	3,797	2,915	12,515
Other financial liabilities	1,49,362	1,49,362	60,105	25,802	23,548	39,907	-	1,09,455	39,907
Derivative liabilities	264	264	-	-	-	264	-	-	264
Total	**67,82,894**	**67,82,894**	**3,84,997**	**7,40,636**	**17,63,171**	**31,99,318**	**6,94,772**	**28,88,804**	**38,94,090**
Market Borrowings	33,17,515	33,17,515	1,18,500	3,48,000	7,85,239	13,74,801	6,90,975	12,51,739	20,65,776
Bank borrowings	31,99,338	31,99,338	1,72,075	3,35,400	9,30,767	17,61,096	-	14,38,242	17,61,096
Total Borrowings	**65,16,853**	**65,16,853**	**2,90,575**	**6,83,400**	**17,16,006**	**31,35,897**	**6,90,975**	**26,89,981**	**38,26,872**
Financial asset by type									
Cash and cash equivalents	2,21,103	2,21,103	1,99,172	-	21,931	-	-	2,21,103	-
Bank balances	23,765	23,765	-	-	23,765	-	-	23,765	-
Receivables	4,776	4,776	955	3,821	-	-	-	4,776	-
Loans*	69,64,814	69,64,814	8,03,844	9,92,842	12,56,336	22,12,803	16,98,989	30,53,022	39,11,792
Investments	4,13,697	4,13,697	4,01,569	-	-	1,756	10,372	4,01,569	12,128
Other Financial Assets	38,631	38,631	5,057	15,093	15,123	3,358	-	35,273	3,358
Derivative assets	16,759	16,759	3,092	13	34	13,620	-	3,139	13,620
Total	**76,83,545**	**76,83,545**	**14,13,689**	**10,11,769**	**13,17,189**	**22,31,537**	**17,09,361**	**37,42,647**	**39,40,898**

*Loans reporting as per ALM includes Stage I and II provisions and excludes NPA (net of provisions)

(Rs. in lakh)

36. Risk management review (Continued)

B. Liquidity risk

ii. Maturity analysis for financial liabilities and financial assets

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

As at March 31, 2022	Carrying amount	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									
Trade payables *	84,329	84,329	-	-	84,329	-	-	84,329	-
Debt securities issued	22,90,671	22,90,671	1,02,060	15,300	8,31,066	8,59,558	4,82,687	9,48,426	13,42,245
Borrowings (Other than debt securities)	18,94,093	18,94,093	1,74,946	2,46,083	4,18,884	10,54,180	-	8,39,913	10,54,180
Subordinated liabilities	4,32,060	4,32,060	-	-	13,580	1,50,855	2,67,625	13,580	4,18,480
External commercial borrowings	2,91,413	2,91,413	-	-	1,71,590	1,19,823	-	1,71,590	1,19,823
Lease liability	8,511	8,511	250	504	1,832	4,287	1,638	2,586	5,925
Other financial liabilities *	99,908	99,908	493	-	51,551	47,864	-	52,044	47,864
Derivative liabilities	28,987	28,987	29	31	28,163	764	-	28,223	764
Total	**51,29,972**	**51,29,972**	**2,77,778**	**2,61,918**	**16,00,995**	**22,37,331**	**7,51,950**	**21,40,691**	**29,89,281**
Market Borrowings	27,22,731	27,22,731	1,02,060	15,300	8,44,646	10,10,413	7,50,312	9,62,006	17,60,725
Bank borrowings	21,85,506	21,85,506	1,74,946	2,46,083	5,90,474	11,74,003	-	10,11,503	11,74,003
Total Borrowings	**49,08,237**	**49,08,237**	**2,77,006**	**2,61,383**	**14,35,120**	**21,84,416**	**7,50,312**	**19,73,509**	**29,34,728**
Financial asset by type									
Cash and cash equivalents	1,11,722	1,11,722	1,00,550	-	11,172	-	-	1,11,722	-
Bank balances	178	178	-	-	178	-	-	178	-
Receivables *	926	926	-	-	926	-	-	926	-
Loans	53,79,896	53,79,896	4,63,449	9,04,040	13,14,043	20,59,287	6,39,077	26,81,532	26,98,364
Investments	2,67,361	2,67,361	2,52,237	-	-	1,655	13,469	2,52,237	15,124
Other Financial Assets *	30,240	30,240	45	-	22,191	8,004	-	22,236	8,004
Derivative assets	987	987	-	-	9	978	-	9	978
Total	**57,91,310**	**57,91,310**	**8,16,281**	**9,04,040**	**13,48,519**	**20,69,924**	**6,52,546**	**30,68,840**	**27,22,470**

* Maturity pattern considered as per ALM reporting.

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

B. **Liquidity risk**

iii. Financial assets position pledged/ not pledged

The total financial assets demonstrating position of pledged and not pledged assets are shown in the below table :

	As at March 31, 2023			As at March 31, 2022		
ASSETS	**Pledged**	**Not Pledged**	**Total**	**Pledged**	**Not Pledged**	**Total**
Financial assets						
Cash and cash equivalents	-	2,21,103	2,21,103	-	1,11,722	1,11,722
Bank Balance other than (a) above	-	23,765	23,765	-	178	178
Derivatives financial instruments	-	16,759	16,759	-	987	987
Trade Receivables	-	4,776	4,776	-	926	926
Loans	69,57,458	7,356	69,64,814	53,72,540	7,356	53,79,896
Investments	-	4,13,697	4,13,697	-	2,67,361	2,67,361
Other financial assets	-	38,631	38,631	-	30,240	30,240
Non-financial Assets						
Current tax asset	-	12,479	12,479	-	11,932	11,932
Deferred tax Assets (Net)	-	71,847	71,847	-	65,688	65,688
Property, Plant and Equipment	18	37,326	37,344	19	46,977	46,996
Capital work-in-progress	-	115	115	-	22	22
Intangible assets under development	-	699	699	-	569	569
Right to use assets	-	16,112	16,112	-	7,801	7,801
Other Intangible assets	-	2,099	2,099	-	1,867	1,867
Other non-financial assets	-	25,754	25,754	-	19,090	19,090
Total Assets	**69,57,476**	**8,92,518**	**78,49,994**	**53,72,559**	**5,72,716**	**59,45,275**

(Rs. in lakh)

36. Risk management review (Continued)

C. Market risk

i Exposure to interest rate risk – Non-trading portfolios *(Continued)*

Company carries out interest rate sensitivity analysis to assess the impact of interest rate movement on earnings, the floating rate assets and liabilities based on exposure as on end of reporting period are considered as outstanding for whole year. 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 loans and borrowings due for repayment / rate reset in next one year.

As on March 31, 2023

Particulars	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate sensitive assets	58,98,663	41,309	(41,309)
Rate sensitive liabilities	49,86,239	37,103	(37,103)
Net Gap (Asset - liability)	**9,12,424**	**4,206**	**(4,206)**

As on March 31, 2022

Particulars	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate sensitive assets	38,99,458	29,824	(29,824)
Rate sensitive liabilities	30,97,689	21,580	(21,580)
Net Gap (Asset - liability)	**8,01,769**	**8,244**	**(8,244)**

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, 2023	As at March 31, 2022
Variable rate borrowings	51%	41%
Fixed rate borrowings	49%	59%
Total borrowings	**100%**	**100%**

ii Exposure to currency risks – Non-trading portfolios

The Company has entered into derivative contract to fully hedge the risk.(Refer- Note 6)
The Company's exposure to foreign currency risk at on March 31, 2023 expressed in INR, are as follows

(Rs. in lakh)

Particulars	March 31, 2023				March 31, 2022			
	USD	EURO	JPY	SGD	USD	EURO	JPY	SGD
Letter of Credit/Buyers Credit	-	-	-	-	428	196	-	-

Particulars	Impact on profit after tax				Impact on profit after tax			
	March 31, 2023				March 31, 2022			
	USD	EURO	JPY	SGD	USD	EURO	JPY	SGD
Sensitivity - Increase by 1%	-	-	-	-	(4.28)	(1.96)	-	-
Sensitivity - Decrease by 1%	-	-	-	-	4.28	1.96	-	-

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

D. Disclosure persuant to Ind AS 7 “Statement of Cash Flows”

Changes in Liabilities arising from financing activities

Particulars	April 1, 2022	Cash Flows	Exchange Difference	Others*	March 31, 2023
Debt Securities	22,90,671	5,84,137	-	10,454	28,85,262
Borrowings (Other than debt securities)	21,85,506	9,59,516	16,530	37,786	31,99,338
Subordinated liabilities	4,32,060	-	-	193	4,32,253
Total	**49,08,237**	**15,43,653**	**16,530**	**48,433**	**65,16,853**

*includes the effect of amortisation of borrowing cost, interest accrued on borrowings, amortisation of premium/discount on CPs/NCDs.

Particulars	April 1, 2021	Cash Flows	Exchange Difference	Others	March 31, 2022
Debt Securities	20,05,053	2,92,942	-	(7,324)	22,90,671
Borrowings (Other than debt securities)	14,63,345	7,24,497	(2,790)	454	21,85,506
Subordinated liabilities	3,55,532	74,515	-	2,013	4,32,060
Total	**38,23,930**	**10,91,954**	**- 2,790**	**- 4,857**	**49,08,237**

*includes the effect of amortisation of borrowing cost, interest accrued on borrowings, amortisation of premium/discount on CPs/NCDs and conversion of CCCPS to equity shares.

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

37. Operating segments -Basis for segmentation

See accounting policy in Note 2(xvi)

In accordance with Ind AS 108 on Segment Reporting, the Company has identified three business segments i.e. Financing Activity, Investment Activity and Others, and one Geographical Segment viz. India, as secondary segment. These divisions offer different products and services, and are managed separately based on the Company's management.

Reportable segments	Operations
Financing activity	Loans for retail and corporate borrowers. Products offered include asset financing, term loans (corporate and retail), channel financing, credit substitutes, investments linked to/arising out of lending business, bill and invoice discounting
Investment activity	Corporate investments
Others	advisory services, wealth management, distribution of financial products and leasing

The Board of Directors review the performance of each division on a quarterly basis

a. Operating segment disclosures are consistent with the information reviewed by the chief operating decision maker (CODM). The basis of measurement of segment information is consistent with the basis of preparation of financial statements. The reconciling items are limited to items that are not allocated to reportable segments, as opposed to a difference in the basis of preparation of the information.

b. When two or more operating segments are aggregated into a single operating segment, the judgements made in applying the aggregation criteria are disclosed by the company. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

37. Operating segments - Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax, as included in internal management reports reviewed by the Board of Director's, is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate within the same type of business. Inter-segment pricing is determined on an arm's length basis.

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Segment Revenue		
a) Financing Activity	7,36,108	5,76,075
b) Investment Activity	20,386	18,837
c) Others	37,392	39,100
Total	**7,93,886**	**6,34,012**
Less : Inter Segment Revenue	-	-
Add : Interest on Income Tax Refund	-	5
Total Income	**7,93,886**	**6,34,017**
Segment Results		
a) Financing Activity	1,70,750	92,167
b) Investment Activity	19,335	18,017
c) Others	18,189	16,402
Total	**2,08,274**	**1,26,586**
Less : Unallocated Corporate Expenses	22,960	18,565
Add: Share in profit of associates	10	51
Profit before taxation	**1,85,324**	**1,08,072**
Less : Provision for taxation	47,042	26,299
Profit after taxation	**1,38,282**	**81,773**

Particulars	As at March 31, 2023	As at March 31, 2022
Segment Assets		
a) Financing Activity	72,71,955	55,16,933
b) Investment Activity	4,13,792	2,68,348
c) Others	43,622	49,941
d) Unallocated	1,20,625	1,10,053
Total	**78,49,994**	**59,45,275**
Segment Liabilities		
a) Financing Activity	67,50,988	50,79,133
b) Investment Activity	-	-
c) Others	32,861	41,832
d) Unallocated	40,272	48,093
Total	**68,24,121**	**51,69,058**

Particulars	For the Year Ended March 31. 2023	For the Year Ended March 31. 2022
Capital Expenditure (Including Capital Work-In-Progress)		
a) Financing Activity	926	51
b) Investment Activity	-	-
c) Others	11,284	1,568
d) Unallocated	2,536	219
Total	**14,746**	**1,838**
Depreciation and Amortisation		
a) Financing Activity	3,780	3,535
b) Investment Activity	-	-
c) Others	13,093	20,158
d) Unallocated	2,483	2,289
Total	**19,356**	**25,982**

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

38. 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.

	As at March 31, 2023			As at March 31, 2022		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial assets	**37,42,647**	**39,40,898**	**76,83,545**	**30,68,840**	**27,22,470**	**57,91,310**
Cash and cash equivalents	2,21,103	-	2,21,103	1,11,722	-	1,11,722
Bank Balance other than (a) above	23,765	-	23,765	178	-	178
Trade Receivables	4,776	-	4,776	926	-	926
Loans	30,53,022	39,11,792	69,64,814	26,81,532	26,98,364	53,79,896
Investments	4,01,569	12,128	4,13,697	2,52,237	15,124	2,67,361
Other financial assets	35,273	3,358	38,631	22,236	8,004	30,240
Derivative assets	3,139	13,620	16,759	9	978	987
Non-financial Assets	**4,963**	**1,61,486**	**1,66,449**	**-**	**1,53,965**	**1,53,965**
Current tax asset	-	12,479	12,479	-	11,932	11,932
Deferred tax Assets (Net)	-	71,847	71,847	-	65,688	65,688
Property, Plant and Equipment	-	37,344	37,344	-	46,996	46,996
Capital work-in-progress	-	115	115	-	22	22
Intangible assets under development	-	699	699	-	569	569
Other Intangible assets	-	2,099	2,099	-	1,867	1,867
Right of use assets	-	16,112	16,112	-	7,801	7,801
Other non-financial assets	4,963	20,791	25,754	-	19,090	19,090
Total Assets	**37,47,610**	**41,02,384**	**78,49,994**	**30,68,840**	**28,76,435**	**59,45,275**
LIABILITIES						
Financial Liabilities	**28,88,804**	**38,94,090**	**67,82,894**	**21,40,689**	**29,89,283**	**51,29,972**
Trade Payables	86,453	14,532	1,00,985	84,329	-	84,329
Debt Securities	12,28,611	16,56,651	28,85,262	9,48,426	13,42,245	22,90,671
Borrowings (Other than debt securities)	14,38,242	17,61,096	31,99,338	10,11,503	11,74,003	21,85,506
Subordinated liabilities	23,128	4,09,125	4,32,253	13,580	4,18,480	4,32,060
Lease liability	2,915	12,515	15,430	2,586	5,925	8,511
Other financial liabilities	1,09,455	39,907	1,49,362	52,044	47,864	99,908
Derivative financial instruments	-	264	264	28,223	764	28,987
Non-Financial Liabilities	**18,407**	**22,820**	**41,227**	**30,084**	**9,002**	**39,086**
Current tax liability	-	22,820	22,820	26,719	-	26,719
Provisions	5,351	-	5,351	3,365	-	3,365
Other non-financial liabilities	13,056	-	13,056	-	9,002	9,002
Total liabilities	**29,07,211**	**39,16,910**	**68,24,121**	**21,70,773**	**29,98,285**	**51,69,058**
Net	8,40,399	1,85,474	10,25,873	8,98,067	(1,21,850)	7,76,217

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

39. Leases :

As a lessee the Company classified property leases as operating leases under Ind AS 116. These include office premises taken on lease. The leases generally are with a periodicity of one to thirteen years. Leases include conditions such as non-cancellable 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.

Righ-of-use assets and Lease liabilities are presented separately on the face of the balance sheet.

Information about leases for which the Company is a lessee is presented below.

(I). Right-of-use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	7,801	7,294
Additions during the year	11,971	4,386
Deletion during the year	(423)	(721)
Depreciation charge for the year	(3,237)	(3,158)
Closing balance	**16,112**	**7,801**

(II). Movement of Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	8,511	8,092
Additions during the year	10,528	4,192
Deletion during the year	(442)	(883)
Finance cost	764	692
Payment of lease liabilities	(3,931)	(3,582)
Closing balance	**15,430**	**8,511**

(III) Future minimum lease payments under non-cancellable operating leases were payable as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one month	373	305
Between one and three months	685	609
Between three months and one year	2,902	2,225
Between one and five years	11,058	5,259
More than five years	4,261	1,818
Total	**19,279**	**10,216**

(IV). Amounts recognized in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities	(764)	(692)
Depreciation of ROU asset	(3,237)	(3,158)
Gain/(loss) on termination of leases	24	169
Rent concession related to COVID-19	15	40

(V). Amounts recognised In statement of cash flows

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total cash outflow for leases	3,931	3,582

1 Company has considered entire lease term for the purpose of determination of Right of Use assets and Lease liabilities.

2 On July 24, 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 Consolidated Financial Statements (Continued)

for the year ended March 31, 2023

(Rs. in lakh)

40. Revenue from contracts with customers

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

	Particulars	For the year ended March 31. 2023	For the year ended March 31. 2022
i.	**Type of service**		
	- Fee and commission income	**22,444**	**18,693**
	- Branch advertisement income	**541**	**75**
	- Income from distribution of financial products	**11,482**	**6,987**
	Total	**34,467**	**25,755**
ii.	**Primary geographical market:**		
	- Outside India	**-**	**-**
	- India	**34,467**	**25,755**
	Total revenue from contracts with customers	**34,467**	**25,755**
iii.	**Timing of revenue recognition**		
	- at a point in time upon rendering services	**33,390**	**24,899**
	- over period of time upon rendering services	**1,077**	**856**
	Total	**34,467**	**25,755**
iv.	**Trade receivables towards contracts with customers**		
	- Opening Balance	**699**	**1,213**
	- Closing Balance	**4,482**	**699**
v.	**Impairment on trade receivables towards contracts with customers**	**88**	**19**

The unbilled revenue of Rs. 1,511 lakh as at March 31, 2023 (March 31, 2022 : Rs. 1,438 lakh) has been considered as Contract assets, which are billable on completion of milestones specified in the contracts.

As on March 31, 2023 and March 31, 2022, the Company doesn't have any unsatisfied/partially satisfied performance obligation.

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue reported as per IndAS 108 Segment Reporting	**7,93,886**	6,34,017
Less:		
(a) Revenue reported as per IndAS 109-Financial Instruments	**7,31,979**	5,76,683
(b) Revenue reported as per IndAS 116-Leases	**27,440**	30,660
(c) Revenue reported as per IndAS 16-Property, Plant and Equipment	**-**	914
(d) Revenue reported as per IndAS 12-Income Taxes	**-**	5
Revenue reported as per IndAS 115 Revenue from contract with customers	**34,467**	25,755

(Rs. in lakh)

41. 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	ESOP 2022
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 22 months and 30% at the end of each 34 and 46 months from the date of grant	100% at the end of 36 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
ii. Maximum term of option	7 years	7 years	7 years	7 years	3 years	7 years
iii. Method of settlement	Equity settled	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.	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.	N.A.

B. Summary of share based payments

March 31, 2023

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2021 RSU	ESOP 2022	Total
Outstanding balance at the beginning of the period	**14,70,000**	**14,75,000**	**18,47,500**	**15,56,250**	**6,70,870**	**-**	**70,19,620**
Options granted	-	-	-	-	-	**19,99,150**	**19,99,150**
Options forfeited	-	-	-	-	-	**12,000**	**12,000**
Options exercised	50,000	35,000	63,000	-	-	-	**1,48,000**
Options expired	-	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-	-
Options outstanding at the end of the period	**14,20,000**	**14,40,000**	**17,84,500**	**15,56,250**	**6,70,870**	**19,87,150**	**88,58,770**
Options exercisable at the end of the period	14,20,000	10,08,000	7,13,800	3,11,250	-	-	**34,53,050**
For share options exercised:							
Weighted average exercise price at date of exercise							46.31
Money realized by exercise of options							68,53,900
For share options outstanding							
Range of exercise prices	50.60	51.00	40.30	51.80	51.80	85.00	
Average remaining contractual life of options (years)	2.50	3.34	4.34	5.34	1.50	6.17	4.42
Modification of plans	N.A.	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.	N.A.	

March 31, 2022

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2021 RSU	Total
Outstanding balance at the beginning of the period	**15,55,000**	**15,75,000**	**20,32,500**	**-**	**-**	**51,62,500**
Options granted	-	-	-	15,56,250	**6,70,870**	**22,27,120**
Options forfeited	85,000	1,00,000	1,85,000	-	**-**	**3,70,000**
Options exercised	-	-	-	-	-	-
Options expired	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-
Options outstanding at the end of the period	**14,70,000**	**14,75,000**	**18,47,500**	**15,56,250**	**6,70,870**	**70,19,620**
Options exercisable at the end of the period	10,29,000	5,90,000	3,69,500	-	**-**	**19,88,500**
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	51.80	51.80	
Average remaining contractual life of options (years)	3.50	4.34	5.34	6.34	2.50	5.59
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.	

C. Valuation of stock options

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2022
Share price:	50.60	51.00	40.30	51.80	85.00
Exercise Price:	50.60	51.00	40.30	51.80	85.00
Fair value of option:	23.34	23.02	17.07	22.33	40.40
Valuation model used:	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation
Expected Volatility:	0.38	0.41	0.42	0.41	0.43
Basis of determination of expected volatility:	Average historical volatility over 4.85 years of comparable companies	Average historical volatility over 4.85 years of comparable companies	Historical volatility of equity shares of comparable companies over the period ended December 15,2020 based on the life of options	Historical volatility of equity shares of comparable companies over the period ended October 01,2021 based on the life of options	Historical volatility of equity shares of comparable companies over the period ended May 31,2022 based on the life of options
Contractual Option Life (years):	7.00	7.00	7.00	7.00	7.00
Expected dividends:	0.00	0.00	0.00	0.00	0.00
Risk free interest rate:	8.04%	6.28%	5.22%	5.87%	7.14%
Vesting Dates	20% vesting on September 30, 2019 40% vesting on September 30, 2020 70% vesting on September 30, 2021 100% vesting on September 30, 2022	20% vesting on August 01, 2020 40% vesting on August 01, 2021 70% vesting on August 01, 2022 100% vesting on August 01, 2023	20% vesting on December 14, 2021 40% vesting on July 31, 2022 70% vesting on July 31, 2023 100% vesting on July 31, 2024	20% vesting on September 30, 2022 40% vesting on July 31, 2023 70% vesting on July 31, 2024 100% vesting on July 31, 2025	20% vesting on May 31, 2023 40% vesting on May 31, 2024 70% vesting on May 31, 2025 100% vesting on May 31, 2026
Valuation of incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	N.A.

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

As at March 31, 2023

Name of Scheme	Mr. Sarosh Kersi Amaria		Mr. Jaykumar Deepak Shah		Ms. Sonali Punekar	
	Granted	Exercised	Granted	Exercised	Granted	Exercised
ESPS 2009	1,23,250	1,23,250	5,014	5,014	-	-
ESPS 2011	-	-	-	-	-	-
ESOP 2011	80,000	80,000	-	-	-	-
PS 2013	13,286	13,286	541	541	-	-
ESPS 2013	-	-	-	-	-	-
ESOP 2013	-	-	20,000	20,000	-	-
ESOP 2016	10,000	10,000	10,000	10,000	-	-
ESOP 2017	10,000	10,000	10,000	10,000	-	-
ESOP 2018	4,00,000	-	-	-	-	-
ESOP 2019	4,00,000	-	-	-	-	-
ESOP 2020	4,40,000	-	-	-	-	-
ESOP 2021	4,50,000	-	-	-	-	-
ESOP 2021 RSU	1,93,986	-	-	-	-	-
ESOP 2022	3,31,640	-	**12,000.00**	-	-	-
Total	**24,52,162**	**2,36,536**	**57,555**	**45,555**	**-**	**-**

As at March 31, 2022

Name of Scheme	Mr. Sarosh Kersi Amaria		Mr. Jaykumar Deepak Shah		Ms. Sonali Punekar	
	Granted	Exercised	Granted	Exercised	Granted	Exercised
ESPS 2009	1,23,250	1,23,250	5,014	5,014	-	-
ESPS 2011	-	-	-	-	-	-
ESOP 2011	80,000	80,000	-	-	-	-
PS 2013	13,286	13,286	541	541	-	-
ESPS 2013	-	-	-	-	-	-
ESOP 2013	-	-	20,000	20,000	-	-
ESOP 2016	10,000	10,000	10,000	10,000	-	-
ESOP 2017	10,000	10,000	10,000	10,000	-	-
ESOP 2018	4,00,000	-	-	-	-	-
ESOP 2019	4,00,000	-	-	-	-	-
ESOP 2020	4,40,000	-	-	-	-	-
ESOP 2021	4,50,000	-	-	-	-	-
ESOP 2021 RSU	1,93,986	-	-	-	-	-
Total	**21,20,522**	**2,36,536**	**45,555**	**45,555**	**-**	**-**

(Rs. in lakh)

42. Contingent Liabilities and Commitments:

(i) Contingent Liabilities :-
Claims not acknowledged by the Company relating to cases contested by the Company and which are not likely to be devolved on the Company relating to the following areas :

(Rs. in lakh)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Income Tax (Pending before Appellate authorities)	**9,195**	8,991
VAT (Pending before Appellate authorities)	**1,794**	1,701
Suits filed against the Company	**77**	649
Bank Guarantees	**107**	1,604
Letters of Credit	**25,244**	30,448

As at March 31, 2023, claims against the Company not acknowledged as debts in respect of income tax matters amounted to Rs. 9,195 lakhs. These claims against the Company are arising on account of multiple issues of disallowances on completion of assessment proceedings under the Income-tax Act, 1961, such as disallowance of expenditure incurred in relation to income not includible in total income u/s 14A of the Income Tax Act, 1961 and disallowance of interest expenditure on perpetual NCDs. These matters are pending before various appellate authorities and the Management expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position. Hence, the Company has not recognized these uncertain tax positions in its books.

(ii) Commitments :-

(a) Undrawn Commitment given to Borrowers
As on March 31, 2023 Rs. 6,00,744 lakh (Year ended March, 31, 2022 : Rs. 5,52,570 lakh)
Loan tenure less than 1 Year: Rs. 3,29,696 lakh (Year ended March, 31, 2022 : Rs. 3,25,358 lakh)
Loan tenure more than 1 Year: Rs. 2,71,049 lakh (Year ended March, 31, 2022 : Rs. 2,27,212 lakh)
(b) Leases entered but not executed Rs. 97,514 lakh (Year ended March, 31, 2022 : Rs. 1,55,561 lakh)
(c) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 3,523 lakh (as at March 31, 2022 : Rs. 1,373 lakh).
- Tangible: Rs. 2,679 lakh (Year ended March, 31, 2022 : Rs. 366 lakh)
- Intangible: Rs. 844 lakh (Year ended March, 31, 2022 : Rs. 1,007 lakh)

(iii) 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 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.

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

43. Earnings per Share (EPS):

Particulars		**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Profit after tax	Rs. in lakh	1,38,282	81,773
Weighted average number of Equity Shares used in computing earnings per share	Nos.	1,67,12,73,575	1,63,05,06,175
Weighted average number of equity shares in computing Basic / Diluted earnings per share	Nos.	1,67,12,73,575	1,63,05,06,175
Face value of equity shares	Rupees	10	10
Earnings per share (Basic and Diluted)	Rupees	8.27	5.02

44. Movement in Contingent provisions against Standard Assets (stage I & II) during the year is as under:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Opening Balance	1,14,226	84,137
Add : Additions during the year	61,006	77,551
Less : Utilised during the year	(65,627)	(47,462)
Closing Balance	1,09,605	1,14,226

45. Movement in other provisions during the year is as under:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Opening Balance	1,691	1,059
Add : Additions during the year (net)	564	632
Closing Balance	2,255	1,691

(Rs. in lakh)

46. 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:

Relationship	**Name of related party**
Ultimate Holding Company	Tata Sons Private Limited
Holding Company	Tata Capital Limited
Subsidiaries of Holding Company	Tata Capital Housing Finance Limited Tata Cleantech Capital Limited Tata Securities Limited TCL Employee Welfare Trust Tata Capital Advisors Pte. Limited Tata Capital General Partners LLP Tata Capital Growth II General Partners LLP Tata Capital Healthcare General Partners LLP TATA Capital Healthcare II General Partners LLP Tata Capital Plc Tata Capital Pte. Limited Tata Opportunities General Partners LLP Tata Capital Growth Fund I Tata Capital Healthcare Fund I Tata Capital Innovations Fund Tata Capital Special Situation Fund Tata Capital Growth Fund II Tata Capital Healthcare Fund II
Associates and Fellow Associates (with which the company had transactions)	Fincare Business Services Limited Fincare Small Finance Bank Limited TVS Supply Chain Solutions Limited Indusface Private Limited Tata Projects Limited Tata Technologies Limited Tema India Limited
Post Employment Benefit Plan of Holding company (with which the company had transactions)	Tata Capital Limited Gratuity Scheme Tata Capital Limited Employees Provident Fund Tata Capital Limited Superannuation Scheme
Key Management Personnel	Mr. Rajiv Sabharwal - (Non-Executive Director and Chairman) Mr. Sarosh Amaria (Managing Director) Mr. F.N. Subedar - (Non-Executive Director) Ms. Varsha Purandare - (Independent Director) Ms. Malvika Sahni Sinha (Independent Director) (Appointed w.e.f. 31.12.2022) Mr. Jaykumar Shah (Chief Financial Officer) Ms. Sonali Punekar (Company Secretary) (w.e.f 01.12.2020) Ms. Anuradha E. Thakur - (Independent Director) (Retired w.e.f. 31.12.2022)

Notes forming part of the Consolidated Financial Statements (Continued)

for the year ended March 31, 2023

(Rs. in lakh)

46. 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:

Subsidiaries, Associates, Joint Venture & Retiral Plans of ultimate holding company and its Subsiddiaries & Associates (with which the company had transactions)	AIX Connect Private Limited (formerly known as AirAsia (India) Limited) Infiniti Retail Limited Tata Advanced Systems Limited Tata AIG General Insurance Company Limited Tata Asset Management Private Limited (formerly known as Tata Asset Management Limited) Tata Autocomp Systems Limited Tata Business Hub Limited Tata Consultancy Services Limited Tata Digital Private Limited (formerly known as Tata Digital Limited) Tata Electronics Private Limited (formerly known as TRIL Bengaluru Real Estate Four Private Limited) Tata Elxsi Limited Tata International Limited Tata Medical and Diagnostics Limited Tata Realty and Infrastructure Limited Tata Teleservices (Maharashtra) Limited Tata Teleservices Limited Tata Toyo Radiator Limited Innovative Retail Concepts Private Limited Tata 1mg Technologies Private Limited Tata Unistore Limited (formerly known as Tata Unistore imited) (w.e.f. 09.12.2022) Tata Communications Limited Tata Communications Transformation Services Limited Niskalp Infrastructure Services Limited (formerly known as Niskalp Energy Limited) Stryder Cycle Private Limited Savis Retail Private Limited Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited) Tata Motors Limited Tata Steel Limited The Associated Building Company Limited The Indian Hotels Company Limited The Tata Power Company Limited Titan Company Limited Trent Limited Voltas Limited Tata AIA Life Insurance Company Limited Tata Industries Limited Coastal Gujarat Power Limited Maithon Power Limited Nelco Limited Tata Power Delhi Distribution Limited Tata Power Solar Systems Limited Tata Power Trading Company Limited TP Ajmer Distribution Limited TP Central Odisha Distribution Limited TP Northern Odisha Distribution Limited TP Renewable Microgrid Limited (formerly known as Industrial Power Utility Limited) TP Southern Odisha Distribution Limited TP Western Odisha Distribution Limited Walwhan Renewable Energy Limited Tata Motors Finance Limited (formerly known as Sheba Properties Limited) Tata Motors Passenger Vehicles Limited (formerly known as TML Business Analytics Services Limited) Tata Passenger Electric Mobility Limited TML Business Services Limited (formerly known as Concorde Motors (India) Limited) Indian Steel & Wire Products Ltd. Tata Metaliks Ltd. Tata Steel Downstream Products Limited (formerly known as Tata Steel Processing and Distribution Limited) Tata Steel Utilities and Infrastructure Services Limited (formerly known as Jamshedpur Utilities & Services Company Limited) Ideal Ice & Cold Storage Company Limited Piem Hotels Limited United Hotels Limited Roots Corporation Limited

(Rs. in lakh)

46. 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:

	Fiora Hypermarket Limited Air International TTR Thermal Systems Private Limited (formerly known as Air International TTR Thermal Systems Limited) Tata Boeing Aerospace Limited (formerly known as Tata Aerospace Limited) Tata Lockheed Martin Aerostructures Limited Tata Sikorsky Aerospace Limited (formerly known as Tara Aerospace Systems Limited) Tata Precision Industries (India) Limited Industrial Minerals and Chemicals Company Private Limited Air India SATS Airport Services Private Ltd. Emerald Haven Realty Limited Automotive Stampings and Assemblies Limited Mikado Realtors Private Limited Tata AutoComp GY Batteries Private Limited (formerly known as Tata AutoComp GY Batteries Limited) Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) (Ceased w.e.f 11.11.2021) Tata Ficosa Automotive Systems Private Limited (formerly known as Tata Ficosa Automotive Systems Limited) TP Luminaire Private Limited Supermarket Grocery Supplies Private Limited Land kart Builders Private Limited Tata Motors Body Solutions Limited (formerly known as Tata Motors Body Solutions Limited) Tata Consulting Engineers Limited Tata Investment Corporation Limited Tata Coffee Staff Provident Fund Trust Rallis India Limited Provident Fund Tata Steel Ltd Provident Fund Tata Chemicals Ltd Provident Fund Tata Power Consolidated Provident Fund Tata Tea Limited Staff Pension Fund Tata Steel Long product Limited employees providend fund trust Titan Industries Gratuity Fund Taj Residency Employees Provident fund Trust (Bangalore unit) The Tinplate Company of India Ltd. Gratuity Fund The Tinplate Company Executive Staff Superannuation Fund The Provident Fund of The Tinplate Company of India Ltd Titan Watches Provident Fund Voltas Managerial Staff Provident Fund Tata Communications Employee's Provident Fund Trust Tata Elxsi (India) Ltd. Employees Provident Fund Tata Sons Consolidated Provident Fund Tata Sons Consolidated Superannuation Fund Tata Sons Limited H.O. Employees' Gratuity Fund Tata International Limited Gratuity Fund (w.e.f. 28.01.2023) Tata Housing Development Company Ltd - Employees Provident Fund Tata Metaliks Ltd Employees Provident fund The Indian Hotels Company Limited Employees Provident Fund Voltas Limited Employees' Superannuation Scheme Voltas Limited Provident Fund Tata Industries Superannuation Fund Trust TCE Employees' Providend Fund Tata Investment Corporation Limited - Provident Fund Titan Watches Superannuation Fund

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

Sr No	Party Name	Nature of Transactions	FY 22-23	FY 21-22
1	**Tata Sons Private Limited**			
		Income		
		Interest Income on Finance Lease	4	16
		Operating Lease rental	71	742
		Foreclosure Charges	131	-
		Expenses		
		BEBP Expenses	2,177	1,567
		Professional Fees	8	7
		* Staff Welfare Expenses	-	0
		Training Expenses	4	-
		Other transactions		
		Sale of fixed assets	597	9
		Finance Lease Facility repayment received during period	71	205
		Assets		
		Finance Lease Facility Principal receivable	-	71
		* Finance lease accrued income & other receivables	-	0
		Other Receivables	-	3
		Liabilities		
		Other Payables	2,177	1,567
2	**Tata Capital Limited**			
		Income		
		Recovery Rent and other expenses	4	4
		Expenses		
		Dividend paid during period - Equity Shares	5,478	12,061
		Interest expenses on Inter Corporate Deposit	3,767	9,462
		Interest expenses on Non Convertible Debentures	524	1,113
		Service provider charges	2,665	2,264
		Rent Expenses	962	1,076
		Electricity Expenses	43	42
		Insurance Expenses	9	7
		Contribution to Provident Fund	106	-
		Other transactions		
		Inter-Corporate Deposit received	6,01,926	4,89,579
		Inter-Corporate Deposit repaid	6,79,419	5,27,144
		Infusion in Equity Share (inclusive of premium)	1,15,000	30,000
		Purchase of Fixed Assets	-	1
		Refund received Security Deposits-Premises	1,180	-
		Assets		
		Security Deposit receivable	4,666	5,847
		* Other Receivables	1	0
		Liabilities		
		Equity shares held	1,71,885	1,65,987
		Inter-Corporate Deposit Payable	-	77,493
		Accrued Interest on Inter Corporate Deposit Outstanding	-	495
		Payable towards Non Convertible Debentures	-	12,500
		Accrued Interest on Non Convertible Debentures	-	18
		Other Payables	331	579

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

3	**Tata Capital Housing Finance Limited**			
		Income		
		Referral Fees	32	15
		Recovery Rent and other expenses	942	737
		Expenses		
		Rent Expenses	198	88
		Valuation charges	97	80
		Other Transactions		
		* Purchase of Fixed Assets	0	0
		Sale of fixed assets	-	28
		Assets		
		Other Receivables	108	88
		Liabilities		
		Other Payables	34	18
4	**Tata Cleantech Capital Limited**			
		Income		
		Recovery Rent and other expenses	97	99
		Syndication Fees	-	8
		Expenses		
		Guest House Charges	14	9
		Professional Fees	9	9
		Other transactions		
		Recovery of Salary cost	-	3
		Paid during period towards purchase of loan portfolio	-	4,000
		Received during period towards sale of loan portfolio	44,142	28,864
		Transfer of sanction but undisbursed loan portfolio	937	
		Assets		
		Other Receivables	8	9
5	**Tata Securities Limited**			
		Income		
		Recovery Rent and other expenses	37	46
		Other Income	18	-
		Expenses		
		Professional Fees	12	37
		Commission Expenses	105	-
		Other transactions		
		* Purchase of Fixed Assets	-	0
		Assets		
		Other Receivables	2	-
		Liabilities		
		Other Payables	22	25
6	**Tata Capital Advisors Pte. Limited**			
		Income		
		Service Level Agreement Fees	8	8
		Assets		
		Other Receivables	-	8

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

7	**Tata Capital General Partners LLP**		
	Income		
	Service Level Agreement Fees	1	1
	Assets		
	Other Receivables	-	1
8	**Tata Capital Growth II General Partners LLP**		
	Income		
	Service Level Agreement Fees	1	1
	Assets		
	Other Receivables	-	1
9	**Tata Capital Healthcare General Partners LLP**		
	Income		
	Service Level Agreement Fees	1	1
	Assets		
	Other Receivables	-	1
10	**TATA Capital Healthcare II General Partners LLP**		
	Income		
	Service Level Agreement Fees	1	1
	Assets		
	Other Receivables	-	1
11	**Tata Capital Plc**		
	Income		
	Service Level Agreement Fees	8	8
	Assets		
	Other Receivables	-	8
12	**Tata Capital Pte. Limited**		
	Income		
	Service Level Agreement Fees	15	15
	Assets		
	Other Receivables	-	15
13	**Tata Opportunities General Partners LLP**		
	Income		
	Service Level Agreement Fees	1	1
	Assets		
	Other Receivables	-	1

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

14	**Fincare Business Services Limited**			
		Income		
		Interest Income on Loan	245	316
		Other transactions		
		Loan repayment received during period	2,023	1,830
		Assets		
		Loan Principal receivable	-	2,023
		* Loan accrued interest receivable	-	0
		Investment in Equity Shares	845	849
15	**Fincare Small Finance Bank Limited**			
		Income		
		Interest Income on Loan	409	409
		Other transactions		
		Investment in Equity during period	-	119
		Assets		
		Loan Principal receivable	3,616	3,616
		Loan accrued interest receivable	13	13
		Investment in Equity Shares	142	150
16	**TVS Supply Chain Solutions Limited**			
		Income		
		Income on Invoice Discounting	28	47
		Other transactions		
		Invoice discounted during period	5,635	4,551
		Invoice discounted repayment received during period	5,932	4,635
		Assets		
		Invoice Discounted receivable	212	508
		Invoice Discounting other receivables	1	2
		Investment in Equity Shares	815	806
		Commitments		
		Off balance sheet exposure	777	492
17	**Indusface Private Limited**			
		Expenses		
		Information Technology Expenses	13	13
		Liabilities		
		Other Payables	5	4

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

18	**Tata Projects Limited**			
		Income		
		Interest Income on Finance Lease	2,032	852
		Operating Lease rental	4,018	6,185
		Management Fees	-	702
		Interest Income on Loan	3,095	1,137
		Foreclosure Charges	1	-
		Other transactions		
		Sale of fixed assets	1,230	336
		Purchase of Fixed Assets	5,712	-
		Finance Lease Facility provided during period	11,911	4,270
		Finance Lease Facility repayment received during period	3,844	1,568
		Loan given during period	-	50,000
		Loan repayment received during period	-	8,800
		Security deposit received during period	27	84
		Security deposit repaid / adjusted during period	27	-
		Assets		
		Finance Lease Facility Principal receivable	14,546	6,480
		Finance lease accrued income & other receivables	21,031	2,449
		Loan Principal receivable	41,200	41,200
		Loan accrued interest receivable	1,356	939
		Other Receivables	417	288
		Liabilities		
		Security deposit payable	778	778
		Commitments		
		Off balance sheet exposure	37,087	19,130
19	**Tata Technologies Limited**			
		Income		
		* Interest Income on Finance Lease	0	3
		Expenses		
		Information Technology Expenses	321	424
		Other transactions		
		* Finance Lease Facility repayment received during period	0	28
		Assets		
		Finance Lease Facility Principal receivable	-	0
		Finance lease accrued income & other receivables	-	(0)
		Liabilities		
		Other Payables	101	108
20	**Tema India Limited**			
		Income		
		Interest Income on Loan	6	8
		Other transactions		
		Loan repayment received during period	16	16
		Assets		
		Loan Principal receivable	39	56
		* Loan accrued interest receivable	0	0

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

21	**Tata Capital LimitedGratuity Scheme**		
	Expenses		
	Contribution to Gratuity fund	848	73
22	**Tata Capital LimitedEmployees Provident Fund**		
	Expenses		
	Contribution to Provident Fund	1,890	1,259
	Other transactions		
	Employees Contribution to Provident Fund	3,015	1,939
	Interest paid on Non Convertible Debentures	-	10
	Liabilities		
	Other Payables	480	114
23	**Tata Capital LimitedSuperannuation Scheme**		
	Expenses		
	Contribution to Superannuation	95	92
	Assets		
	Other Payables	7	-
24	**TCL Employee Welfare Trust**		
	Other transactions		
	Loan given during period	-	820
	Assets		
	Loan Principal receivable	7,356	7,356
	Other Receivables	18	1
25	**AIX Connect Private Limited**		
	Income		
	Interest Income on Loan	2,645	1,810
	Management Fees	-	65
	Other transactions		
	Loan given during period	37,000	53,000
	Loan repayment received during period	26,005	46,994
	Assets		
	Loan Principal receivable	36,995	26,000
	Loan accrued interest receivable	274	186
	Commitments		
	Off balance sheet exposure	-	10,000

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

26	**Infiniti Retail Limited**			
		Income		
		Operating Lease rental	-	32
		Interest Income on Finance Lease	74	30
		Expenses		
		Commission Expenses	74	39
		Staff Welfare Expenses	4	-
		Other transactions		
		Finance Lease Facility provided during period	517	546
		Finance Lease Facility repayment received during period	294	82
		Security deposit received during period	69	49
		Security deposit repaid / adjusted during period	2	36
		Payments towards Net Settlement Reward points	1,539	1,497
		Assets		
		Finance Lease Facility Principal receivable	702	479
		Finance lease accrued income & other receivables / (Payable)	(5)	(3)
		* Other Receivables	-	0
		Liabilities		
		Security deposit payable	112	45
		Other Payables	2	0
		Commitments		
		Off balance sheet exposure	1,250	694
27	**Tata Advanced Systems Limited**			
		Income		
		Interest Income on Finance Lease	68	54
		Other transactions		
		Finance Lease Facility provided during period	315	199
		Finance Lease Facility repayment received during period	158	119
		Security deposit received during period	1	-
		Assets		
		Finance Lease Facility Principal receivable	471	313
		Finance lease accrued income & other receivables	224	94
		Liabilities		
		Security deposit payable	1	-
		Commitments		
		Off balance sheet exposure	616	716

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

28	**Tata AIG General Insurance Company Limited**		
	Income		
	Commission Income on Insurance	991	591
	Expenses		
	Insurance Expenses	120	82
	Assets		
	Other Receivables	238	173
29	**Tata Asset Management Private Limited**		
	Income		
	Portfolio Management Services	63	31
	Assets		
	Other Receivables	1	2
30	**Tata Autocomp Systems Limited**		
	Income		
	Operating Lease rental	572	718
	Other transactions		
	Security deposit received during period	-	21
	Security deposit repaid / adjusted during period	473	-
	Assets		
	Other Receivables	542	694
	Liabilities		
	Security deposit payable	-	473
	Commitments		
	Off balance sheet exposure	2,130	6,552
31	**Tata Business Hub Limited**		
	Income		
	Interest Income on Finance Lease	28	12
	Other transactions		
	Finance Lease Facility provided during period	142	217
	Finance Lease Facility repayment received during period	78	24
	Assets		
	Finance Lease Facility Principal receivable	257	193
	Finance lease accrued income & other receivables / (Payable)	(2)	(2)
	Commitments		
	Off balance sheet exposure	-	244

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

32	**Tata Consultancy Services Limited**			
		Income		
		Interest Income on Finance Lease	66	52
		Operating Lease rental	411	490
		Expenses		
		Information Technology Expenses	4,156	8,388
		Other transactions		
		Purchase of Fixed Assets	155	15
		Finance Lease Facility provided during period	523	149
		Finance Lease Facility repayment received during period	231	115
		Security deposit received during period	58	43
		Security deposit repaid / adjusted during period	8	21
		Assets		
		Finance Lease Facility Principal receivable	524	232
		Finance lease accrued income & other receivables / (Payable)	(17)	13
		Liabilities		
		Other Payables	1,259	2,708
		Security deposit payable	228	178
		Commitments		
		Off balance sheet exposure	-	766
33	**Tata Digital Private Limited**			
		Income		
		Interest Income on Loan	-	436
		Expenses		
		Commission Expenses	449	-
		Other Transactions		
		Loan given during period	-	15,000
		Loan repayment received during period	-	15,000
		Commitments		
		Off balance sheet exposure	500	-
34	**Tata Electronics Private Limited**			
		Income		
		Interest Income on Finance Lease	207	41
		Other transactions		
		Finance Lease Facility provided during period	2,982	946
		Finance Lease Facility repayment received during period	967	149
		Security deposit received during period	-	15
		Assets		
		Finance Lease Facility Principal receivable	2,812	797
		Finance lease accrued income & other receivables	432	1,989
		Liabilities		
		Security Deposit Payable	15	15
		Commitments		
		Off balance sheet exposure	3,126	1,322

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

35	**Tata Elxsi Limited**			
		Income		
		Interest Income on Finance Lease	25	12
		Other transactions		
		Finance Lease Facility provided during period	97	150
		Finance Lease Facility repayment received during period	43	14
		Assets		
		Finance Lease Facility Principal receivable	190	136
		Finance lease accrued income & other receivables	28	31
		Commitments		
		Off balance sheet exposure	-	485
36	**Tata International Limited**			
		Income		
		Interest Income on Finance Lease	17	12
		Other transactions		
		Finance Lease Facility provided during period	92	-
		Finance Lease Facility repayment received during period	37	33
		Security deposit repaid / adjusted during period	21	-
		Assets		
		Finance Lease Facility Principal receivable	100	44
		Finance lease accrued income & other receivables	28	16
		Liabilities		
		Security deposit payable	-	21
		Commitments		
		Off balance sheet exposure	356	39
37	**Tata Medical and Diagnostics Limited**			
		Expenses		
		* Staff Welfare Expenses	-	0
		Income		
		* Interest Income on Finance Lease	4	0
		Other transactions		
		Finance Lease Facility provided during period	27	-
		Finance Lease Facility repayment received during period	3	-
		Assets		
		Finance Lease Facility Principal receivable	24	-
		Finance lease accrued income & other receivables	8	50
		Commitments		
		Off balance sheet exposure	-	550
38	**Tata Realty and Infrastructure Limited**			
		Income		
		Interest Income on Loan	62	-
		Other transactions		
		Loan given during period	9,500	-
		Loan repayment received during period	9,500	-

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

39	**Tata Teleservices (Maharashtra) Limited**			
		Expenses		
		Communication Expenses	139	111
		Liabilities		
		Other Payables	8	2
40	**Tata Teleservices Limited**			
		Income		
		Interest Income on Finance Lease	7	18
		Expenses		
		Communication Expenses	30	29
		Other transactions		
		Finance Lease Facility provided during period	-	18
		Finance Lease Facility repayment received during period	53	81
		Assets		
		Finance Lease Facility Principal receivable	-	79
		Finance lease accrued income & other receivables / (Payable)	-	(25)
		Liabilities		
		Other Payables	1	-
41	**Tata Toyo Radiator Limited**			
		Income		
		Operating Lease rental	2,019	2,086
		Interest Income on Loan	-	68
		Other transactions		
		Security deposit received during period	323	22
		Security deposit repaid / adjusted during period	1,501	-
		Loan repayment received during period	-	2,500
		Assets		
		Other Receivables	1,863	2,053
		Liabilities		
		Security deposit payable	10	1,188
		Commitments		
		Off balance sheet exposure	-	286
42	**Innovative Retail Concepts Private Limited**			
		Expenses		
		Staff Welfare Expenses	1	1
		Liabilities		
		* Other Payables	0	0
43	**Tata 1mg Technologies Private Limited**			
		Expenses		
		* Staff Welfare Expenses	0	-
44	**Tata Unistore Limited (w.e.f 09.12.2022)**			
		Expenses		
		Staff Welfare Expenses	1	-

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

45	**Tata Communications Limited**		
	Expenses		
	Information Technology Expenses	597	488
	Other transactions		
	Finance Lease Facility repayment received during period	-	1
	Assets		
	Finance Lease Facility Principal receivable	4	4
	Finance lease accrued income & other receivables / (Payable)	(1)	(1)
	Assigned receivables	655	-
	Liabilities		
	Other Payables	224	264
46	**Tata Communications Transformation Services Limited**		
	Income		
	* Interest Income on Finance Lease	-	0
	Other transactions		
	Finance Lease Facility repayment received during period	-	1
	Assets		
	* Finance Lease Facility Principal receivable	-	0
	* Finance lease accrued income & other receivables / (Payable)	-	(0)
47	**Niskalp Infrastructure Services Limited**		
	Income		
	Recovery of Insurance Expenses	1	-
48	**Stryder Cycle Private Limited**		
	Commitments		
	Off balance sheet exposure	300	-
49	**Savis Retail Private Limited**		
	Expenses		
	Staff Welfare Expenses	-	1
50	**Tata Consumer Products Limited**		
	Income		
	Interest Income on Finance Lease	18	8
	Operating Lease rental	61	63
	Other transactions		
	Finance Lease Facility provided during period	191	-
	Finance Lease Facility repayment received during period	32	18
	Assets		
	Finance Lease Facility Principal receivable	227	68
	Finance lease accrued income & other receivables	3	4
	Other Receivables	37	33
	Commitments		
	Off balance sheet exposure	1,496	310

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

51	**Tata Motors Limited**		
	Income		
	Interest Income on Finance Lease	1,482	621
	Management Fees	1	9
	Other Income	8	-
	Foreclosure Charges	1	18
	Other transactions		
	Finance Lease Facility provided during period	8,616	8,419
	Finance Lease Facility repayment received during period	2,561	2,838
	Assets		
	Finance Lease Facility Principal receivable	12,065	6,009
	Finance lease accrued income & other receivables	2,903	2,531
	Commitments		
	Off balance sheet exposure	5,612	5,515
52	**Tata Steel Limited**		
	Income		
	* Dividend Income	0	-
	Assets		
	Investment in Equity Shares	9	11
53	**The Associated Building Company Limited**		
	Income		
	Interest Income on Loan	-	16
	Other transactions		
	Loan repayment received during period	-	256
54	**The Indian Hotels Company Limited**		
	Income		
	Interest Income on Finance Lease	2	5
	Expenses		
	Staff Welfare Expenses	220	30
	Other transactions		
	Finance Lease Facility provided during period	-	9
	Finance Lease Facility repayment received during period	8	35
	Assets		
	Finance Lease Facility Principal receivable	10	18
	* Finance lease accrued income & other receivables	0	2
	Commitments		
	Off balance sheet exposure	-	286

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

55	**The Tata Power Company Limited**			
		Income		
		Interest Income on Finance Lease	225	260
		Income on Invoice Discounting	12	-
		Other transactions		
		Finance Lease Facility provided during period	117	972
		Finance Lease Facility repayment received during period	511	377
		Invoice discounted during period	14,644	-
		Assets		
		Finance Lease Facility Principal receivable	1,147	1,540
		Finance lease accrued income & other receivables	182	223
		Commitments		
		Off balance sheet exposure	-	2,060
56	**Titan Company Limited**			
		Income		
		Interest Income on Finance Lease	12	6
		Interest Income on Loan	2	-
		Expenses		
		Staff Welfare Expenses	-	1
		Interest expenses on Inter Corporate Deposit	155	35
		Other transactions		
		Security deposit received during period	-	13
		Loan given during period	314	-
		Loan repayment received during period	1	-
		Finance Lease Facility provided during period	-	132
		Finance Lease Facility repayment received during period	13	-
		Inter-Corporate Deposit received	15,000	40,000
		Inter-Corporate Deposit repaid	15,000	40,000
		Assets		
		Finance Lease Facility Principal receivable	119	132
		Finance lease accrued income & other receivables	1	6
		Loan Principal receivable	313	-
		Loan accrued interest receivable	2	-
		Liabilities		
		Security Deposit Payable	13	13
		Payable towards Non Convertible Debentures	3,000	-
57	**Trent Limited**			
		Other transactions		
		Payments towards Net Settlement Reward points	316	246
58	**Voltas Limited**			
		Expenses		
		Commission Expenses	15	34
		Repairs and Maintenance	52	29
		Other transactions		
		Purchase of Fixed Assets	173	21
		Liabilities		
		Other Payables	8	-

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

59	**Tata AIA Life Insurance Company Limited**			
		Income		
		Interest Income on Finance Lease	57	26
		Commission Income on Insurance	495	346
		Expenses		
		Insurance Expenses	317	176
		Other transactions		
		Finance Lease Facility provided during period	413	105
		Finance Lease Facility repayment received during period	69	32
		Interest paid on Non Convertible Debentures	3,496	5,345
		Assets		
		Finance Lease Facility Principal receivable	455	112
		Finance lease accrued income & other receivables	190	5
		Other Receivables	354	200
		Liabilities		
		Payable towards Non Convertible Debentures	51,500	41,200
		Commitments		
		Off balance sheet exposure	1,030	432
60	**Tata Industries Limited**			
		Income		
		Interest Income on Finance Lease	143	205
		Syndication Fees	17	158
		Foreclosure Charges	4	-
		Other transactions		
		Finance Lease Facility provided during period	31	286
		Finance Lease Facility repayment received during period	475	485
		Assets		
		Finance Lease Facility Principal receivable	914	1,358
		Finance lease accrued income & other receivables / (Payable)	(18)	(12)
		Commitments		
		Off balance sheet exposure	-	380
61	**Coastal Gujarat Power Limited**			
		Income		
		Interest Income on Finance Lease	31	34
		Other transactions		
		Finance Lease Facility provided during period	-	186
		Finance Lease Facility repayment received during period	58	36
		Assets		
		Finance Lease Facility Principal receivable	187	245
		* Finance lease accrued income & other receivables / (Payable)	(0)	(6)
		Commitments		
		Off balance sheet exposure	-	1,650

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

62	**Maithon Power Limited**			
		Income		
		Interest Income on Finance Lease	6	9
		Other transactions		
		Finance Lease Facility provided during period	-	52
		Finance Lease Facility repayment received during period	11	11
		Assets		
		Finance Lease Facility Principal receivable	51	62
		Finance lease accrued income & other receivables / (Payable)	(2)	(2)
		Commitments		
		Off balance sheet exposure	-	1,784
63	**Nelco Limited**			
		Income		
		Interest Income on Finance Lease	8	4
		Other transactions		
		Finance Lease Facility provided during period	59	-
		Finance Lease Facility repayment received during period	13	14
		Assets		
		Finance Lease Facility Principal receivable	67	21
		Finance lease accrued income & other receivables	15	18
		Commitments		
		Off balance sheet exposure	999	-
64	**Tata Power Delhi Distribution Limited**			
		Expenses		
		* Advertising Expenses	0	-
65	**Tata Power Solar Systems Limited**			
		Income		
		Interest Income on Finance Lease	33	37
		Other transactions		
		Finance Lease Facility provided during period	53	83
		Finance Lease Facility repayment received during period	92	82
		Assets		
		Finance Lease Facility Principal receivable	169	208
		Finance lease accrued income & other receivables / (Payable)	(7)	(13)
		Commitments		
		Off balance sheet exposure	-	3,413

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

66	**Tata Power Trading Company Limited**		
	Income		
	* Interest Income on Finance Lease	-	0
67	**TP Ajmer Distribution Limited**		
	Income		
	Interest Income on Finance Lease	2	1
	Other transactions		
	Finance Lease Facility provided during period	-	9
	Finance Lease Facility repayment received during period	7	1
	Assets		
	Finance Lease Facility Principal receivable	25	32
	* Finance lease accrued income & other receivables	8	0
	Commitments		
	Off balance sheet exposure	626	1,650
68	**TP Central Odisha Distribution Limited**		
	Income		
	Interest Income on Finance Lease	19	30
	Other transactions		
	Finance Lease Facility provided during period	-	128
	Finance Lease Facility repayment received during period	36	35
	Assets		
	Finance Lease Facility Principal receivable	56	93
	Finance lease accrued income & other receivables	1	(2)
	Commitments		
	Off balance sheet exposure	-	1,698
69	**TP Northern Odisha Distribution Limited**		
	Income		
	Interest Income on Finance Lease	5	3
	Other transactions		
	Finance Lease Facility provided during period	7	28
	Finance Lease Facility repayment received during period	12	2
	Assets		
	Finance Lease Facility Principal receivable	21	27
	Finance lease accrued income & other receivables	3	16
	Commitments		
	Off balance sheet exposure	-	3,452

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

70	**TP Renewable Microgrid Limited**			
		Income		
		* Interest Income on Finance Lease	0	-
		Other transactions		
		Finance Lease Facility provided during period	4	-
		* Finance Lease Facility repayment received during period	0	-
		Assets		
		Finance Lease Facility Principal receivable	4	-
		* Finance lease accrued income & other receivables	0	-
71	**TP Southern Odisha Distribution Limited**			
		Income		
		* Interest Income on Finance Lease	3	0
		Other transactions		
		Finance Lease Facility provided during period	13	-
		Finance Lease Facility repayment received during period	1	-
		Assets		
		Finance Lease Facility Principal receivable	11	-
		Finance lease accrued income & other receivables	2	-
		Commitments		
		Off balance sheet exposure	-	3,487
72	**TP Western Odisha Distribution Limited**			
		Income		
		Interest Income on Finance Lease	8	2
		Other transactions		
		Finance Lease Facility provided during period	9	47
		Finance Lease Facility repayment received during period	21	1
		Assets		
		Finance Lease Facility Principal receivable	35	46
		Finance lease accrued income & other receivables	5	10
		Commitments		
		Off balance sheet exposure	-	3,417
73	**Walwhan Renewable Energy Limited**			
		Commitments		
		Off balance sheet exposure	1,650	-
74	**Tata Motors Finance Limited**			
		Expenses		
		Rent expenses	246	42
		Liabilities		
		Other Payables	20	20

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

75	**Tata Motors Passenger Vehicles Limited**			
		Income		
		Interest Income on Finance Lease	486	215
		* Foreclosure Charges	0	-
		Other transactions		
		Finance Lease Facility provided during period	2,719	2,094
		Finance Lease Facility repayment received during period	733	141
		Assets		
		Finance Lease Facility Principal receivable	3,938	1,953
		Finance lease accrued income & other receivables	934	691
		Commitments		
		Off balance sheet exposure	1,476	4,802
76	**Tata Passenger Electric Mobility Limited**			
		Income		
		Interest Income on Finance Lease	54	16
		Other transactions		
		Finance Lease Facility provided during period	507	145
		Finance Lease Facility repayment received during period	69	2
		Assets		
		Finance Lease Facility Principal receivable	581	143
		Finance lease accrued income & other receivables	286	51
		Commitments		
		Off balance sheet exposure	411	1,950
77	**TML Business Services Limited**			
		Income		
		Operating Lease rental	4	-
		Interest Income on Finance Lease	44	11
		Foreclosure Charges	-	42
		Other transactions		
		Sale of fixed assets	-	13
		Finance Lease Facility provided during period	398	-
		Finance Lease Facility repayment received during period	76	-
		Assets		
		Finance Lease Facility Principal receivable	322	-
		Finance lease accrued income & other receivables	67	-
		Liabilities		
		Other Payables	6	-
		Commitments		
		Off balance sheet exposure	-	42

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

78	**Indian Steel & Wire Products Ltd.**			
		Income		
		Interest Income on Finance Lease	12	9
		Other transactions		
		Finance Lease Facility provided during period	-	44
		Finance Lease Facility repayment received during period	35	26
		Assets		
		Finance Lease Facility Principal receivable	42	77
		* Finance lease accrued income & other receivables / (Payable)	(0)	4
		Commitments		
		Off balance sheet exposure	-	1,230
79	**Tata Metaliks Ltd.**			
		Income		
		Interest Income on Finance Lease	22	7
		Operating Lease rental	9	31
		Foreclosure Charges	1	-
		Other transactions		
		Security deposit received during period	18	9
		Finance Lease Facility provided during period	287	74
		Finance Lease Facility repayment received during period	97	16
		Sale of fixed assets	4	-
		Assets		
		Finance Lease Facility Principal receivable	257	68
		Finance lease accrued income & other receivables / (Payable)	(2)	27
		* Other Receivables	0	1
		Liabilities		
		Security deposit payable	29	22
		Commitments		
		Off balance sheet exposure	-	6,484
80	**Tata Steel Downstream Products Limited**			
		Income		
		* Interest Income on Finance Lease	0	-
		Other transactions		
		Finance Lease Facility provided during period	32	-
		Assets		
		Finance Lease Facility Principal receivable	32	-
		Finance lease accrued income & other receivables	3	-
		Commitments		
		Off balance sheet exposure	1,951	-

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

81	**Tata Steel Utilities and Infrastructure Services Limited**		
	Income		
	Interest Income on Finance Lease	56	19
	Operating Lease rental	88	-
	Foreclosure Charges	3	-
	Other transactions		
	Finance Lease Facility provided during period	312	216
	Finance Lease Facility repayment received during period	111	62
	Security deposit received during period	253	21
	Security deposit repaid / adjusted during period	80	-
	Assets		
	Finance Lease Facility Principal receivable	386	185
	* Finance lease accrued income & other receivables	6	0
	Other Receivables	68	-
	Liabilities		
	Security deposit payable	203	29
	Commitments		
	Off balance sheet exposure	3,208	981
82	**Ideal Ice & Cold Storage Company Limited**		
	Income		
	Interest Income on Finance Lease	6	3
	Other transactions		
	Finance Lease Facility provided during period	57	-
	Finance Lease Facility repayment received during period	12	-
	Assets		
	Finance Lease Facility Principal receivable	45	-
	Finance lease accrued income & other receivables	1	55
	Commitments		
	Off balance sheet exposure	-	246
83	**Piem Hotels Limited**		
	Income		
	Interest Income on Loan	-	17
	Management Fees	-	5
	Expenses		
	Staff Welfare Expenses	15	3
	Other transactions		
	Loan given during period	-	495
	Loan repayment received during period	-	495
	Commitments		
	Off balance sheet exposure	-	1,500

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on “Related Party Disclosures” notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

84	**United Hotels Limited**		
	Income		
	Interest Income on Finance Lease	6	4
	Expenses		
	Staff Welfare Expenses	1	-
	Other transactions		
	Finance Lease Facility provided during period	-	11
	Finance Lease Facility repayment received during period	6	4
	Assets		
	Finance Lease Facility Principal receivable	26	32
	Finance lease accrued income & other receivables	2	4
	Commitments		
	Off balance sheet exposure	-	35
85	**Roots Corporation Limited**		
	Expenses		
	* Staff Welfare Expenses	4	0
86	**Fiora Hypermarket Limited**		
	Expenses		
	Commission Expenses	8	3
	Staff Welfare Expenses	58	-
	Other transactions		
	Payments towards Net Settlement Reward points	440	287
	Liabilities		
	Other Payables	-	1
87	**Air International TTR Thermal Systems Private Limited**		
	Income		
	Operating Lease rental	26	29
	Assets		
	Other Receivables	20	27
	Liabilities		
	Security deposit payable	18	18
	Commitments		
	Off balance sheet exposure	-	823

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

88	**Tata Boeing Aerospace Limited**		
	Income		
	Interest Income on Finance Lease	1	1
	Other transactions		
	Finance Lease Facility provided during period	11	-
	Finance Lease Facility repayment received during period	3	2
	Security deposit received during period	2	-
	Assets		
	Finance Lease Facility Principal receivable	11	4
	* Finance lease accrued income & other receivables / (Payable)	(0)	(0)
	Liabilities		
	Security deposit payable	2	-
	Commitments		
	Off balance sheet exposure	-	138
89	**Tata Lockheed Martin Aerostructures Limited**		
	Income		
	Interest Income on Finance Lease	5	2
	Other transactions		
	Finance Lease Facility provided during period	44	-
	Finance Lease Facility repayment received during period	14	13
	Security deposit received during period	2	-
	Assets		
	Finance Lease Facility Principal receivable	40	10
	Finance lease accrued income & other receivables	2	13
	Liabilities		
	Security deposit payable	2	-
90	**Tata Sikorsky Aerospace Limited**		
	Income		
	Interest Income on Finance Lease	9	9
	Other transactions		
	Finance Lease Facility provided during period	43	44
	Finance Lease Facility repayment received during period	32	15
	Security deposit received during period	2	-
	Assets		
	Finance Lease Facility Principal receivable	60	48
	* Finance lease accrued income & other receivables / (Payable)	(0)	12
	Liabilities		
	Security deposit payable	2	-
	Commitments		
	Off balance sheet exposure	-	53

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

91	**Tata Precision Industries (India) Limited**		
	Income		
	Interest Income on Loan	10	3
	Management Fees	-	1
	Other transactions		
	Loan given during period	-	96
	Loan repayment received during period	19	23
	Assets		
	Loan Principal receivable	76	96
	Loan accrued interest receivable	1	1
92	**Industrial Minerals and Chemicals Company Private Limited**		
	Income		
	Interest Income on Loan	80	-
	Management Fees	2	-
	Other transactions		
	Loan given during period	2,550	-
	Assets		
	Loan accrued interest receivable	44	-
	Loan Principal receivable	2,550	-
93	**Air India SATS Airport Services Private Ltd.**		
	Income		
	Operating Lease rental	6	-
	Assets		
	Other Receivables	6	-
	Commitments		
	Off balance sheet exposure	4,133	-
94	**Emerald Haven Realty Limited**		
	Income		
	Interest Income on Loan	1,037	603
	Management Fees	62	-
	Other transactions		
	Loan given during period	11,010	-
	Loan repayment received during period	4,177	2,037
	Assets		
	Loan Principal receivable	11,015	4,183
	Loan accrued interest receivable	142	59

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

95	**Automotive Stampings and Assemblies Limited**		
	Income		
	Interest Income on Loan	-	207
	Management Fees	-	7
	Other transactions		
	Loan given during period	-	6,933
	Loan repayment received during period	-	11,100
96	**Mikado Realtors Private Limited**		
	Income		
	* Interest Income on Loan	-	0
97	**Tata AutoComp GY Batteries Private Limited**		
	Income		
	Interest Income on Loan	-	6
	Other transactions		
	Loan given during period	-	1,000
	Loan repayment received during period	-	1,000
98	**Tata Steel BSL Limited**		
	Income		
	Interest Income on Loan	-	2
99	**Tata Ficosa Automotive Systems Private Limited**		
	Income		
	Interest Income on Loan	-	25
	Other Transactions		
	Loan given during period	-	1,400
	Loan repayment received during period	-	2,400
100	**TP Luminaire Private Limited**		
	Income		
	Interest Income on Loan	-	302
	Other Transactions		
	Loan repayment received during period	-	4,224
101	**Supermarket Grocery Supplies Private Limited**		
	Income		
	Interest Income on Loan	-	27
	Management Fees	-	30
	Other transactions		
	Loan given during period	-	5,968
	Loan repayment received during period	-	5,968
102	**Land kart Builders Private Limited**		
	Income		
	Referral Fees	-	2
	Assets		
	Other Receivables	-	2

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

103	**Tata Motors Body Solutions Limited**			
		Commitments		
		Off balance sheet exposure	-	750
104	**Tata Consulting Engineers Limited**			
		Other transactions		
		Interest paid on Non Convertible Debentures	36	-
		Liabilities		
		Payable towards Non Convertible Debentures	500	500
105	**Tata Investment Corporation Limited**			
		Other transactions		
		Interest paid on Non Convertible Debentures	356	-
		Liabilities		
		Payable towards Non Convertible Debentures	4,000	-
106	**Tata Coffee Staff Provident Fund Trust**			
		Other transactions		
		Interest paid on Non Convertible Debentures	83	67
		Liabilities		
		Payable towards Non Convertible Debentures	920	920
107	**Rallis India Limited Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	29	29
		Liabilities		
		Payable towards Non Convertible Debentures	290	290
108	**Tata Steel Ltd Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	159	159
		Liabilities		
		Payable towards Non Convertible Debentures	1,730	1,730
109	**Tata Chemicals Ltd Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	193	192
		Liabilities		
		Payable towards Non Convertible Debentures	1,990	1,990
110	**Tata Power Consolidated Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	87	87
		Liabilities		
		Payable towards Non Convertible Debentures	1,000	1,000

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

111	**Tata Tea LimitedStaff Pension Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	76	76
	Liabilities		
	Payable towards Non Convertible Debentures	800	800
112	**Tata Steel Long product Limitedemployees providend fund trust**		
	Other transactions		
	Interest paid on Non Convertible Debentures	22	22
	Liabilities		
	Payable towards Non Convertible Debentures	230	230
113	**Titan Industries Gratuity Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	108	93
	Liabilities		
	Payable towards Non Convertible Debentures	1,710	1,210
114	**Taj Residency Employees Provident fund Trust (Bangalore unit)**		
	Other transactions		
	Interest paid on Non Convertible Debentures	5	5
	Liabilities		
	Payable towards Non Convertible Debentures	50	50
115	**The Tinplate Company of India Ltd. Gratuity Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	10	10
	Liabilities		
	Payable towards Non Convertible Debentures	110	110
116	**The Tinplate Company Executive Staff Superannuation Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	4	4
	Liabilities		
	Payable towards Non Convertible Debentures	50	50
117	**The Provident Fund of The Tinplate Company of India Ltd**		
	Other transactions		
	Interest paid on Non Convertible Debentures	14	14
	Liabilities		
	Payable towards Non Convertible Debentures	160	160
118	**Titan Watches Provident Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	268	194
	Liabilities		
	Payable towards Non Convertible Debentures	3,280	3,280

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

119	**Voltas Managerial Staff Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	43	16
		Liabilities		
		Payable towards Non Convertible Debentures	480	180
120	**Tata Communications Employee's Provident Fund Trust**			
		Other transactions		
		Interest paid on Non Convertible Debentures	147	147
		Liabilities		
		Payable towards Non Convertible Debentures	1,490	1,490
121	**Tata Elxsi (India) Ltd. Employees Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	189	65
		Liabilities		
		Payable towards Non Convertible Debentures	2,350	2,350
122	**Tata Sons Consolidated Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	28	28
		Liabilities		
		Payable towards Non Convertible Debentures	280	280
123	**Tata Sons Consolidated Superannuation Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	26	26
		Liabilities		
		Payable towards Non Convertible Debentures	235	235
124	**Tata Sons LimitedH.O. Employees' Gratuity Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	1	1
		Liabilities		
		Payable towards Non Convertible Debentures	10	10
125	**Tata International Limited Gratuity Fund (w.e.f 28.01.2023)**	**Other transactions**		
		Interest paid on Non Convertible Debentures	10	-
		Liabilities		
		Payable towards Non Convertible Debentures	200	-

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

126	**Tata Housing Development Company Ltd - Employees Provident Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	-	4
	Liabilities		
	Payable towards Non Convertible Debentures	-	40
127	**Tata Metaliks Ltd Employees Provident fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	2	2
	Liabilities		
	Payable towards Non Convertible Debentures	15	15
128	**The Indian Hotels Company LimitedEmployees Provident Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	3	3
	Liabilities		
	Payable towards Non Convertible Debentures	30	30
129	**Voltas LimitedEmployees' Superannuation Scheme**		
	Other transactions		
	Interest paid on Non Convertible Debentures	1	1
	Liabilities		
	Payable towards Non Convertible Debentures	10	10
130	**Voltas LimitedProvident Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	6	-
	Liabilities		
	Payable towards Non Convertible Debentures	70	-
131	**Tata Industries Superannuation Fund Trust**		
	Other transactions		
	Interest paid on Non Convertible Debentures	21	21
	Liabilities		
	Payable towards Non Convertible Debentures	200	200
132	**TCE Employees' Providend Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	9	9
	Liabilities		
	Payable towards Non Convertible Debentures	100	100

(Rs. in lakh)

46. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

133	**Tata Investment Corporation Limited- Provident Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	5	5
	Liabilities		
	Payable towards Non Convertible Debentures	50	50
134	**Titan Watches Superannuation Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	-	9
	Liabilities		
	Payable towards Non Convertible Debentures	-	90
135	**Relative of KMP's**		
	Other transactions		
	Interest paid on Non Convertible Debentures	3	3
	Liabilities		
	Payable towards Non Convertible Debentures	29	29
136	**KMP of Holding Company**		
	Other transactions		
	* Interest paid on Non Convertible Debentures	0	0
	Liabilities		
	Payable towards Non Convertible Debentures	2	2
137	**Key managerial personnel (KMP)**		
	Remuneration to KMP		
	Short Term Employee Benefits	561	495
	Post Employment Benefits	29	27
	Share based payments (No. of Shares)		
	Options granted **	25,09,717	21,66,077
	Options exercised	2,82,091	2,82,091
	Director Sitting Fees & Commission	151	114
	Other transactions		
	Interest paid on Non Convertible Debentures	5	18
	Liabilities		
	Payable towards Non Convertible Debentures	50	51

Notes :

a) * less than Rs.50,000/-

b) ** ESOP has been granted by Tata Capital Limited

c) Expected credit loss provision for parties listed above have not been considered as provision for doubtful debts, hence not disclosed

d) The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

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

B) List of Associates

		Ownership Interest	
Country of Incorporation	**Name of Associates**	**March 31, 2023**	**March 31, 2022**
India	Fincare Business Services Limited	0.76%	0.76%
India	Fincare Small Finance Bank Limited	0.11%	0.11%
India	TVS Supply Chain Solutions Limited	0.38%	0.38%

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

47. Loans and advances - Financing Activity (Secured) include Rs. Nil lakh (Year ended March, 31, 2022 : Rs. Nil lakh) being the value of the unquoted preference shares acquired in satisfaction of the respective loans under the Settlement Agreement. As on March 31, 2023, the Company is in possession of non current assets held for sale (NCAHS) of which gross carrying value is Rs. 3,055 lakh (March 31, 2022 : Rs. 3,055 lakh) and provision towards the same is Rs. 3,055 lakh (March 31, 2022 : 3,055 lakh). Investments include Rs. 1,953 lakh (March, 31, 2022 : Rs. 1,768 lakh) being the value of the qouted equity shares acquired in satisfaction of the respective loans under the Settlement Agreement.

48. The company has earned commission from non-life insurance companies amounting to Rs. 1,079 lakh (March 31, 2022 : Rs. 629 lakh) and from life insurance companies amounting to Rs. 735 lakh (March 31, 2022 : Rs. 495 lakh)

49. The value of a unhedged foreign currency transaction for Letter of Credit and Buyers Credit as on March 31, 2023 is Rs. Nil lakh (March 31, 2022 : Rs 626 lakh) is on account of assets acquired to be given on operating lease/finance lease/synthetic lease to the customers.

50. The company has reported 18 frauds aggregating Rs. 447 lakh (March 31, 2022 : 14 frauds aggregating Rs. 9,840 lakh) based on management reporting to risk committee and to the RBI through prescribed returns. The nature of fraud involved is misappropriation of funds, cheating and forgery.

51. Details of transactions with companies struck off under section 248 of the Companies Act, 2013 :

(Rs. in lakhs)

Sr. No.	Name of Struck off Company	Nature of transactions	As at March 31, 2023	As at March 31, 2022	Relationship with the struck off company
1	Safna Consultancy Pvt Ltd	Debenture	26	25	Debenture holder
2	Manak Realtors Pvt Ltd	Loan	24	26	Borrower
3	Bonaventura Constructions	Loan	-*	-*	Borrower
4	G R Foundations Private Ltd	Loan	1	2	Borrower
5	Solar Equipment Private Limited	Loan	10	14	Borrower
6	Pravik Minerals Ltd	Loan	4	5	Borrower
7	First Office Solutions India Private Limited	Loan	7	-*	Borrower
8	Paradise Instruments Pvt Ltd	Loan	279	285	Borrower
9	Vaishnavi Healthcare Pvt Ltd	Loan	80	81	Borrower
10	Harbinger Bay Advertising Private Limited	Loan	8	10	Borrower
11	Uark Entertainment Opc Private Limited	Loan	4	5	Borrower
12	India Glycols Ltd	Loan	1,778	2,185	Borrower

*Amounts to less than Rs. 50,000.

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

52. The Company has investments in the following associates, which are accounted for on the Equity Method in accordance with the Ind AS 28 on 'Investment in Associates':

The Particulars of investments in associates as on March 31, 2023 are as follows :

(Rs. in lakh)

Sr No	Name of Associates	Country of Incorporation	As on	Ownership Interest (%)	Original Cost of Investment	Share of post acquisition Reserves & Surplus	Impairment	Carrying Amount of Investments
1	Fincare Business Services Limited (Refer footnote 1 below)	India	March 31, 2023	0.76%	734	111	-	845
			March 31, 2022	0.76%	734	115	-	849
3	TVS Supply Chain Solutions Limited (Refer footnote 1 below)	India	March 31, 2023	0.40%	982	(167)	-	815
			March 31, 2022	0.38%	982	(176)	-	806
3	Fincare Small Finance Bank Limited (Refer footnote 1 below)	India	March 31, 2023	0.11%	145	(3)	-	142
			March 31, 2022	0.11%	145	5	-	150
	Total				**1,861**	**(59)**	**-**	**1,802**
					1,861	*(56)*	-	*1,805*

Note:
1) The Holding Company's share in voting rights does not exceed 20%. However, the presumption of significant influence is overcome and it has been concluded that the Holding Company has significant influence as the Holding Company represents the board of directors and management participates in policy making processes.

Tata Capital Financial Services Limited

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	As at March 31,2023		As at March 31,2022		For the period ended March 31,2023		For the period ended March 31,2022		For the period ended March 31,2023		For the period ended March 31,2022		For the period ended March 31,2023		For the period ended March 31,2022	
	Net assets, i.e., total assets minus total liabilities		Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of profit or loss		Share in Other Comprehensive Income		Share in Other Comprehensive Income		Share in Total Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Rs in lakh	As % of consolidated net assets	Rs in lakh	As % of consolidated profit or loss	Rs in lakh	As % of consolidated profit or loss	Rs in lakh	As % of consolidated other comprehensive income	Rs in lakh	As % of consolidated other comprehensive income	Rs in lakh	As % of total comprehensive income	Rs in lakh	As % of total comprehensive income	Rs in lakh
Parent:																
Tata Capital Financial Services Limited	99.82%	10,24,071	99.77%	7,74,412	99.99%	1,38,272	99.94%	81,721	101.10%	1,290	99.93%	2,725	100.00%	1,39,562	99.94%	84,446
Associates (Investment as per the equity method)																
Indian																
Fincare Business Services Limited	0.08%	845	0.11%	849	0.00%	(3)	0.00%	-	0.00%	-	0.00%	-	0.00%	(3)	0.00%	-
TVS Supply Chain Solutions Limited	0.08%	815	0.10%	806	0.01%	15	0.06%	50	-0.63%	(8)	0.07%	2	0.01%	7	0.06%	52
Fincare Small Finance Bank Limited	0.01%	142	0.02%	150	0.00%	(2)	0.00%	2	-0.47%	(6)	0.00%	-	-0.01%	(8)	0.00%	2
Total	**100%**	**10,25,873**	**100%**	**7,76,217**	**100%**	**1,38,282**	**100%**	**81,773**	**100%**	**1,276**	**100%**	**2,727**	**100%**	**1,39,558**	**100%**	**84,500**

Notes forming part of the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

54. During the year ended March 31, 2023, the Holding Company has raised funds through the right issue, amounting to Rs. 1,15,000 lakhs through allotment of 5,89,74,358 equity shares of face value Rs. 10 each fully paid up, at a price of Rs. 195 each, including a premium of Rs. 185 each.

55. The Reserve Bank of India had issued the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (the framework) vide circular RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 on October 22, 2021. The framework categorises NBFCs in Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL) and Top Layer (NBFC-TL). The Reserve Bank of India vide press release 2022-2023/975 dated September 30, 2022 has placed the Company in the Upper Layer.

56. The Board of Directors of Tata Capital Financial Services Limited ("the Holding Company" or "TCFSL") at its meeting held on March 28, 2023, approved a Scheme of Arrangement for amalgamation of the Company, a wholly owned subsidiary of Tata Capital Limited ("TCL") and Tata Cleantech Capital Limited ("TCCL"), a subsidiary of TCL with TCL ("the Scheme"), under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder.

57. 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.

58. 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.

59. Figures in the previous year have been regrouped and correspondingly ratios are changed wherever necessary, in order to make them comparable to current year.

In terms of our report of even date For **Walker Chandiok & Co LLP** *Chartered Accountants* Firm's Registration No: 001076N/N500013	In terms of our report of even date For **M M Nissim & Co LLP** *Chartered Accountants* Firm's Registration No: 107122W/W100672	**For and on behalf of the Board of Directors**			
Khushroo B. Panthaky *Partner* Membership No: 042423 Mumbai	**Sanjay Khemani** *Partner* Membership No: 044577 Mumbai	**Rajiv Sabharwal** *(Director)* (DIN No. : 00057333) Mumbai	**F.N. Subedar** *(Director)* (DIN No. : 00028428) Mumbai	**Varsha Purandare** *(Director)* (DIN No. : 05288076) Pune	
Date : April 25, 2023		**Malvika Sinha** *(Director)* (DIN No. : 08373142) Mumbai	**Sarosh Amaria** *(Managing Director)* (DIN No. : 08733676) Mumbai	**Jaykumar Shah** *(Chief Financial Officer)* Mumbai	**Sonali Punekar** *(Company Secretary)* Mumbai

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associates/joint ventures

(Rs. in lakh)

Part "A": Subsidiaries

Sr. No	Name of Subsidiary	The date since when subsidiary was acquired	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share Capital / Partner's Capital / Unitholder's Capital	Reserves & Surplus	Total Assets	Total Liabilitites	Investments	Turnover	Profit / (Loss) before Taxation	Provision for taxation	Profit / (Loss) After Taxation	Proposed Dividend	% of Shareholding
	NA.													

Part "B": Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

(Rs. in lakh)

Sr. No	Name of Associate/Joint Venture	1. Latest audited Balance Sheet date	2. Date on which the Associate was associated or acquired	3. Shares of Associate held by the Company on the year end			4. Description of how there is significant influence	5. Reason why the Associate / Joint Venture has not been consolidated	6. Networth attributable to shareholding as per latest audited Balance Sheet	7. Profit/Loss for the year	
				No. of Shares	Amount of investment in Associate	Extent of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	Fincare Business Services Limited	March 31, 2022	March 21, 2017	25,47,910	734	0.76%	Based on rights under definitive documents	N.A.	542	-3	-410
2	TVS Supply Chain Solutions Limited	March 31, 2022	September 3, 2015	14,54,880	982	0.40%		N.A.	302	15	3,660
3	Fincare Small Finance Bank Limited	March 31, 2022	January 21, 2021	2,38,980	145	0.11%		N.A.	132	-2	-2,137

For and on behalf of the Board of Directors
TATA Capital Financial Services Limited

Rajiv Sabharwal
(Director)
(DIN No. : 00057333)
Mumbai

F.N. Subedar
(Director)
(DIN No. : 00028428)
Mumbai

Varsha Purandare
(Director)
(DIN No. : 05288076)
Pune

Malvika Sinha
(Director)
(DIN No. : 08373142)
Mumbai

Sarosh Amaria
(Managing Director)
(DIN No. : 08733676)
Mumbai

Jaykumar Shah
(Chief Financial Officer)
Mumbai

Sonali Punekar
(Company Secretary)
Mumbai

Date : April 25, 2023

Standalone Financial Statements

Walker Chandiok & Co LLP
Chartered Accountants

11th Floor, Tower II,
One International Centre,
S B Marg, Prabhadevi (W),
Mumbai - 400013

M M Nissim & Co LLP
Chartered Accountants

Barodawala Mansion, B-Wing
3rd Floor, Dr Annie Besant Road
Worli, Mumbai, Maharashtra
400018

Independent Auditor's Report

To the Members of Tata Capital Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Tata Capital Financial Services Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015,the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers (Refer Note 2.xi for significant accounting policies and Note 36 for credit risk disclosures)	
As at 31 March 2023, the Company has reported gross loan assets of ₹ 7,204,354 lakhs against which an impairment loss of ₹ 226,756 lakhs has been recorded. The Company recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 – Financial Instruments'. The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to: ➢ ensuring completeness and accuracy of the data used to create assumption in the model. ➢ determining the criteria for a significant increase in credit risk. ➢ factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. During the previous years, RBI announced various relief measures for the borrowers which were implemented by the Company such as "COVID 19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') dated on 6 August 2020 and 4 June 2021, which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; • Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109; • Understanding management's systems and controls implemented in relation to impairment allowance process. • Accuracy of the computation of the ECL estimate including reasonableness of the methodology and assumption used to determine macro-economic overlays; • Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets. Also evaluated the controls over the modelling process, validation of data and related approvals.

Key Audit Matter	**How our audit addressed the key audit matter**
On the basis of an estimate made by the management, an overlay to the tune of Rs 6,560 lakhs has been carried by the Company as at 31 March 2023 on restructured loans basis their performance and outstanding position. The basis of estimates and assumptions involved in arriving at the overlay are monitored by the Company periodically and significantly depend on future developments in the economy. **Disclosure** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions is also an area of focus. Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.	• Evaluated the appropriateness of the Company's determination of Significant Increase in Credit Risk ("SICR") in accordance with the applicable accounting standard and the basis for classification of various exposures into various stages. Further, assessed the critical assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others; • Performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data; • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; • Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 35 "Financial risk management" disclosed in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Information Technology system for the financial reporting process</td></tr>
<tr><td>The company is highly dependent upon its information technology (IT) systems for carrying out its operations and owing to the significant volume of transactions that are processed daily basis as part of the operations, which impacts key financial accounting and reporting. The company has put in place the IT General Controls and application controls to ensure that the information produced by the company is complete, accurate and reliable. Among other things, the Management also uses the information produced by the entity's IT systems for accounting and preparation and the presentation of the of the financial statements.

Since our audit strategy included focus on entity's key IT systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the use of IT systems and related control environment for accounting and financial reporting as a key audit matter.</td><td>Our audit procedures for assessment of the IT systems and controls over financial reporting, which includes carrying out the key audit procedures, but were not limited to the following:

• Obtained an understanding of the Company's key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e., job processing, data/ system backup and incident management and application controls relevant to our audit.

• Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users;

• Tested application controls (automated controls), related interfaces and report logic for system generated reports relevant to the audit of loans, expenses, payroll, borrowings and investment among others, for evaluating completeness and accuracy and;

• Tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and accuracy of data.</td></tr>
</table>

Information other than the Financial Statements and Auditor’s Report thereon

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

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Board of Director’s Responsibilities for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company’s Board of Directors. The Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone 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 Ind AS specified under section 133 of the Act, RBI Guidelines and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

9. The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

    - Conclude on the appropriateness of Board of Directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;

    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 standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 standalone financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

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

        i. the Company, as detailed in note 42(i) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;

        ii. the Company, as detailed in note 6 to the standalone financial statements, has made provision as at 31 March 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

        iv.

            a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 67 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 67, to the standalone financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year ended 31 March 2023 is in compliance with section 123 of the Act; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423
UDIN: **23042423BGWIND8804**

Mumbai
25 April 2023

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No. 044577
UDIN: **23044577BGUVMG9558**

Mumbai
25 April 2023

Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Tata Capital Financial Services Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

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

(b) The Company has a regular program of physical verification of its property, plant and equipment whereby all the items of fixed 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 all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in note 11 to the standalone financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) 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.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks and financial institutions based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to review on a quarterly basis and audit at the year end.

(iii) (a) The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

Annexure I (Contd)

(a) The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for certain instances as below.

Overdue outstanding as on 31 March 2023

Particulars – Days past due	Total amount due (Rs in lakhs)	No. of Cases
1-29 days	93,832	34,380
30-59 days	53,123	15,034
60-90 days	18,612	8,026
more than 90 days	1,34,555	51,610
Total	3,00,122	1,09,050

(b) According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in course of the business operations of the Company aggregates to Rs 1,34,555 lakhs as at 31 March 2023 in respect of 51,610 number of loans, Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

(c) The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(d) The Company has granted loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment, as per details below:

Particulars	All Parties Rs In Lakhs	Promoters Rs In Lakhs	Related Parties Rs In Lakhs
Aggregate of loans/advances in nature of loan - Repayable on demand and Agreement does not specify any terms or period of repayment	7,356	-	7,356
Total	7,356	-	7,356
Percentage of loans/advances in nature of loan to the total loans	0.10%	-	0.10%

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable.

(v) The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being an non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits from public or there are no amounts which has been considered as deemed deposits within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

Annexure I (Contd)

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lakh)	Amount paid under Protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax	Direct Tax	212.27	84.96	AY 2016-17	Commissioner of Income Tax (Appellate Authority)	
Income Tax	Direct Tax	1712.07	333.00	AY 2017-18	Commissioner of Income Tax (Appellate Authority)	
Income Tax	Direct Tax	2420.26	-	AY 2018-19	Commissioner of Income Tax (Appellate Authority)	
Income Tax	Direct Tax	2840.19	-	AY 2019-20	Commissioner of Income Tax (Appellate Authority)	

Annexure I(Contd)

Name of the statute	Nature of dues	Gross Amount (₹ in lakh)	Amount paid under Protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Value Added Tax	VAT – Tamil Nadu	0.63	-	FY 2012-13	Deputy Commissioner (Commercial Taxes)	
Value Added Tax	VAT – Jharkhand	2.09	-	FY 2014-15	Deputy Commissioner (Commercial Taxes)	
Value Added Tax	UPVAT – Uttar Pradesh	71.15	-	FY 2014-15	Deputy Commissioner (Commercial Taxes)	
Value Added Tax	GJVAT – Gujarat	11.21	-	FY 2014-15	Deputy Commissioner (Commercial Taxes)	
Value Added Tax	VAT – Kerala	84.29	-	FY 2014-15	Joint Commissioner (Appeals)	

Annexure I (Contd)

Name of the statute	Nature of dues	Gross Amount (₹ in lakh)	Amount paid under Protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Value Added Tax	GJCST – Gujarat	2.95	-	FY 2014-15	Deputy Commissioner (Commercial Taxes)	
Value Added Tax	WBVAT – West Bengal	78.65	-	FY 2015-16	West Bengal Taxation Tribunal, Kolkata	
Value Added Tax	JVAT – Jamshedpur, Jharkhand	5.89	-	FY 2015-16	Deputy Commissioner (Commercial Taxes)	
Central Sales Tax	CST – Jamshedpur, Jharkhand	41.23	-	FY 2015-16	Deputy Commissioner (Commercial Taxes)	
Value Added Tax	OVAT – Business Audit 01/10/15-30/06/17	2.35	-	FY 2015-16 FY 2016-17 FY 2017-18	Deputy Commissioner (Commercial Taxes)	
Value Added Tax	WBVAT – West Bengal	4.78	-	FY 2016-17	Sr. Joint Commissioner (Appeals)	

Annexure I (Contd)

Name of the statute	Nature of dues	Gross Amount (₹ in lakh)	Amount paid under Protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Value Added Tax	VAT - Jharkhand	47.94	-	FY 2016-17	Deputy Commissioner (Commercial Taxes)	
Value Added Tax	MVAT - Maharashtra	535.07	-	FY 2017-18	Joint Commissioner (Appeals)	
Value Added Tax	GST - Maharashtra	2.12	-	FY 2017-18	Appeal to Appellate Authority (Joint Commissioner of GST)	
Value Added Tax	GST - Gujarat	385	-	FY 2019-20	Appeal to Appellate Authority (Commissioner of GST)	

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority or any other lender .

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

Annexure I (Contd)

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) The Company did not have any subsidiary or joint venture during the year. Further, according to the information and explanations given to us and 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.

(f) The Company did not have any subsidiary or joint venture during the year. Further, according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its associates.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except for misappropriation of assets of the Company by its employees or by the customers of the Company identified by the management during the year, involving amounts aggregating to 447 lakhs as mentioned in Note 51 of the accompanying financial statements. The Company has initiated necessary action against the employees and customers connected to such instances including termination of their employment contracts and recovery of the amounts.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company No report under Section 143 (12) of the Act has been filed by, the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

Annexure I (Contd)

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

(b) According to the information and explanations given to us, the Company has conducted Non-Banking Financial activities during the year under a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934. Further, the Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India as part of the Group.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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) The Company has fully spent the required amounts towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the for the year.

Annexure I (Contd)

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423
UDIN: **23042423BGWIND8804**

Mumbai
25 April 2023

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No. 044577
UDIN: **23044577BGUVMG9558**

Mumbai
25 April 2023

Walker Chandiok & Co LLP
Chartered Accountants

11th Floor, Tower II,
One International Centre,
S B Marg, Prabhadevi (W),
Mumbai - 400013

M M Nissim & Co LLP
Chartered Accountants

Barodawala Mansion, B-Wing
3rd Floor, Dr Annie Besant Road
Worli, Mumbai, Maharashtra
400018

Annexure II to the Independent Auditor's Report of even date to the members of Tata Capital Financial Services Limited on the standalone financial statements for the year ended 31 March 2023

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

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

1. In conjunction with our audit of the standalone financial statements of **Tata Capital Financial Services Limited** ('the Company') as at and for the year ended **31 March 2023**, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Board of Director's Responsibilities for Internal Financial Controls

2. The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone 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 ('the Guidance Note') 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. 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 standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Annexure II (*Continued*)

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423
UDIN: **23042423BGWIND8804**

Mumbai
25 April 2023

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No. 044577
UDIN: **23044577BGUVMG9558**

Mumbai
25 April 2023

Standalone Balance Sheet

as at March 31, 2023

(Rs. in lakh)

Particulars	Note	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	2,21,103	1,11,722
(b) Bank balances other than (a) above	4	23,765	178
(c) Derivative financial instruments	6	16,759	987
(d) Receivables			
(i) Trade receivables	5	4,776	926
(ii) Other receivables		-	-
(e) Loans	7	69,64,814	53,79,896
(f) Investments	8	4,13,755	2,67,416
(g) Other financial assets	9	38,631	30,240
Total financial assets		76,83,603	57,91,365
(2) Non-financial assets			
(a) Current tax assets (net)	10(i)	12,479	11,932
(b) Deferred tax assets (net)	10(ii)	71,735	65,690
(c) Property, plant and equipment	11	37,344	46,996
(d) Capital work-in-progress	11(i)	115	22
(e) Intangible assets under development	11(ii)	699	569
(f) Other intangible assets	11	2,099	1,867
(g) Right of use assets	39	16,112	7,801
(h) Other non-financial assets	12	25,754	19,090
Total non-financial assets		1,66,337	1,53,967
Total Assets		78,49,940	59,45,332
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments	6	264	28,987
(b) Payables			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	13(ii)	467	68
- Total outstanding dues of creditors other than micro enterprises and small enterprises	13(i)	1,00,518	84,261
(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	28,85,262	22,90,671
(d) Borrowings (other than debt securities)	15	31,99,338	21,85,506
(e) Subordinated liabilities	16	4,32,253	4,32,060
(f) Lease liabilities	39	15,430	8,511
(g) Other financial liabilities	17	1,49,362	99,908
Total financial liabilities		67,82,894	51,29,972
(2) Non-Financial liabilities			
(a) Current tax liabilities (net)	18	22,820	26,719
(b) Provisions	19	5,351	3,365
(c) Other non-financial liabilities	20	13,056	9,002
Total non-financial liabilities		41,227	39,086
(3) Equity			
(a) Equity share capital	21	1,71,885	1,65,987
(b) Other equity	22	8,53,934	6,10,287
Total equity		10,25,819	7,76,274
Total Liabilities and Equity		78,49,940	59,45,332

Summary of significant accounting policies	2		
See accompanying notes forming part of the financial statements	3-69		

In terms of our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

In terms of our report of even date
For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner
Membership No: 042423
Mumbai

Sanjay Khemani
Partner
Membership No: 044577
Mumbai

Rajiv Sabharwal
(Director)
(DIN No. : 00057333)
Mumbai

F.N. Subedar
(Director)
(DIN No. : 00028428)
Mumbai

Varsha Purandare
(Director)
(DIN No. : 05288076)
Pune

Malvika Sinha
(Director)
(DIN No. : 08373142)
Mumbai

Sarosh Amaria
(Managing Director)
(DIN No. : 08733676)
Mumbai

Jaykumar Shah
(Chief Financial Officer)
Mumbai

Sonali Punekar
(Company Secretary)
Mumbai

Date : April 25, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(Rs. in lakh)

	Particulars	***Note***	**For the year ended March 31, 2023 (Audited)**	**For the year ended March 31, 2022 (Audited)**
I	**Revenue from operations**			
(i)	Interest income	*23*	**7,24,147**	**5,65,582**
(ii)	Dividend income	*24*	**24**	**73**
(iii)	Rental income	*25*	**27,440**	**30,660**
(iv)	Fees and commission income	*26*	**22,444**	**18,693**
(v)	Net gain on fair value changes	*27*	**7,764**	**10,911**
	Total Revenue from operations		**7,81,819**	**6,25,919**
II	**Other income**	*28*	**12,067**	**8,098**
III	**Total Income (I+II)**		**7,93,886**	**6,34,017**
IV	**Expenses**			
(i)	Finance costs	*29*	**3,75,510**	**2,83,300**
(ii)	Impairment of financial instruments	*31*	**50,372**	**88,950**
(iii)	Employee benefit expenses	*30*	**81,742**	**56,519**
(iv)	Depreciation, amortisation and impairment	*11*	**19,356**	**25,982**
(v)	Other expenses	*32*	**81,592**	**71,245**
	Total expenses (IV)		**6,08,572**	**5,25,996**
V	**Profit before exceptional items and tax (III-IV)**		**1,85,314**	**1,08,021**
VI	**Exceptional Items**		-	-
VII	**Profit before tax (V-VI)**		**1,85,314**	**1,08,021**
VIII	**Tax expense**			
	(1) Current tax	*10(i)*	**53,845**	**36,245**
	(2) Deferred tax	*10(ii)*	**(6,688)**	**(9,943)**
	Total tax expense		**47,157**	**26,302**
IX	**Profit for the year (VII-VIII)**		**1,38,157**	**81,719**
X	**Other Comprehensive Income**			
	(i) Items that will be reclassified subsequently to statement of profit and loss			
	(a) Fair value (loss) on financial assets carried at Fair Value Through Other Comprehensive Income (FVTOCI)		**(198)**	**(238)**
	(b) Income tax relating to fair value gain on financial assets carried at FVTOCI		**50**	**93**
	(c) The effective portion of gain on hedging instruments in a cash flow hedge		**2,753**	**4,142**
	(d) Income tax relating to the effective portion of (loss) on hedging instruments in a cash flow hedge		**(693)**	**(1,042)**
	(ii) Items that will not be reclassified subsequently to statement of profit and loss			
	(a) Remeasurement of defined employee benefit plans		**(832)**	**(308)**
	(b) Income tax relating to the remeasurement of defined employee benefit plans		**210**	**78**
	Total Other Comprehensive Income		**1,290**	**2,725**
XI	**Total Comprehensive Income for the year (IX+X)**		**1,39,447**	**84,444**
XII	**Earnings per equity share (Face value : Rs. 10 per share) :**			
	(1) Basic (Rupees)		**8.27**	**5.01**
	(2) Diluted (Rupees)		**8.27**	**5.01**

Summary of significant accounting policies	*2*	
See accompanying notes forming part of the financial statements	*3-69*	

In terms of our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

In terms of our report of even date
For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

For and on behalf of the Board of Directors

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Partner
Membership No: 042423
Mumbai

Sanjay Khemani
Partner
Membership No: 044577
Mumbai

Rajiv Sabharwal
(Director)
(DIN No. : 00057333)
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F.N. Subedar
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Varsha Purandare
(Director)
(DIN No. : 05288076)
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(Director)
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Mumbai

Sarosh Amaria
(Managing Director)
(DIN No. : 08733676)
Mumbai

Jaykumar Shah
(Chief Financial Officer)
Mumbai

Sonali Punekar
(Company Secretary)
Mumbai

Date : April 25, 2023

Tata Capital Financial Services Limited

Standalone Statement of Cash Flows

for the year ended March 31, 2023

(Rs. in lakh)

Particulars	Note	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
1 CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**1,85,314**	1,08,021
Adjustments for :			
Depreciation, amortisation and impairment		**19,356**	25,982
Net loss / (gain) on derecognition of property, plant and equipment		**357**	(745)
Net gain on modification/derecognition of right-of-use assets		**(24)**	(169)
Finance cost		**3,75,510**	2,83,300
Interest income		**(7,24,147)**	(5,65,582)
Dividend income		**(24)**	(73)
Lease Rental income		**(3,907)**	-
Net gain on fair value changes			
- Realised		**(7,382)**	(9,249)
- Unrealised		**(382)**	(1,662)
Share based payments		**697**	415
Provision for leave encashment		**284**	86
Impairment loss allowance on loans		**50,208**	88,971
Provision against trade receivables		**97**	(26)
Provision against derivative current credit exposure		**67**	-
Provision against assets held for sale		**-**	(1)
		(1,03,976)	(70,732)
Interest paid		**(3,46,663)**	(2,74,600)
Interest received		**6,92,881**	5,37,646
Dividend received		**24**	73
Cash generated from operation before working capital changes		**2,42,266**	**1,92,387**
Movement in working capital:			
(Increase)/decrease in trade receivables		**(3,947)**	1,062
Increase in trade payables		**16,656**	20,360
Increase in loans		**(16,06,750)**	(11,59,832)
(Increase)/decrease in other financial assets		**(9,477)**	32,561
Increase in other non financial assets		**(4,678)**	(5,650)
Increase/(decrease) in other financial liabilities		**45,553**	(24,125)
Increase/(decrease) in other non financial liabilities		**7,409**	(944)
		(13,12,968)	**(9,44,181)**
Taxes paid		**(58,081)**	(30,143)
NET CASH USED IN OPERATING ACTIVITIES (A)		**(13,71,049)**	**(9,74,324)**
2 CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment (including capital advances)		**(14,746)**	(1,838)
Proceeds from sale of property, plant and equipment		**5,480**	6,295
Purchase of investments		**(6,04,368)**	(5,22,930)
Purchase of mutual fund units		**(2,10,14,958)**	(1,64,00,180)
Proceeds from redemption of mutual fund units		**2,10,06,835**	1,63,43,194
Proceeds from sale of investments		**4,77,662**	4,56,622
Fixed deposits placed		**(23,501)**	(5)
NET CASH USED IN INVESTING ACTIVITIES (B)		**(1,67,596)**	**(1,18,842)**
3 CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity Shares		**1,15,001**	30,000
Share issue/ Debenture issue / loan processing expenses		**(1,219)**	(1,739)
Interim dividend paid on equity shares		**(5,478)**	(12,061)
Proceeds from borrowings (other than debt securities)		**35,65,505**	33,33,249
Proceeds from debt securities		**19,72,317**	52,64,908
Proceeds from subordinated liabilities		**-**	75,000
Repayment of borrowings (other than debt securities)		**(26,05,989)**	(26,08,752)
Repayment of debt securities		**(13,88,180)**	(49,71,966)
Repayment of subordinated liabilities		**-**	(485)
Repayment of principal portion of lease liabilities		**(3,167)**	(2,890)
Repayment of interest portion of lease liabilities		**(764)**	(692)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		**16,48,026**	**11,04,572**

TATA Capital Financial Services Limited

Standalone Statement of Cash Flows (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

Particulars	***Note***	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
		(Audited)	**(Audited)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		**1,09,381**	**11,406**
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**1,11,722**	1,00,316
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**2,21,103**	**1,11,722**
Summary of significant accounting policies	*2*		
See accompanying notes forming part of the financial statements	*3-69*		

In terms of our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

In terms of our report of even date
For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner
Membership No: 042423
Mumbai

Sanjay Khemani
Partner
Membership No: 044577
Mumbai

Rajiv Sabharwal
(Director)
(DIN No. : 00057333)
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(DIN No. : 08373142)
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Sarosh Amaria
(Managing Director)
(DIN No. : 08733676)
Mumbai

Jaykumar Shah
(Chief Financial Officer)
Mumbai

Sonali Punekar
(Company Secretary)
Mumbai

Date : April 25, 2023

Statement of Changes in Equity

for the year ended March 31, 2023

(Rs. in lakh)

a. Equity share capital

Particulars	Rs. in Lakh
Balance as at April 1, 2021	**1,62,993**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	**1,62,993**
Changes in equity share capital during the year	2,994
Balance at March 31, 2022	**1,65,987**
Balance as at April 1, 2022	**1,65,987**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2022	**1,65,987**
Changes in equity share capital during the year	5,898
Balance at March 31, 2023	**1,71,885**

b. Other equity

Particulars	Reserves and surplus						Item of other comprehensive income			
	Securities premium	Debenture Redemption Reserve	Special Reserve Account	Retained earnings	General Reserve	Share options outstanding account	Cash flow hedge reserve	Remeasurement of defined benefit liability /asset	Fair value gain / (loss) on Financial Assets carried at FVTOCI	Total other equity
Balance as at April 1, 2021	**3,34,897**	**30,000**	**64,613**	**81,637**	**1,184**	**470**	**(2,118)**	**(287)**	**145**	**5,10,541**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	**3,34,897**	**30,000**	**64,613**	**81,637**	**1,184**	**470**	**(2,118)**	**(287)**	**145**	**5,10,541**
Profit for the year	-	-	-	81,719	-	-	-	-	-	**81,719**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	3,100	(230)	(145)	**2,725**
Total comprehensive income for the year	**-**	**-**	**-**	**81,719**	**-**	**-**	**3,100**	**(230)**	**(145)**	**84,444**
Transfer to general reserve	-	-	-	-	126	(126)	-	-	-	-
Share based payment expense	-	-	-	-	-	357	-	-	-	**357**
Premium on issue of Equity Shares	27,006	-	-	-	-	-	-	-	-	**27,006**
Share issue expenses	-	-	-	-	-	-	-	-	-	-
Interim Dividend on equity shares	-	-	-	(12,061)	-	-	-	-	-	**(12,061)**
Transfer to Special Reserve Account	-	-	16,344	(16,344)	-	-	-	-	-	-
Balance at March 31, 2022	**3,61,903**	**30,000**	**80,957**	**1,34,951**	**1,310**	**701**	**982**	**(517)**	**-**	**6,10,287**
Balance as at April 1, 2022	**3,61,903**	**30,000**	**80,957**	**1,34,951**	**1,310**	**701**	**982**	**(517)**	**-**	**6,10,287**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	**3,61,903**	**30,000**	**80,957**	**1,34,951**	**1,310**	**701**	**982**	**(517)**	**-**	**6,10,287**
Profit for the year	-	-	-	1,38,157	-	-	-	-	-	**1,38,157**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	2,060	(622)	(148)	**1,290**
Total comprehensive income for the year	**-**	**-**	**-**	**1,38,157**	**-**	**-**	**2,060**	**(622)**	**(148)**	**1,39,447**
Transfer to general reserve	-	(30,000)	-	-	30,105	(105)	-	-	-	-
Share based payment expense	-	-	-	-	-	581	-	-	-	**581**
Premium on issue of Equity Shares	1,09,103	-	-	-	-	-	-	-	-	**1,09,103**
Share issue expenses	(6)	-	-	-	-	-	-	-	-	**(6)**
Interim Dividend on equity shares	-	-	-	(5,478)	-	-	-	-	-	**(5,478)**
Transfer to Special Reserve Account	-	-	27,632	(27,632)	-	-	-	-	-	-
Balance at March 31, 2023	**4,71,000**	**-**	**1,08,589**	**2,39,998**	**31,415**	**1,177**	**3,042**	**(1,139)**	**(148)**	**8,53,934**

Summary of significant accounting policies *2*

See accompanying notes forming part of the financial statements *3-69*

In terms of our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

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Jaykumar Shah
(Chief Financial Officer)
Mumbai

Sonali Punekar
(Company Secretary)
Mumbai

Date : April 25, 2023

1. CORPORATE INFORMATION

Tata Capital Financial Services Limited (the "Company") is a wholly owned subsidiary of Tata Capital Limited and a Systemically Important Non-Deposit Accepting Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated November 4, 2011. 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 and significant accounting policies

i. Statement of compliance:

These standalone 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), notified under Section 133 of the Companies Act, 2013 (the "Act") (as amended), other relevant provisions of the Act, guidelines issued by the Reserve Bank of India as applicable to an NBFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by 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 25, 2023.

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 amended) as specified under Section 133 of the Act 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 34A and 34B

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, 2023 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 42 - Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions
- Note xxi – 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 34 – determination of the fair value of financial instruments with significant unobservable inputs.

- Note 36A(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.

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.

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

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. Revenue is measured at the transaction price allocated to the performance obligation in accordance with Ind AS 115. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

Fees and commission income

1. The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery. Bounce charges levied on customers for non-payment of instalment on the contractual date is recognised on realisation.

2. Fees on value added services and products are recognised on rendering of services and products to the customer.

3. Distribution income is earned by distribution of services and products of other entities under distribution arrangements. The income so earned is recognised on successful distribution on behalf of other entities subject to there being no significant uncertainty of its recovery.

4. Foreclosure charges are collected from loan customers for early payment / closure of loan and are recognised on realisation.

5. Wealth Management Business:

a) Brokerage / Distribution Fee Income
Bonds / Fixed Deposits / Unlisted Equity / Wills & Trust / Alternative Investment Funds / International products / External Asset Cross sell / Other Referral Products

Income is recognised as per the contractual rate on trade date basis and is exclusive of goods and services tax and securities transaction tax (STT) wherever applicable.

b) Insurance Income

Income is recognised for the commission earned by the Company on the issuance of policies logged in during the month and confirmed by the Insurers subject to cancellations done by the customers.

c) Income from Mutual Funds

Income is recognised as per the commission specified in the agreement on daily average assets under management which is provided by Registrar and Transfer Agents of each Mutual Fund Entities

d) Income from Portfolio Management Services ("PMS") & Alternative Investment Funds ("Trail based AIF")

a. Income from PMS and Trail based AIF is recognised on monthly basis on the monthly closing assets of each partner and as per the contractual commission specified in the agreement.
b. Processing fees, if any, is recognized on upfront basis in the year of receipt.
c. Performance based fee, wherever applicable, is recognized as a percentage of annual profit, in accordance with the terms of the agreement with clients on the completion of the period.

viii. Dividend income

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

ix. Leases

Asset given on lease:
Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease is retained by the lessor. Leases of assets under which substantially all of the risks and rewards of ownership are effectively retained by the lessee are classified as finance lease.

Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return. The principal amount received reduces the net investment in the lease and interest is recognised as revenue.

Lease rental - under operating leases (excluding amount for services such as insurance and maintenance) are recognised on a straight-line basis over the lease term.

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 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.

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 (FVOCI); or
3) fair value through profit and loss (FVTPL).

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 FVOCI – equity investment). This election is made an investment – by – investment basis.

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

Investment in associates are recognised at cost.

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 FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or

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

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 FVOCI), 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 36A.

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 more than 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 Fraud Risk Management Committee. Once an account defaults as a result of the Days past due 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 an 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 36A(iii)).

Impairment of Trade receivable and Operating lease receivable

Impairment allowance on trade receivables is made under simplified approach 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 FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

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 into 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, (with an original maturity of three months or less from the date of placement), 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 -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. The residual value of each asset given on Operating lease is determined at the time of recording of the lease asset. If the residual value of the Operating lease asset is higher than 5%, the Company has a justification in place for considering the same.

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, software, plant and machinery and vehicles, in whose case the life of the assets has been internally 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.

Based on internal assessment, depreciation on tangible property, plant and equipment deployed on operating lease has been provided on the straight-line method over the primary lease period of 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, while Goodwill if any is tested for impairment at each Balance Sheet date. 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	Owned: 10 years
Computer Equipment	Owned: 4 years
Office Equipment	Owned: 5 years
Vehicles	Owned: 4 years
Software	Owned: 1 to 10 years
Buildings	25 years
Plant & Machinery	Owned: 10 years

In case of leased assets, useful life is considered as per the lease period.

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 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, 2023.

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's main business is financing by way of loans for retail and corporate borrowers in India. The Company's operating segments consist of "Financing Activity", " Investment Activity" and "Others". All other activities of the Company revolve around the main businesses. This in the context of Ind AS 108 – operating segments reporting are considered to constitute reportable segment. The Chief Operating Decision Maker (CODM) of the Company is the Managing Director along with the Board of Directors in the operating segment. Operating segment disclosures are consistent with the information reviewed by the CODM.

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. Accordingly, all operating segment's operating results of the Company are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The "Financing Activity" segment consists of asset financing, term loans (corporate and retail), channel financing, credit substitutes, investments linked to/arising out of lending business and bill discounting. The "Investment Activity" segment includes corporate investments and "Others" segment primarily includes advisory services, wealth management, distribution of financial products and leasing.
Revenue and expense directly attributable to segments are reported under each operating segment. Expenses not directly identifiable to each of the segments have been allocated to each segment on the basis of associated revenues/expense of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.
Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

xvii. Investments in associates

The Company has elected to measure investment in associate at cost as per Ind AS 27 – Separate Financial Statements, accordingly measurement at fair value through statement of profit and loss account and related disclosure under Ind AS 109 does not apply.

xviii. 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

xix. 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.

xx. 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.

xxi. 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

xxii. 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) uncalled liability on shares and other investments partly paid;
c) funding related commitment to associate; and

d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
e) other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.
f) commitments under Loan agreement to disburse Loans
g) lease agreements entered but not executed

xxiii. 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.

xxiv. 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.

xxv. Recent accounting pronouncements :

The Ministry of Corporate Affairs (MCA) on 31st March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1st April, 2023.

- Indian Accounting Standard (Ind AS) 1 – Presentation of financial statements – This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies.

  The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

  The Company does not expect this amendment to have any material impact in its financial statements.

- Indian Accounting Standard (Ind AS) 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has changed the definition of a "change in accounting estimates" to a definition of “accounting estimates”. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Company does not expect this amendment to have any material impact in its financial statements.

- Indian Accounting Standard (Ind AS) 12 – Income taxes – This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.

  The Company does not expect this amendment to have any material impact in its financial statements.

Notes forming part of the Standalone Financial Statements *(Continued)*
as at March 31, 2023

(Rs. in lakh)

3. CASH AND CASH EQUIVALENTS

PARTICULARS	As at March 31. 2023	As at March 31. 2022
(a) Cash on hand	30	14
(b) Balances with banks		
- In current accounts	2,20,138	98,331
- In deposit accounts	-	13,006
(c) Cheques on hand	935	371
Total	**2,21,103**	**1,11,722**

Note:

(i) As at March 31, 2023, the Company had undrawn committed borrowing facilities of Rs. 5,74,700 Lakh (March 31, 2022 : Rs. 4,37,500 Lakh).

4. OTHER BALANCES WITH BANKS

PARTICULARS	As at March 31. 2023	As at March 31. 2022
(a) Earmarked balances with banks in current accounts (refer note (i) below)	199	131
(b) Balances with banks in deposit accounts (Refer note (ii) and (iii) below)	23,566	47
Total	**23,765**	**178**

Note:

(i) Pertains balance in current account towards unclaimed matured debentures, unclaimed application money and accrued interest thereon.

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

(iii) Deposits amounting to Rs. 25 lakh (March 31, 2022 : Rs. 25 lakh) pertain to collateral deposits with banks for Aadhaar authentication.

5. TRADE RECEIVABLES

PARTICULARS	As at March 31. 2023	As at March 31. 2022
(i) Receivables considered good - secured	-	-
(ii) Receivables considered good - unsecured	4,776	813
(iii) Receivables which have significant increase in credit risk - unsecured	88	132
(iv) Receivables - credit impaired - unsecured	-	-
	4,864	945
Less: Allowance for impairment loss		
(i) Significant increase in credit risk	88	19
Total	**4,776**	**926**

Trade receivables include amounts due from the related parties Rs. 261 lakh (March 31, 2022 : Rs. 131 lakh).

Notes forming part of the Standalone Financial Statements *(Continued)*
as at March 31, 2023

(Rs. in lakh)

5. TRADE RECEIVABLES *(Continued)*

PARTICULARS	As at March 31, 2023							
	Unbilled Dues	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	4,759	17	-	-	-	**4,776**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	36	7	10	35	**88**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
Total								**4,864**

Note : Ageing of the trade receivables is determined from the date of transaction.

PARTICULARS	As at March 31, 2022							
	Unbilled Dues	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	797	16	-	-	-	**813**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	57	12	63	**132**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
Total								**945**

Note : Ageing of the trade receivables is determined from the date of transaction.

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

6. Derivative financial instruments

As at March 31, 2023

Derivatives held for cashflow hedge	Notional value - USD (in mn)	Notional value - JPY (in mn)	Notional value (Rs. in lakh)	Fair value assets (Rs. in lakh)	Fair value liabilities (Rs. in lakh)
(i) Currency derivatives :					
Foreign exchange forward contract	121	-	99,015	901	-
Cross currency swap	465	-	3,81,825	13,501	264
Subtotal (i)	586	-	4,80,840	14,402	264
(ii) Interest rate derivatives :					
Interest rate swap*	-	-	-	2,357	-
Subtotal (ii)	-	-	-	2,357	-
Total (i)+(ii)	**586**	**-**	**4,80,840**	**16,759**	**264**

*Interest rate swap has been taken in respect of the same contract for which forward contract has been entered, accordingly notional value of Interest rate swap is not shown separately.

As at March 31, 2022

Derivatives held for cashflow hedge	Notional value - USD (in mn)	Notional value - JPY (in mn)	Notional value (Rs. in lakh)	Fair value assets (Rs. in lakh)	Fair value liabilities (Rs. in lakh)
(i) Currency derivatives :					
Foreign exchange forward contract	176	14,455	2,22,465	-	28,573
Cross currency swap	100	-	75,520	88	298
Subtotal (i)	276	14,455	2,97,985	88	28,871
(ii) Interest rate derivatives :					
Interest rate swap*	-	-	-	899	116
Subtotal (ii)	-	-	-	899	116
Total (i)+(ii)	**276**	**14,455**	**2,97,985**	**987**	**28,987**

*Interest rate swap has been taken in respect of the same contract for which forward contract has been entered, accordingly notional value of Interest rate swap is not shown separately.

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

As at March 31, 2023

PARTICULARS	Notional amount	Carrying amount of hedging instruments assets	Carrying amount of hedging instruments liabilities	Weighted average contract / strike price of the hedging instrument (Rupees)	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness profit / (loss)
INR USD - Forward exchange contracts	-	901	-	86.85	901
INR JPY - Forward exchange contracts	-	-	-	-	-
INR USD - Currency Swaps	3,81,825	13,501	264	79.78	13,236

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 (Rupees)	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness profit / (loss)
INR USD - Forward exchange contracts	1,32,873	-	3,747	82.59	(3,746)
INR JPY - Forward exchange contracts	89,592	-	24,826	0.82	(24,826)
INR USD - Currency Swaps	75,520	88	298	76.21	(210)

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

6. Derivative financial instruments *(Continued)*

Hedged item

As at March 31, 2023 (Rs. in lakh)

PARTICULARS	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness	Cost of hedge reserve as at	Cost of hedging as at	Foreign Currency Monetary Items Translation Reserve
FCY Term Loans	(14,997)	(1,262)	-	-

As at March 31, 2022 (Rs. in lakh)

PARTICULARS	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness	Cost of hedge reserve as at	Cost of hedging as at	Foreign Currency Monetary Items Translation Reserve
FCY Term Loans	1,532	(27,652)	-	-

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, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Forward exchange contracts and Currency swaps	26,390	(9,584)	-	-

6.3 Movement in the cash flow hedge reserve are as follows:

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Opening Balance	982	(2,118)
Effective portion of changes in fair value Currency Swap	13,446	1,094
Effective portion of changes in fair value Interest rate risk	1,575	2,540
Effective portion of changes in fair value Interest rate Cap	-	56
Effective portion of changes in fair value foreign currency risk	29,473	(13,468)
Foreign currency translation differences	(16,529)	2,790
Foreign currency translation differences on interest	-	-
Amortisation of forward premium	(25,279)	11,130
Provision against derivative current credit exposure	67	-
Tax on movements on reserves during the year	(693)	(1,042)
Closing Balance	**3,042**	**982**

All hedges are 100% effective i.e. there is no ineffectiveness (refer note 36)

6.4 Net investment hedging : Nil

6.5 Undesignated Derivatives : Nil

6.6 Average interest rate:
- Interest rate swap: 7.83%
- Cross currency swap: 8.24%

Notes forming part of the Standalone Financial Statements (Continued)

as at March 31, 2023

(Rs. in lakh)

7. LOANS

PARTICULARS	As at March 31, 2023	As at March 31, 2022
LOANS		
(A)		
- Amortised Cost		
(i) Bills purchased and bills discounted	1,70,657	2,37,005
(ii) Loans repayable on demand (refer note 7(g) below)	7,356	7,356
(iii) Term loans	63,89,219	49,49,784
(iv) Credit substitutes (refer note 7(a) below)	3,10,862	2,44,152
(v) Finance lease and hire purchase	2,25,380	1,61,039
(vi) Factoring	65,244	-
(vii) Retained portion of assigned loans	866	1,212
- At Fair Value through Other Comprehensive Income		
- Term loans	32,259	-
- At Fair Value through Profit and Loss		
- Credit substitutes (refer note 7(a) below)	2,511	2,519
Gross Loans	72,04,354	56,03,067
Less : Impairment loss allowance (refer note 7(b) below)		
- Stage I & II	1,06,381	1,12,453
- Stage III	1,20,375	98,393
Loans net of impairment loss allowance	69,77,598	53,92,221
Add: Unamortised loan sourcing costs	22,841	12,928
Less : Revenue received in advance	(35,625)	(25,253)
Total (A)	69,64,814	53,79,896
(B)		
(i) Secured by tangible assets (refer note 7(c) below)	45,17,532	37,20,003
(ii) Secured by intangible assets	-	-
(iii) Covered by bank / government guarantees	-	-
(iv) Unsecured (refer note 7(d) below)	26,86,822	18,83,064
Gross Loans	72,04,354	56,03,067
Less : Impairment loss allowance		
- Stage I & II	1,06,381	1,12,453
- Stage III	1,20,375	98,393
Loans net of impairment loss allowance	69,77,598	53,92,221
Add: Unamortised loan sourcing costs	22,841	12,928
Less : Revenue received in advance	(35,625)	(25,253)
Total (B)	69,64,814	53,79,896
(C)		
(I) Loans in India		
(i) Public sector	23,822	213
(ii) Others (Refer note 7(h) below)	71,80,532	56,02,854
Gross Loans	72,04,354	56,03,067
Less : Impairment loss allowance		
- Stage I & II	1,06,381	1,12,453
- Stage III	1,20,375	98,393
Loans net of impairment loss allowance	69,77,598	53,92,221
Add: Unamortised loan sourcing costs	22,841	12,928
Less : Revenue received in advance	(35,625)	(25,253)
Total (C) (I)	69,64,814	53,79,896
(II) Loans outside India		
(i) Public sector	-	-
(ii) Others	-	-
Total - Loans outside India	-	-
Total (C) (I + II)	69,64,814	53,79,896

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

7. LOANS *(Continued)*

7. a. Investments in bonds, debentures and other financial instruments which, in substance, form a part of the Company's financing activities ("Credit Substitutes") have been classified under Loans. In the past these were classified as a part of Investments. The classification results in a better presentation of the substance of these investments and is in alignment with regulatory filings.

7. b. Impairment loss allowance of Rs. 88 lakh (March 31, 2022 : Rs. Nil lakh) has been provided on loans designated as fair value through other comprehensive income.

7. c. Loans secured by tangible assets include loans measured at fair value through profit and loss Rs. 1,020 lakh (March 31, 2022 : Rs. 1,000 lakh) and loans measured at FVTOCI Rs. Nil lakh (March 31, 2022 : Rs. Nil lakh)

7. d. Unsecured loans include loans measured at fair value through profit and loss Rs. 1,491 lakh (March 31, 2022 : Rs. 1,519 lakh) and loans measured at FVTOCI Rs. 32,259 (March 31, 2022 : Rs. Nil)

7. e. Loans to related parties Rs. 1,73,106 lakh (March 31, 2022 : Rs. 1,15,806 lakh).

7. f. The details of Gross investments and unearned finance income in respect of assets given under finance lease are as under:

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Gross Investments:		
- Within one year	80,723	73,682
- Later than one year and not later than five years	1,33,594	89,795
- Later than five years	800	698
Total	**2,15,117**	**1,64,175**
Unearned Finance Income:		
- Within one year	17,255	22,084
- Later than one year and not later than five years	16,126	3,754
- Later than five years	79	16
Total	**33,460**	**25,854**
Present Value of Rentals *:		
- Within one year	63,468	51,598
- Later than one year and not later than five years	1,17,468	86,041
- Later than five years	721	682
Total	**1,81,657**	**1,38,321**

* Present Value of Rentals represent the Current Future Outstanding Principal.

7. g. Loans repayable on demand pertains to loan given to TCL employee welfare trust and accounts for 0.10% of total gross loans and advances (March 31, 2022 : 0.13%)

7. h. Loans to others include loans to retail and corporate other than public sector undertakings (PSUs).

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

8. INVESTMENTS

PARTICULARS		As at March 31, 2023	As at March 31, 2022
Investments in India			
(A)	**Investments carried at fair value through profit or loss**		
	Fully paid equity shares (quoted)	3,957	7,195
	Fully paid equity shares (unquoted)	4,613	4,461
	Mutual funds (quoted)	76,786	61,658
	Security receipts	-	8
(B)	**Investments carried at Amortised Cost**		
	Investment in Government Securities	2,53,342	1,35,991
	Investment in Treasury Bills	73,197	56,243
		4,11,895	2,65,556
(C)	**Investments carried at cost**		
	Associates companies		
	Fully paid equity shares (unquoted)	1,860	1,860
	Less: Diminution in value of investments	-	-
	Net Carrying value of investments	1,860	1,860
Total Investments		4,13,755	2,67,416

The market value of quoted investment is equal to the book value.

Note : There are no investments outside India.

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

9. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) Security deposits	5,315	8,004
(b) Advances recoverable from related parties	88	115
(c) Assignment of Negotiable instruments application money (refundable)	1,462	10
(d) Receivable on sale/redemption of investment	162	176
Less : Provision for receivable on sale/redemption of investment	(162)	(162)
Net receivable on sale/redemption of investment	-	14
(e) Income accrued but not due	5,791	7,090
(f) Advances to employees	50	43
(g) Receivable under buyer's credit facility	22,485	12,680
Less : Provision for buyer's credit facility	129	99
Net receivable under buyer's credit facility	22,356	12,581
(h) Other receivables	3,569	2,383
Total	**38,631**	**30,240**

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

10. (i) INCOME TAXES

CURRENT TAX ASSET (NET)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Advance tax and tax deducted at source (net of provision for tax Rs. 1,27,863 lakh (March 31, 2022 : Rs. 91,304))	12,479	11,932
Total	**12,479**	**11,932**

A The income tax expense consist of the following:

Particulars	For the year ended March 31. 2023	For the year ended March 31. 2022
Current tax:		
Current tax expense for the year	**53,845**	**36,638**
Current tax benefit pertaining to prior years	**-**	**(393)**
	53,845	**36,245**
Deferred tax (benefit)/charge		
Origination and reversal of temporary differences	**(6,688)**	**(9,943)**
Change in tax rates	**-**	**-**
	(6,688)	**(9,943)**
Total income tax expense for the year	**47,157**	**26,302**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before income taxes	**1,85,314**	**1,08,021**
Indian statutory income tax rate	**25.168%**	**25.168%**
Expected income tax expense	**46,640**	**27,187**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Non deductible expenses	**433**	**97**
Tax on income at different rates	**64**	**(817)**
Tax pertaining to prior years	**20**	**(54)**
Recognition of previously unrecognized tax lossess	-	**(111)**
Total income tax expense	**47,157**	**26,302**

Note:

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

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

10. (i) INCOME TAXES

B. Amounts recognised in OCI

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(832)	210	(622)	(308)	78	(230)
Items that are or may be reclassified subsequently to profit or loss						
Fair value gain on Financial Assets carried at FVTOCI	(198)	50	(148)	(238)	93	(145)
The effective portion of gains and loss on hedging instruments in a cash flow hedge	2,753	(693)	2,060	4,142	(1,042)	3,100
Total	**1,723**	**(433)**	**1,290**	**3,596**	**(871)**	**2,725**

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

10. (ii) DEFERRED TAX ASSET

The major components of deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

Particulars	Opening Balance	Recognised / (reversed) through profit and loss	Change in Tax Rate	Recognised directly in equity	Recognised / reclassified from other comprehensive income	Closing Balance
Deferred Tax Assets :-						
(a) Impairment loss allowance - Stage III	22,805	4,653	-	-	-	27,458
(b) Impairment loss allowance - Stage I & II	28,723	(1,116)	-	-	(22)	27,585
(c) Employee benefits	371	71	-	-	-	442
(d) Deferred income	5,629	2,173	-	-	-	7,802
(e) Other deferred tax assets	1,609	(597)	-	-	-	1,012
(f) Depreciation on property, plant, equipment & intangibles	7,707	595	-	-	-	8,302
(g) Right to use asset	677	20	-	-	-	697
(h) Cash flow hedge	(330)	-	-	-	(693)	(1,023)
(i) FV of Security Deposit	-	(48)	-	-	-	(48)
Deferred Tax Liabilities :-						
(a) Debenture issue expenses	(894)	197	-	-	-	(697)
(b) Investments measured at fair value	(607)	740	-	-	-	133
(c) Loans measured at FVTOCI	-	-	-	-	72	72
Net Deferred Tax Asset	**65,690**	**6,688**	**-**	**-**	**(643)**	**71,735**

The major components of deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

Particulars	Opening Balance	Recognised / reversed through profit and loss	Change in Tax Rate	Recognised directly in equity	Recognised / reclassified from other comprehensive income	Closing Balance
Deferred Tax Assets :-						
(a) Impairment loss allowance - Stage III	22,602	203	-	-	-	22,805
(b) Impairment loss allowance - Stage I & II	21,180	7,543	-	-	-	28,723
(c) Employee benefits	349	22	-	-	-	371
(d) Deferred income	4,888	741	-	-	-	5,629
(e) Other deferred tax assets	1,615	(6)	-	-	-	1,609
(f) Depreciation on property, plant, equipment & intangibles	6,364	1,343	-	-	-	7,707
(g) Right to use asset	652	25	-	-	-	677
(h) Cash flow hedge	712	-	-	-	(1,042)	(330)
Deferred Tax Liabilities :-						
(a) Debenture issue expenses	(1,108)	214	-	-	-	(894)
(b) Investments measured at fair value	(496)	(111)	-	-	-	(607)
(c) Loans measured at FVTOCI	(60)	(33)	-	-	93	-
Net Deferred Tax Asset	**56,698**	**9,941**	**-**	**-**	**(949)**	**65,690**

Gross deferred tax assets and liabilities are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred Tax Assets :-		
(a) Impairment loss allowance - Stage III	27,458	22,805
(b) Impairment loss allowance - Stage I & II	27,585	28,723
(c) Employee benefits	442	371
(d) Deferred income	7,802	5,629
(e) Other deferred tax assets	1,012	1,609
(f) Depreciation on property, plant, equipment & intangibles	8,302	7,707
(g) Right to use asset	697	677
(h) Cash flow hedge	(1,023)	(330)
(i) FV of Security Deposit	(48)	-
Deferred Tax Liabilities :-		
(a) Debenture issue expenses	(697)	(894)
(c) Fair value of investments	133	(607)
(d) Loans measured at FVTOCI	72	-
Net Deferred Tax Asset	**71,735**	**65,690**

Tata Capital Financial Services Limited

Notes forming part of the Standalone Financial Statements (Continued)

as at March 31, 2023

(Rs. in lakh)

11. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2022	Additions/ Adjustments	Deletions	Written off during the year	Closing balance as at March 31, 2023	Opening balance as at April 1, 2022	Depreciation/ Amortisation for the year**	Deletions/ Adjustments	Closing balance as at March 31, 2023	As at March 31, 2023
TANGIBLE ASSETS										
Buildings #	3,677	-	-	-	3,677	999	200	-	1,199	2,478
	3,677	*-*	*-*	*-*	*3,677*	*799*	*200*	*-*	*999*	*2,678*
Leasehold Improvements	2,740	1,191	31	-	3,900	1,722	359	26	2,055	1,845
	2,354	*415*	*30*	*-*	*2,740*	*1,479*	*263*	*20*	*1,722*	*1,018*
Furniture & Fixtures	773	401	20	1	1,153	485	185	17	653	500
	713	*104*	*27*	*17*	*773*	*396*	*113*	*24*	*485*	*288*
Computer Equipment	6,270	1,662	1,133	1	6,798	4,382	1,076	1,134	4,324	2,474
	4,854	*1,416*	*-*	*-*	*6,270*	*3,426*	*956*	*-*	*4,382*	*1,888*
Office Equipment	1,287	464	7	1	1,743	962	198	6	1,154	589
	1,116	*190*	*18*	*-*	*1,287*	*785*	*189*	*12*	*962*	*326*
Plant & Machinery	198	-	4	-	194	161	15	4	172	22
	199	*-*	*-*	*-*	*198*	*136*	*25*	*-*	*161*	*37*
Vehicles	1,032	532	181	-	1,383	352	292	121	523	860
	559	*561*	*77*	*10*	*1,032*	*191*	*190*	*29*	*352*	*680*
ASSETS GIVEN UNDER OPERATING LEASE/RENTAL										
Construction Equipment	8,566	2,050	1,623	-	8,993	6,869	948	1,481	6,336	2,657
	10,097	*-*	*1,480*	51	*8,566*	7,164	*971*	*1,266*	*6,869*	*1,697*
Vehicles	3,877	1,488	1,339	-	4,026	2,758	268	1,207	1,819	2,207
	3,991	*-*	*114*	*-*	*3,877*	2,525	*320*	*87*	*2,758*	*1,119*
Plant & Machinery	69,993	3,816	12,611	-	61,198	41,420	8,926	10,706	39,640	21,558
	78,875	*1,311*	*10,193*	*-*	*69,993*	40,103	*10,356*	*9,039*	*41,420*	*28,573*
Computer Equipment	22,741	-	11,225	52	11,464	16,220	2,641	9,356	9,505	1,959
	28,297	*242*	*5,701*	97	*22,741*	*16,043*	*5,129*	*4,951*	*16,220*	*6,521*
Furniture & Fixtures	389	-	324	-	65	315	35	289	61	4
	931	*-*	*542*	*-*	*389*	*713*	*98*	*495*	*315*	*74*
Office Equipments	2,485	-	2,081	105	299	2,239	8	1,979	268	31
	2,755	*-*	*147*	122	*2,485*	*1,954*	*529*	*244*	*2,239*	*246*
Railway Wagons	15,010	-	12,139	-	2,871	13,404	159	10,756	2,807	64
	15,010	*-*	*-*	*-*	*15,010*	*10,832*	*2,572*	*-*	*13,404*	*1,606*
Electrical Installation & Equipments	985	-	462	-	523	742	106	421	427	96
	2,077	*-*	*1,092*	*-*	*985*	*1,426*	*185*	*869*	*742*	*243*
TANGIBLE ASSETS - TOTAL	**1,40,024**	**11,604**	**43,180**	**160**	**1,08,287**	**93,030**	**15,416**	**37,503**	**70,943**	**37,344**
	1,55,505	*4,239*	*19,420*	*298*	*1,40,025*	*87,971*	*22,096*	*17,038*	*93,029*	*46,996*

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

11. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(Rs. in lakh)

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2022	Additions/ Adjustments	Deletions	Written off during the year	Closing balance as at March 31, 2023	Opening balance as at April 1, 2022	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2023	As at March 31, 2023
INTANGIBLE ASSETS (other than internally generated)										
Software	4,709	935	-	-	*5,644*	2,842	703	-	*3,545*	*2,099*
	4,131	*578*	-	-	*4,709*	*2,114*	*729*	-	*2,842*	*1,867*
INTANGIBLE ASSETS - TOTAL	**4,709**	**935**	**-**	**-**	**5,644**	**2,842**	**703**	**-**	**3,545**	**2,099**
	4,131	*578*	-	-	*4,709*	*2,114*	*729*	-	*2,842*	*1,867*
Total	**1,44,733**	**12,539**	**43,180**	**160**	**1,13,931**	**95,872**	**16,119**	**37,503**	**74,488**	**39,443**
	1,59,636	*4,817*	*19,420*	*298*	*1,44,734*	*90,085*	*22,824*	*17,038*	*95,872*	*48,862*

Figures in italics relate to March 31, 2022
Immovable property having net carrying value amounting to Rs. 18 lakh is hypothecated against borrowings, refer notes 14.1 and 36(B)(iii).
** 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 ended is Rs. 3,237 lakh (March 31, 2022 : Rs. 3,158 lakh)

The Company confirms that, the title deeds of immovable properties are held in the name of the company.

Notes forming part of the Standalone Financial Statements *(Continued)*
as at March 31, 2023

(Rs. in lakh)

11(i) CAPITAL WORK IN PROGRESS

As at March 31, 2023

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	115	-	-	-	**115**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**115**

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	115	-	-	-	**115**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**115**

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	22	-	-	-	**22**
(ii) Projects temporarily suspended	-	-	-	-	
Total					**22**

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	22	-	-	-	**22**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**22**

11(ii) INTANGIBLE ASSETS UNDER DEVELOPMENT

As at March 31, 2023

PARTICULARS	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	347	151	201	-	**699**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**699**

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	699	-	-	-	**699**
(ii) Projects temporarily suspended	-	-	-	-	**-**
Total					**699**

Notes forming part of the Standalone Financial Statements *(Continued)*
as at March 31, 2023

(Rs. in lakh)

As at March 31, 2022

PARTICULARS	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	322	240	7	-	**569**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**569**

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	569	-	-	-	**569**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**569**

11(iii) The Company has given assets under non-cancellable operating leases. The total of future minimum lease payments that the company is committed to receive is:

Lease Payments	As at March 31, 2023	As at March 31, 2022
- Within one year	12,549	19,466
- Later than one year and not later than five years	20,070	22,720
- Later than five years	1,062	2,194
Total	**33,681**	**44,380**

Accumulated Depreciation on lease assets is Rs. 60,863 lakh (Year ended March, 31, 2022 : Rs. 83,967 lakh).

Accumulated Impairment losses on the leased assets Rs. Nil (Year ended March, 31, 2022 Rs. Nil)

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

12. OTHER NON-FINANCIAL ASSETS

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) Capital advances	2,086	100
(b) Prepaid expenses	1,604	1,089
(c) Balances with government authorities	20,791	17,183
(d) Assets held-for-sale	3,055	3,055
Less : Provision on assets held-for-sale	3,055	3,055
Net asset held-for-sale	-	-
(e) Other advances	1,273	718
Total	**25,754**	**19,090**

13. TRADE PAYABLES

(i) Total outstanding dues of creditors other than micro enterprises and small enterprises

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(i) Accrued expenses	31,038	36,501
(ii) Payable to dealers/vendors/customer	66,639	46,902
(iii) Others	2,841	858
Total	**1,00,518**	**84,261**

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 :

(ii) Total outstanding dues of micro enterprises and small enterprises

PARTICULARS	As at March 31, 2023	As at March 31, 2022
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
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.	459	63
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 further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	8	5
Total	**467**	**68**

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

(Rs. in lakh)

13. TRADE PAYABLES *(Continued)*

PARTICULARS	As at March 31, 2023						
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	467	-	-	-	**467**
(ii) Others	30,981	54,543	13,125	545	796	528	**1,00,518**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total							**1,00,985**

Note : Ageing of the trade payables is determined from the date of transaction.

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	-	-	68	-	-	-	**68**
(ii) Others	36,597	35,217	10,832	846	179	590	**84,261**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total							**84,329**

Note : Ageing of the trade payables is determined from the date of transaction.

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

14. DEBT SECURITIES

PARTICULARS	As at March 31, 2023	As at March 31, 2022
DEBT SECURITIES In India		
At amortised cost		
Secured		
Privately Placed Non-Convertible Debentures (Refer note 14.1 below)	**19,20,380**	**14,10,983**
Public issue of Non-Convertible Debentures (Refer notes 14.2 below)	**2,78,137**	**3,66,419**
Unsecured		
(i) Privately Placed Non-Convertible Debentures	**99,211**	**77,347**
(ii) Commercial paper (Refer note 14.3 below) [Net of unamortised discount of Rs. 13,951 lakh (March 31, 2022 : Rs. 10,868 lakh) and ancilliary borrowing cost of Rs. 15 lakh (March 31, 2022 : 10 lakh)]	**5,87,534**	**4,35,922**
DEBT SECURITIES Outside India	-	-
Total	**28,85,262**	**22,90,671**

Notes

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

14.2. Public issue of Non-Convertible Debentures are secured by a pari passu charge on the specific immovable property, receivables against unsecured loans, bills discounted and trade advances and other current assets of the Company.

14.3. Discount on commercial paper varies between 6.80% to 8.06% (March 31, 2022 : 4.25% to 5.20%) and are repayable at maturity ranging between 7 days and 365 days from the date of respective commercial paper.

14.4. Of the above, Public issue of Non-Convertible Debentures amounting to face value of Rs 672 lakh (March 31, 2022 : Rs 670 lakh) are held by related parties.

14.5. Of the above, Privately placed Secured Non-Convertible Debentures amounting to face value of Rs. 6,500 lakh (March 31, 2022 : Rs. 500 lakh) and Unsecured Non-Convertible Debentures amounting to face value of Rs. 49,000 lakh (March 31, 2022 : Rs. 49,000 lakh) are held by related parties.

14.6. The Company has not defaulted in the repayment of debt securities and interest thereon for the year ended March 31, 2023 and March 31, 2022.

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

14.7. Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2023

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2023*		As at March 31, 2022*	
			Number of NCDs	Rs in lakh	Number of NCDs	Rs in lakh
TCFSL NCD 'A' FY 2021-22	15-Apr-21	14-Apr-23	3,600	36,000	3,600	36,000
TCFSL NCD "B" FY 2020-21 - Option I	29-Apr-20	28-Apr-23	750	7,500	750	7,500
TCFSL NCD 'A' FY 2020-21	21-Apr-20	19-May-23	9,250	92,500	9,250	92,500
TCFSL NCD 'F' FY 2020-21	14-Jul-20	14-Jul-23	500	5,000	500	5,000
TCFSL NCD 'F' FY 2020-21 Discount Reissuance 1	20-Jul-20	14-Jul-23	3,500	35,000	3,500	35,000
TCFSL NCD 'C' FY 2021-22	15-Jul-21	14-Jul-23	2,100	21,000	2,100	21,000
TCFSL NCD 'C' FY 2021-22 Reissuance 1 on ZCB Discounting	02-Aug-21	14-Jul-23	2,000	20,000	2,000	20,000
TCFSL NCD 'G' FY 2020-21	28-Jul-20	28-Jul-23	1,250	12,500	1,250	12,500
TCFSL NCD 'D' FY 2022-23 - Option I	30-Jun-22	29-Sep-23	815	8,150	-	-
TCFSL NCD 'I' FY 2020-21	31-Dec-20	30-Nov-23	10,000	1,00,000	10,000	1,00,000
TCFSL NCD "H" FY 2018-19 - Option I	19-Dec-18	19-Dec-23	1,940	19,400	1,940	19,400
TCFSL NCD "H" FY 2018-19 - Option I - 1 Reissuance on Premium	03-Jan-19	19-Dec-23	975	9,750	975	9,750
TCFSL NCD "H" FY 2018-19 - Option I - 2 Reissuance on Premium	15-Feb-19	19-Dec-23	300	3,000	300	3,000
TCFSL NCD "H" FY 2018-19 - Option II - 2 Reissuance on Premium	15-Feb-19	19-Dec-23	550	5,500	550	5,500
TCFSL NCD 'G' FY 2021-22	06-Sep-21	29-Dec-23	1,000	10,000	1,000	10,000
TCFSL NCD 'K' FY 2020-21	30-Mar-21	29-Mar-24	4,250	42,500	4,250	42,500
TCFSL NCD "A" FY 2022-23 - Option I	29-Apr-22	29-Apr-24	1,750	17,500	-	-
TCFSL NCD 'B' FY 2021-22	10-May-21	10-May-24	5,000	50,000	5,000	50,000
TCFSL NCD "D" FY 2019-20	27-May-19	27-May-24	2,180	21,800	2,180	21,800
TCFSL NCD "C" FY 2022-23 - Option II	01-Jun-22	31-May-24	4,250	42,500	-	-
TCFSL NCD "F" FY 2019-20 Option - II	20-Jun-19	20-Jun-24	885	8,850	885	8,850
TCFSL NCD 'F' FY 2019-20 Op-II Reissuance 1	10-Jul-19	20-Jun-24	1,000	10,000	1,000	10,000
TCFSL NCD 'D' FY 2021-22	02-Aug-21	02-Aug-24	2,000	20,000	2,000	20,000
TCFSL NCD 'G' FY 2022-23	23-Aug-22	25-Sep-24	1,640	16,400	-	-
TCFSL NCD 'E' FY 2021-22	06-Aug-21	04-Oct-24	7,000	70,000	7,000	70,000
TCFSL NCD 'E' FY 2021-22 Premium Reissuance 1 at PAR	24-Aug-21	04-Oct-24	4,000	40,000	4,000	40,000
TCFSL NCD AA FY 2014-15	20-Nov-14	20-Nov-24	950	9,500	950	9,500
TCFSL NCD AF FY 2014-15-Option-I	08-Dec-14	08-Dec-24	600	6,000	600	6,000
TCFSL NCD AF FY 2014-15-Option-I	08-Dec-14	08-Dec-24	150	1,500	150	1,500
TCFSL NCD "E" FY 2019-20 Option - I	04-Jun-19	15-Jan-25	300	3,000	300	3,000
TCFSL NCD "E" FY 2019-20 Option - I Reissuance 1	26-Feb-20	15-Jan-25	350	3,500	350	3,500
TCFSL NCD "K" FY 2022-23 - Option - I	18-Nov-22	27-Mar-25	560	5,600	-	-
TCFSL NCD "B" FY 2020-21 - Option II	29-Apr-20	29-Apr-25	400	4,000	400	4,000
TCFSL NCD "B" FY 2022-23	10-May-22	09-May-25	2,000	20,000	-	-
TCFSL NCD "D" FY 2022-23 - Option II	30-Jun-22	25-Jul-25	2,500	25,000	-	-
TCFSL NCD "D" FY 2022-23 - Option II Premium Reissuance 1	03-Aug-22	25-Jul-25	3,250	32,500	-	-
TCFSL NCD "D" FY 2022-23 - Option II Premium Reissuance 2	23-Aug-22	25-Jul-25	2,250	22,500	-	-
TCFSL Market Linked NCD "A" 2022-23	19-Sep-22	19-Aug-25	430	4,300	-	-
TCFSL NCD “E” FY 2022-23 Option - I	26-Jul-22	10-Sep-25	1,500	15,000	-	-
TCFSL NCD "E" FY 2022-23 - Option - I - Reissue No.1	04-Nov-22	10-Sep-25	1,110	11,100	-	-
TCFSL NCD “I” FY 2022-23	13-Oct-22	13-Oct-25	350	3,500	-	-
TCFSL NCD “K” FY 2022-23 Option II	18-Nov-22	18-Nov-25	1,500	15,000	-	-
TCFSL NCD “K” FY 2022-23 Option II Discount Reissuance 1	05-Dec-22	18-Nov-25	2,000	20,000	-	-
TCFSL NCD “K” FY 2022-23 Option II Premium Reissuance 2	08-Dec-22	18-Nov-25	6,000	60,000	-	-
TCFSL NCD “L” FY 2022-23	08-Dec-22	08-Dec-25	2,000	20,000	-	-
TCFSL NCD 'P' FY 2022-23 STRPP I	14-Mar-23	13-Mar-26	2,00,000	2,00,000	-	-

Tata Capital Financial Services Limited

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

14.7. Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on March 31, 2023 *(Continued)*

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2023* Number of NCDs	As at March 31, 2023* Rs in lakh	As at March 31, 2022* Number of NCDs	As at March 31, 2022* Rs in lakh
TCFSL NCD "M" FY 2022-23 Premium	17-Jan-23	17-Apr-26	5,000	50,000	-	-
TCFSL NCD "O" FY 2022-23 Option I	21-Feb-23	21-May-26	1,300	13,000	-	-
TCFSL NCD 'P' FY 2022-23 STRPP II	14-Mar-23	16-Mar-27	2,00,000	2,000	-	-
TCFSL NCD "E" FY 2022-23 Option - II	26-Jul-22	26-Jul-27	4,750	47,500	-	-
TCFSL NCD "E" FY 2022-23 Option - II Premium Reissuance 1	23-Aug-22	26-Jul-27	2,500	25,000	-	-
TCFSL NCD "H" FY 2022-23	07-Sep-22	07-Sep-27	2,060	20,600	-	-
TCFSL NCD "J" FY 2022-23	19-Oct-22	19-Oct-27	5,000	50,000	-	-
TCFSL NCD "J" FY 2022-23 Premium Reissuance 1	08-Dec-22	19-Oct-27	2,500	25,000	-	-
TCFSL NCD "N" FY 2022-23	08-Feb-23	08-Feb-28	1,100	11,000	-	-
TCFSL NCD "N" FY 2022-23 Discount Reissuance 1	21-Feb-23	08-Feb-28	1,520	15,200	-	-
TCFSL NCD "H" FY 2018-19 - Option II	19-Dec-18	19-Dec-28	1,120	11,200	1,120	11,200
TCFSL NCD "H" FY 2018-19 - Option II - 1 Reissuance on Premium	03-Jan-19	19-Dec-28	230	2,300	230	2,300
TCFSL NCD "F" FY 2019-20 Option - I	20-Jun-19	20-Jun-29	2,730	27,300	2,730	27,300
TCFSL NCD 'F' FY 2019-20 Op-I Reissuance 1	19-Jul-19	20-Jun-29	1,000	10,000	1,000	10,000
TCFSL NCD 'H' FY 2019-20	06-Nov-19	06-Nov-29	1,000	10,000	1,000	10,000
TCFSL NCD 'L' FY 2019-20	06-Mar-20	06-Mar-30	10,000	1,00,000	10,000	1,00,000
TCFSL NCD 'H' FY 2021-22	29-Sep-21	29-Sep-31	950	9,500	950	9,500
TCFSL NCD 'H' FY 2021-22 Discount Reissuance 1	03-Dec-21	29-Sep-31	2,190	21,900	2,190	21,900
TCFSL NCD 'H' FY 2021-22 Discount Reissuance 2	16-Dec-21	29-Sep-31	500	5,000	500	5,000
TCFSL NCD 'H' FY 2021-22 Discount Reissuance 3	29-Dec-21	29-Sep-31	850	8,500	850	8,500
TCFSL NCD 'I' FY 2021-22	20-Jan-22	20-Jan-32	12,500	1,25,000	12,500	1,25,000
TCFSL NCD "A" FY 2022-23 - Option II	29-Apr-22	29-Apr-32	1,810	18,100	-	-
TCFSL NCD "C" FY 2022-23 - Option I	01-Jun-22	01-Jun-32	2,500	25,000	-	-
TCFSL NCD "F" FY 2022-23	12-Aug-22	12-Aug-32	1,875	18,750	-	-
TCFSL NCD "O" FY 2022-23 Option II	21-Feb-23	21-Feb-33	810	8,100	-	-
TCFSL NCD 'D' FY 2018-19	22-Oct-18	08-Apr-22	1,120	-	1,120	11,200
TCFSL NCD 'D' FY 2018-19 Further issue Annual Compounding Premiur	23-Jan-19	08-Apr-22	485	-	485	4,850
TCFSL Market Linked 'A' 2018-19 Tranche-III	27-Feb-19	14-Apr-22	137	-	137	1,370
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 1	12-Mar-19	14-Apr-22	159	-	159	1,590
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 2	26-Apr-19	14-Apr-22	100	-	100	1,000
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 3	07-Jun-19	14-Apr-22	175	-	175	1,750
TCFSL Market Linked 'A' 2018-19 Tranche-III Reissuance 4	05-Feb-20	14-Apr-22	200	-	200	2,000
TCFSL Market Linked NCD "A" Series 2018-19 Tranche III Reissuance 5	19-Aug-20	14-Apr-22	330	-	330	3,300
TCFSL NCD "A" FY 2019-20	25-Apr-19	25-Apr-22	500	-	500	5,000
TCFSL NCD 'J' FY 2019-20	30-Jan-20	29-Apr-22	2,000	-	2,000	20,000
TCFSL NCD "I" FY 2018-19	03-Jan-19	10-Jun-22	400	-	400	4,000
TCFSL NCD 'I' FY 2018-19 Reissuance no 1	27-Sep-19	10-Jun-22	100	-	100	1,000
TCFSL NCD 'I' FY 2019-20	10-Dec-19	10-Jun-22	250	-	250	2,500
TCFSL NCD 'B' FY 2019-20	14-May-19	06-Jul-22	210	-	210	2,100
TCFSL NCD 'B' FY 2019-20 Reissuance 1 on Par Premium	23-Feb-21	06-Jul-22	2,000	-	2,000	24,174
TCFSL NCD 'AH' FY 2012-13	05-Sep-12	05-Sep-22	500	-	500	5,000
TCFSL NCD 'D' FY 2020-21	17-Jun-20	23-Sep-22	1,500	-	1,500	15,000
TCFSL NCD 'D' FY 2020-21 Premium Reissuance 1	27-Aug-20	23-Sep-22	4,000	-	4,000	40,000
TCFSL NCD 'H' FY 2020-21	01-Dec-20	01-Dec-22	4,000	-	4,000	40,000
TCFSL Market Link NCD Tranche "B" FY 2018-19	20-Mar-19	05-Dec-22	2,500	-	2,500	25,000
TCFSL Market Linked Tranchee 'B' 2018-19 Reissuance 1	20-Sep-19	05-Dec-22	50	-	50	500
TCFSL NCD "P" FY 2017-18	22-Jan-18	20-Jan-23	480	-	480	4,800
TCFSL NCD "P" FY 2017-18 Reissuance no 1	12-Feb-20	20-Jan-23	1,250	-	1,250	12,500
TCFSL NCD 'F' FY 2021-22	06-Sep-21	28-Feb-23	7,000	-	7,000	70,000
TCFSL NCD 'J' FY 2020-21	17-Mar-21	17-Mar-23	3,000	-	3,000	30,000
TCFSL NCD 'J' FY 2020-21 Premium Reissuance 1	24-Aug-21	17-Mar-23	3,000	-	3,000	30,000
Total (A)				**18,66,800**		**13,57,134**
Add : Interest accrued on borrowing				61,821		57,096
Add : Unamortised premium				702		772
Total (B)				**62,523**		**57,868**
Less : Unamortised borrowing cost				(585)		(288)
Less : Unamortised discount				(8,358)		(3,731)
Total (C)				**(8,943)**		**(4,019)**
TOTAL (A+B+C)				**19,20,380**		**14,10,983**

*Coupon rate of "NCDs" outstanding as on March 31, 2023 varies from 5.10% to 9.36% (March 31, 2022 : 4.82% to 9.85%)

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

14.8. Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2023

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
SERIES I TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-22	-	-
SERIES I TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-22	-	-
TCFSL NCD Series II (2019)	27-Sep-18	27-Sep-23	7,68,789	7,688
TCFSL NCD Series II (2019)	27-Sep-18	27-Sep-23	1,45,70,710	1,45,707
SERIES II TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-24	9,77,140	9,771
SERIES II TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-24	34,09,175	34,092
SERIES III TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-27	9,24,814	9,248
SERIES III TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-27	60,03,935	60,039
				2,66,545
Add: Interest accrued on borrowing				12,748
Less: Unamortised borrowing cost				(1,156)
Total				**2,78,137**

Note : Coupon rate of above outstanding as on March 31, 2023 varies from 8.40% to 8.90%

14.9. Particulars of Public issue of Secured Non-Convertible Debentures outstanding as on March 31, 2022

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
SERIES I TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-22	9,66,134	9,661
SERIES I TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-22	75,22,582	75,226
TCFSL NCD Series II (2019)	27-Sep-18	27-Sep-23	7,68,789	7,688
TCFSL NCD Series II (2019)	27-Sep-18	27-Sep-23	1,45,70,710	1,45,707
SERIES II TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-24	9,77,140	9,772
SERIES II TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-24	34,09,175	34,092
SERIES III TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-27	9,24,814	9,248
SERIES III TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-27	60,03,935	60,039
				3,51,433
Add: Interest accrued on borrowing				17,026
Less: Unamortised borrowing cost				(2,040)
Total				**3,66,419**

Note : Coupon rate of above outstanding as on March 31, 2022 varies from 8.35% to 8.90%

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

14.10. Particulars of Privately Placed unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2023

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL Unsecured NCD Partly paid "A" FY 2018-19	19-Mar-19	17-Mar-34	5,900	59,000
TCFSL Unsecured NCD Partly paid "A" FY 2019-20	23-Mar-20	23-Mar-35	5,000	40,000
TOTAL				**99,000**
Add: Interest accrued on borrowing				262
Less: Unamortised borrowing cost				(51)
Total				**99,211**

Note : Coupon rate of above outstanding as on March 31, 2023 varies from 7.85% to 8.93%

14.11. Particulars of Privately Placed unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2022

Description of NCD	Issue Date	Redemption Date	Number of NCDs	Rs in lakh
TCFSL Unsecured NCD Partly paid "A" FY 2018-19	19-Mar-19	17-Mar-34	5,900	47,200
TCFSL Unsecured NCD Partly paid "A" FY 2019-20	23-Mar-20	23-Mar-35	5,000	30,000
TOTAL				**77,200**
Add: Interest accrued on borrowing				202
Less: Unamortised borrowing cost				(55)
Total				**77,347**

Notes :

1. Coupon rate of above outstanding as on March 31, 2022 varies from 7.85% to 8.93%
2. NCDs outstanding as on March 31, 2023 are redeemable at par, except "TCFSL NCD "G" FY 2020-21 ZCB" which is redeemable at premium.
3. Information about the company's exposure to interest rate risk, and liquidity risk is included in note 35B and 35C

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

15. BORROWINGS (OTHER THAN DEBT SECURITIES)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
At amortised cost		
(a) Term loans		
Secured - In India		
From Banks (Refer note 15.1 and 15.2 below)	20,29,422	13,76,440
From Others (Refer note 15.1 and 15.2 below)	3,68,741	1,40,470
Secured - Outside India		
From Banks (Refer note 15.2 below)	4,72,801	2,91,413
Unsecured - In India		
From Banks	-	-
(b) Loans repayable on demand		
Secured		
From Banks - In India		
(i) Working capital demand loan (Refer note 15.2 below)	2,78,107	2,59,223
(ii) Bank Overdraft (Refer note 15.2 below)	34	2
Unsecured		
From Banks - In India		
(i) Working capital demand loan (Refer note 15.2 below)	45,034	40,000
(c) Loan from related parties (unsecured) - In India		
(i) Inter corporate deposits from related parties (Refer notes 15.2 below) (repayable on demand)	-	77,958
(d) Other loans - In India		
Unsecured		
(ii) Inter corporate deposits from others (Refer note 15.2 below)	5,199	-
Total	31,99,338	21,85,506

Note:

15.1. Loans and advances from banks and others are secured by pari passu charge on the receivables of the Company through Security Trustee.

15.2. Terms of repayment of borrowings and rate of interest:
As per terms of agreements, loans from banks aggregating Rs. 24,97,190 lakh (March 31, 2022 : Rs. 16,66,885 lakh) are repayable at maturity ranging between 3 and 60 months from the date of respective loan. Rate of interest payable on term loans varies between 6.40% to 8.99% (March 31, 2022 : 4.85% to 7.70%).

As per terms of agreements, loans from others aggregating Rs. 3,67,518 lakh (March 31, 2022 : Rs. 1,40,000 lakh) are repayable at maturity ranging between 35 and 63 months from the date of respective loan. Rate of interest payable on term loans varies between 7.20% to 8.35%. (March 31, 2022 : 5.50% to 6.25%).

Rate of interest payable on working capital demand loans varies between 7.40% to 8.30% (March 31, 2022 : 4.10% to 7.10%) and Bank Overdraft varies between 8.70% to 9.10% (March 31, 2022 : 7.45% to 8.20%).

Rate of interest payable on Inter-corporate deposits varies between 5.20% to 7.20% (March 31, 2022 : 7.08% to 7.62%).

15.3. The Company has not defaulted in the repayment of borrowings (other than debt securities) and interest thereon for the year ended March 31, 2023 and March 31, 2022.

15.4. The quarterly returns/statements of current assets filed by the company with banks or financials institutions are in agreement with the books of accounts.

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

16. SUBORDINATED LIABILITIES

PARTICULARS	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Unsecured - In India		
Debentures		
Non-Convertible Subordinated Debentures	3,10,550	3,10,433
Non-Convertible Perpetual Debentures	1,21,703	1,21,627
Total	**4,32,253**	**4,32,060**

Note:

1. Of the above, subordinated liabilities amounting to face value of Rs. 20,670 lakh (March 31, 2022 : 28,680 lakh) are held by related parties.

2. The Company has not defaulted in the repayment of subordinated liabilities and interest thereon for the year ended March 31, 2023 and March 31, 2022.

Tata Capital Financial Services Limited

Notes forming part of the Standalone Financial Statements (Continued)

as at March 31, 2023

(Rs. in lakh)

16.1. Particulars of Subordinated unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2023

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2023* Number of NCDs	As at March 31, 2023* Rs in lakh	As at March 31, 2022* Number of NCDs	As at March 31, 2022* Rs in lakh
TCFSL Tier II Bond 'A' FY 2014-15	26-Sep-14	25-Sep-24	**1,000**	**10,000**	1,000	10,000
TCFSL Tier II Bond 'B' FY 2014-15	07-Jan-15	07-Jan-25	**350**	**3,500**	350	3,500
TCFSL Tier II Bond 'C' FY 2014-15	30-Jan-15	30-Jan-25	**750**	**7,500**	750	7,500
TCFSL Tier II Bond 'D' FY 2014-15	31-Mar-15	31-Mar-25	**2,000**	**20,000**	2,000	20,000
TCFSL Tier II Bond 'A' FY 2015-16	22-Jul-15	22-Jul-25	**900**	**9,000**	900	9,000
TCFSL Tier II Bond 'B' FY 2015-16	30-Mar-16	30-Mar-26	**2,000**	**20,000**	2,000	20,000
TCFSL Tier-II Bond 'A' FY 2016-17	11-Aug-16	11-Aug-26	**2,000**	**20,000**	2,000	20,000
TCFSL Tier-II Bond 'B' FY 2016-17	26-Oct-16	26-Oct-26	**150**	**1,500**	150	1,500
TCFSL Tier-II Bond 'A' FY 2018-19	28-Dec-18	28-Dec-28	**2,000**	**20,000**	2,000	20,000
TCFSL Tier-II Bond "A" FY 2019-20	16-Apr-19	16-Apr-29	**200**	**2,000**	200	2,000
TCFSL Tier II NCD "A" FY 2019-20 Discount Reissuance 1	13-Jun-19	16-Apr-29	**650**	**6,500**	650	6,500
TCFSL Tier II NCD "A" FY 2019-20 Premium Reissuance 2	26-Jun-19	16-Apr-29	**1,000**	**10,000**	1,000	10,000
TCFSL Tier II NCD "A" FY 2019-20 Premium Reissuance 3	29-Jul-19	16-Apr-29	**295**	**2,950**	295	2,950
TCFSL Tier-II Bond "B" FY 2019-20	13-Nov-19	13-Nov-29	**1,000**	**10,000**	1,000	10,000
TCFSL Tier-II Bond "B" FY 2019-20 Premium Reissuance 1	03-Jan-20	13-Nov-29	**700**	**7,000**	700	7,000
TCFSL Tier-II Bond "A" FY 2020-21	17-Sep-20	17-Sep-30	**750**	**7,500**	750	7,500
TCFSL Tier-II Bond "A" FY 2020-21 Premium Reissuance 1	13-Oct-20	17-Sep-30	**1,250**	**12,500**	1,250	12,500
TCFSL Tier-II Bond "A" FY 2020-21 Discount Reissuance 2	23-Mar-21	17-Sep-30	**1,000**	**10,000**	1,000	10,000
TCFSL Tier-II Bond "A" FY 2021-22	28-Jun-21	27-Jun-31	**1,500**	**15,000**	1,500	15,000
TCFSL Tier-II Bond "B" FY 2021-22	24-Nov-21	24-Nov-31	**500**	**50,000**	500	50,000
TCFSL NCD Series III (2018)	27-Sep-18	27-Sep-28	**2,95,490**	**2,955**	2,95,490	2,955
TCFSL NCD Series III (2018)	27-Sep-18	27-Sep-28	**34,18,488**	**34,185**	34,18,488	34,185
SERIES IV TRANCHE II – CATEGORY I & II.	26-Aug-19	26-Aug-29	**46,500**	**465**	46,500	465
SERIES IV TRANCHE II – CATEGORY III & IV.	26-Aug-19	26-Aug-29	**17,26,973**	**17,270**	17,26,973	17,270
Total (A)				**2,99,825**		**2,99,825**
Add: Interest accrued on borrowing				**11,391**		11,391
Add : Unamortised premium				**101**		117
Total (B)				**11,492**		**11,508**
Less: Unamortised borrowing cost				**(659)**		(777)
Less : Unamortised discount				**(108)**		(123)
Total (C)				**(767)**		**(900)**
TOTAL (A+B+C)				**3,10,550**		**3,10,433**

*Note : Coupon rate of above outstanding as on March 31, 2023 varies from 7.30% to 10.15% (March 31, 2022: 7.30% to 10.15%)

Notes forming part of the Standalone Financial Statements (Continued)

as at March 31, 2023

(Rs. in lakh)

16.2. Particulars of Perpetual unsecured non-convertible debentures ("NCDs") outstanding as on March 31, 2023

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2023* Number of NCDs	As at March 31, 2023* Rs in lakh	As at March 31, 2022* Number of NCDs	As at March 31, 2022* Rs in lakh
TCFSL Perpetual 'A' FY 2013-14	27-Mar-14	27-Mar-24	**1,871**	**9,355**	1,871	9,355
TCFSL Perpetual 'A' FY 2015-16	16-Jul-15	16-Jul-25	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual 'B' FY 2015-16	06-Jan-16	06-Jan-26	**500**	**5,000**	500	5,000
TCFSL Perpetual 'C' FY 2015-16	02-Feb-16	02-Feb-26	**500**	**5,000**	500	5,000
TCFSL Perpetual 'D' FY 2015-16	09-Feb-16	09-Feb-26	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual 'E' FY 2015-16	23-Mar-16	23-Mar-26	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual 'A' FY 2016-17	30-Jun-16	30-Jun-26	**500**	**5,000**	500	5,000
TCFSL Perpetual 'B' FY 2016-17	13-Jan-17	13-Jan-27	**100**	**1,000**	100	1,000
TCFSL Perpetual 'C' FY 2016-17	08-Mar-17	08-Mar-27	**400**	**4,000**	400	4,000
TCFSL Perpetual 'A' FY 2017-18	21-Jun-17	21-Jun-27	**500**	**5,000**	500	5,000
TCFSL Perpetual 'B' FY 2017-18	14-Jul-17	14-Jul-27	**500**	**5,000**	500	5,000
TCFSL Perpetual 'C' FY 2017-18	11-Sep-17	11-Sep-27	**930**	**9,300**	930	9,300
TCFSL Perpetual 'D' FY 2017-18	26-Mar-18	26-Mar-28	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual 'D' FY 2017-18	26-Mar-18	26-Mar-28	**250**	**2,500**	250	2,500
TCFSL Perpetual 'A' FY 2020-21	30-Sep-20	30-Sep-30	**1,000**	**10,000**	1,000	10,000
TCFSL Perpetual 'B' FY 2020-21	19-Oct-20	19-Oct-30	**750**	**7,500**	750	7,500
TCFSL Perpetual 'A' FY 2021-22	28-Feb-22	28-Feb-32	**100**	**10,000**	100	10,000
Total (A)				**1,18,655**		**1,18,655**
Add: Interest accrued on borrowing				**3,365**		3,363
Less: Unamortised borrowing cost				**(317)**		(391)
				1,21,703		**1,21,627**

Notes :

1. Coupon rate of above outstanding as on March 31, 2023 varies from 7.89% to 10.95% (March 31, 2022 : 7.89% to 10.95%)
2. NCDs outstanding as on March 31, 2023 are redeemable at par.

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Funds Raised through Perpetual Debt Instruments	**-**	10,000
Amount outstanding at the end of year	**1,18,655**	1,18,655
Percentage of amount of Perpetual Debt Instruments of the amount of Tier I Capital	**12.13%**	17.07%
Financial year in which interest on Perpetual Debt Instruments is not paid on account of 'Lock-In Clause'.	**NA**	NA

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

17. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) Security deposit	51,426	47,864
(b) Payable for capital expenditure	5,339	5,039
(c) Advances from customers	3,606	3,429
(d) Accrued employee benefit expense	11,512	9,202
(e) Unclaimed matured debentures, unclaimed application money and accrued interest thereon	199	131
(f) Payable under buyer's credit facility	22,485	12,680
(g) Amounts payable - assigned loans	297	362
(h) Book Overdraft	54,498	21,201
Total	**1,49,362**	**99,908**

18. CURRENT TAX LIABILITIES (NET)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Provision for tax (net of advance tax Rs. 1,15,103 Lakh (March 31, 2022 : Rs. 94,217 Lakh)	22,820	26,719
Total	**22,820**	**26,719**

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

19. PROVISIONS

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits :		
(a) Provision for gratuity	375	97
(b) Provision for compensated absences	1,756	1,472
(c) Provision for long-term service award	124	122
Others :		
(a) Provision for off Balance Sheet exposure	3,096	1,674
Total	5,351	3,365

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

20. OTHER NON-FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) Statutory dues	7,625	6,251
(b) Revenue received in advance	268	555
(c) Margin money received under Letter of credit/Buyer's credit	982	1,499
(d) Others	4,181	697
Total	**13,056**	**9,002**

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

21. SHARE CAPITAL

PARTICULARS	As at March 31, 2023	As at March 31, 2022
AUTHORISED		
2,500,000,000 (March 31, 2022 : 2,500,000,000 shares) Equity shares of Rs.10 each	**2,50,000**	**2,50,000**
3,000,000,000 (March 31, 2022 : 3,000,000,000 shares) Preference shares of Rs.10 each	**3,00,000**	**3,00,000**
	5,50,000	**5,50,000**
ISSUED, SUBSCRIBED & PAID UP		
1,71,88,46,458 (March 31, 2022: 1,65,98,72,100 shares) Equity shares of Rs.10 each fully paid up	**1,71,885**	**1,65,987**
Total	**1,71,885**	**1,65,987**

21. (a). Details of shareholders holding more than 5 percent shares in the Company are given below:

PARTICULARS	As at March 31, 2023			As at March 31, 2022		
	No. of shares	Rs. in lakh	% holding	No. of shares	Rs. in lakh	% holding
Tata Capital Limited (Holding Company)	1,71,88,46,458	1,71,885	100%	1,65,98,72,100	1,65,987	100%

21. (b). Reconciliation of number of equity shares outstanding

Particulars	No. of shares	Rs. in lakh
<u>**Equity Shares**</u>		
Opening balance as on April 01, 2021	1,65,98,72,100	1,65,987
Additions during the year	-	-
Closing Balance as on March 31, 2022	**1,65,98,72,100**	**1,65,987**
Additions during the year	5,89,74,358	5,898
Closing Balance as on March 31, 2023	**1,71,88,46,458**	**1,71,885**

During the year, the Company has issued 5,89,74,358 equity shares of face value Rs. 10 each fully paid up on a "Right Basis", at a price of Rs. 195 each, including a premium of Rs. 185 each (March 31, 2022: 2,99,40,119 equity shares of face value Rs. 10 each fully paid up, at a price of Rs. 100.20 each, including a premium of Rs. 90.20 each.).

21. (c). Rights, preferences and restrictions attached to shares

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

21. (d). 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, 2021	1,65,98,72,100	1,65,987
	Add: Additions during the year	-	-
	Closing Balance as on March 31, 2022	**1,65,98,72,100**	**1,65,987**
	Add: Additions during the year	5,89,74,358	5,898
	Closing Balance as on March 31, 2023	**1,71,88,46,458**	**1,71,885**

21. (e). There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.

21. (f). There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

Notes forming part of the Standalone Financial Statements (Continued)
as at March 31, 2023

(Rs. in lakh)

22. OTHER EQUITY

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) Securities Premium Account	4,71,000	3,61,903
(b) Debenture Redemption Reserve	-	30,000
(c) Special Reserve Account	1,08,589	80,957
(d) Retained earnings	2,39,998	1,34,951
(e) Other Comprehensive Income		
(i) Fair value gain on Financial Assets carried at FVTOCI	(148)	-
(ii) The effective portion of gains and loss on hedging instruments in cash flow hedge	3,042	982
(iii) Remeasurement of defined employee benefit plans	(1,139)	(517)
(f) Share options outstanding account	1,177	701
(g) General Reserve	31,415	1,310
Total	**8,53,934**	**6,10,287**

During the year ended March 31, 2023, the Company has declared and paid, an interim dividend for the financial year 2022-23 on equity shares aggregating to Rs. 5,478 lakh (March 31,2022 : Rs. 12,061 lakh)

As prescribed by Section 45-IC of the Reserve Bank of India Act, 1934, the Company has transferred Rs. 27,632 lakh during the year ended March 31, 2023 (March 31, 2022 : Rs. 16,344 lakh) to Special Reserve.

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	Debenture Redemption Reserve	As per section 71(4) of the Companies Act 2013, created out of the profits of the Company available for payment of dividend and credited to such account, shall not be utilised except for redemption of debentures
3	Special Reserve Account/Statutory Reserve	As prescribed by section 45-IC of the Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by RBI from time to time.
4	Surplus in profit and loss account	Created out of accretion of profits.
5	General Reserve	Created upon employees stock options that expired unexercised or upon forfeiture of options granted.
6	Share Options Outstanding Account	Created upon grant of Holding Company options to employees.
7	Other Comprehensive Income	Created on account of items measured through other comprehensive income

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

23. INTEREST INCOME

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
On Financial Assets measured at Amortised Cost		
(a) Interest on loans	7,10,070	5,57,064
(b) Interest income from investments	12,598	7,853
(c) Interest income on deposits with banks	715	428
On Financial Assets measured at fair value through OCI		
(a) Interest on loans	308	-
On Financial Assets measured at fair value through profit and loss		
(a) Interest on loans	456	237
Total	7,24,147	5,65,582

24. DIVIDEND INCOME

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend income	24	73
Total	24	73

25. RENTAL INCOME

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental Income	26,383	29,691
Branch co-sharing income	1,057	969
Total	27,440	30,660

26. FEES AND COMMISSION INCOME

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
On Financial Assets measured at Amortised Cost		
(a) Foreclosure charges	2,543	3,503
(b) Fees on value added services and products	1,375	855
(c) Advisory Fees	1,496	925
(d) Others	17,030	13,410
Total	22,444	18,693

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

27. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

	PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
(A)	Net Gain / (loss) on financial instruments at fair value through profit or loss		
(i)	On trading portfolio	-	-
	- Investments	-	-
	- Derivatives	-	-
	- Others	-	-
(ii)	On financial instruments designated at fair value through profit or loss	-	-
(B)	Others		
	- On equity securities	817	7,909
	- On other financial securities	6,947	3,002
	- On derivative contracts	-	-
(C)	Total Net gain/(loss) on fair value changes	**7,764**	**10,911**
(D)	Fair value changes :		
	-Realised	**7,382**	**9,249**
	-Unrealised	**382**	**1,662**
	Total Net gain/(loss) on fair value changes	**7,764**	**10,911**

28. OTHER INCOME

	PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Branch advertisement income	**541**	**75**
(b)	Income from distribution of financial products	**11,482**	**6,987**
(c)	Gain on derecognition of property, plant and equipment	**-**	**914**
(d)	Interest on tax refunds	**-**	**5**
(e)	Miscellaneous income	**44**	**117**
Total		**12,067**	**8,098**

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

29. FINANCE COSTS

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
At amortised cost		
(a) Interest on borrowings	1,60,494	98,074
(b) Interest on debt securities	1,39,422	1,28,524
(c) Interest on subordinated liabilities	36,907	33,335
(d) Interest on lease liabilities	764	692
(e) Other interest expense	3,709	357
(f) Discounting Charges on debt securities		
(i) On commercial paper	29,733	20,749
(ii) On debentures	4,481	1,569
Total	**3,75,510**	**2,83,300**

30. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salaries, wages and bonus	73,547	51,515
(b) Contribution to provident and other fund	2,973	1,805
(c) Staff welfare expenses	3,744	2,184
(d) Expenses related to post-employment defined benefit plans	781	600
(e) Share based payments to employees	697	415
Total	**81,742**	**56,519**

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

31. Impairment of financial instruments

PARTICULARS	For the year ended March 31, 2023		For the year ended March 31, 2022	
(I) Loans				
(a) Impairment loss allowance on loans (Stage III) - at amortised cost	21,982		4,316	
Less : Delinquency Support	(1,521)	20,461	(81)	4,235
(b) Write off - Loans (net of recoveries) - at amortised cost		34,280		54,665
(c) Impairment loss allowance on loans (Stage I & II)				
- at amortised cost	(4,621)		30,089	
- at FVTOCI	88	(4,533)	(18)	30,071
		50,208		88,971
(II) Trade receivables - at amortised cost		97		(21)
(III) Derivative current credit exposure		67		-
Total (I+II)		50,372		88,950

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

32. OTHER OPERATING EXPENSES

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Advertisements and publicity	6,830	4,555
(b) Brand Equity and Business Promotion	2,177	1,567
(c) Corporate social responsibility cost	1,864	1,276
(d) Information technology expenses	14,904	14,037
(e) Insurance charges	39	36
(f) Incentive / commission/ brokerage	430	402
(g) Legal and professional fees	5,730	4,554
(h) Loan processing cost	2,136	2,382
(i) Loss on derecognition of property, plant and equipment	333	-
(j) Printing and stationery	277	392
(k) Reversal of provision against assets held for sale	-	(1)
(l) Power and fuel	1,066	818
(m) Repairs and maintenance	421	169
(n) Rent	49	535
(o) Rates and taxes	432	194
(p) Service providers' charges	31,198	30,305
(q) Training and recruitment	775	663
(r) Communication cost	438	435
(s) Travelling and conveyance	3,855	2,478
(t) Directors fees,allowances and expenses	163	212
(u) Other expenses	8,475	6,236
Total	**81,592**	**71,245**

(a) Auditors' Remuneration (excluding taxes):

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit Fees	180	175
Tax Audit Fees	5	5
Other Services (includes out of pocket expenses) *	6	13
	191	193

(Auditors' remuneration is included in Other expenses)

* Other Services include fees for certifications

(b) Expenditure in Foreign Currency

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Legal and professional fees	948	96
Information Technology Expenses	58	1,108
Other expenses	191	22
	1,197	1,226

(c) Corporate social responsibility expenses

(i) Gross amount required to be spent by the company during the year was Rs. 1,864 lakh. (March 31, 2022 : Rs. 1,276 lakh)

(ii) Amount spent during the year on:

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Construction/acquisition of any asset		
Paid	-	291
Yet to be paid	-	-
ii) On purposes other than (i) above		
Paid	1,864	985
Yet to be paid	-	-

(iii) 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.

(iv) The total of previous years' shortfall amounts: Nil

(v) The reason for above shortfalls by way of a note: Not Applicable

(vi) The nature of CSR activities undertaken by the Company: The CSR activities are undertaken as per Section 135 CSR Rules of the Companies Act 2013. The company's mission is 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.

(Rs. in lakh)

33. Employee benefit expenses

A. Defined contribution plans

1) Superannuation Fund

The Company makes contribution towards superannuation fund, a defined contribution retirement plan for qualifying employees. The Superannuation fund is administered by superannuation fund set up as Trust by Tata Capital Limited ("the Holding 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 Rs. 95 Lakhs (Year ended 31 March 2022 Rs. 92 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, 2023.

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 Rs. 2,878 Lakhs (Year ended 31 March 2022 Rs, 1,713 Lakhs) for Provident Fund contributions and Rs. Nil (Year ended 31 March 2022 Rs. 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

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.

5. Legislative risk : Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Movement in net defined benefit (asset) liability

a) Reconciliation of balances of Defined Benefit Obligations.

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Defined Obligations at the beginning of the year	5,826	-	4,796	-
Current service cost	783	-	655	-
Interest cost	364	-	297	-
Amalgamations / Acquisitions	(8)	-	15	-
Actuarial (Gains)/ Losses on obligations arising from:				
a. Due to change in financial assumptions	68	-	(42)	-
b. Due to change in experience adjustments	599	-	423	-
Others (please specify below)				
Benefits paid directly by the Company	(453)	-	(318)	-
Defined Obligations at the end of the year	**7,179**	**-**	**5,826**	**-**

(Rs. in lakh)

33. Employee benefit expenses

b) Reconciliation of balances of Fair Value of Plan Assets

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Fair Value at the beginning of the year	**5,730**	-	**5,232**	-
Expected return on plan assets	(165)	-	73	-
Employer contributions	848	-	73	-
Amalgamations / Acquisitions	(8)	-	15	-
Others (please specify below)				
Interest Income on Plan Assets	400	-	337	-
Fair Value of Plan Assets at the end of the year	**6,805**	**-**	**5,730**	**-**

c) Funded status

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Deficit of plan assets over obligations	-	-	-	-
Surplus of plan assets over obligations	(374)	-	(97)	-
Unrecognised asset due to asset ceiling	-	-	-	-
Total	**(374)**	**-**	- **97**	**-**

d) Categories of plan assets

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Corporate bonds	171	-	1,082	-
Equity shares	-	-	414	-
Government securities	18	-	1,281	-
Insurer managed funds-ULIP Product	6,611	-	2,702	-
Cash	3	-	251	-
Total	**6,803**	**-**	**5,730**	**-**

e) Amount recognised in Balance sheet

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Present value of the defined benefit obligation	7,179	-	5,826	-
Fair value of plan assets	6,805	-	5,730	-
Net asset / (liability) recognised in the Balance Sheet	**(374)**	**-**	**(97)**	**-**

f) Amount recognised in Statement of Profit and Loss

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Current Service Cost	783	-	655	-
Interest Cost (net)	(36)	-	(40)	-
Expenses for the year	**747**	**-**	**615**	**-**

g) Amount recognised in OCI

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
a. Due to change in financial assumptions	68	-	(42)	-
b. Due to change in experience adjustments	599	-	423	-
c. (Return) on plan assets (excl. interest income)	165	-	(73)	-
Total remeasurements in OCI	**832**	**-**	**308**	**-**
Total defined benefit cost recognized in P&L and OCI	**1,579**	**-**	923	**-**

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

33. Employee benefit expenses

h) Expected cash flows for the following year

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Expected total benefit payments	**11,164**	8,600
Year 1	784	567
Year 2	802	665
Year 3	817	722
Year 4	991	735
Year 5	950	885
Next 5 years	6,820	5,026

i) Major Actuarial Assumptions

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount Rate (%)	7.10%	6.50%
Salary Escalation/ Inflation (%)	Non CRE: 9.00%, CRE & J Grade: 6.50%	Non CRE: 8.25%, CRE & J Grade:6%
Expected Return on Plan assets (%)	7.10%	6.50%
Mortality Table	Indian assured lives Mortality (2006-08) Ult.	Indian assured lives Mortality (2006-08) Ult.
Withdrawal (rate of employee turnover)	CRE and J Grade : 40%; Non CRE :Less than 5 years 25% and more than 5 years 10%	CRE and J Grade : 40%; Non CRE :Less than 5 years 25% and more than 5 years 10%
Retirement Age	60 years	60 years
Weighted Average Duration	6 years	6 years
Estimate of amount of contribution in the immediate next year (Rs. in lakh)	784	567

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

Sensitivity analysis

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

	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(472)	533	(390)	441
Future salary growth (1% movement)	519	(469)	430	(388)
Others (Withdrawal rate 5% movement)	(434)	641	(343)	502

j) Provision for compensated absences

	March 31, 2023		March 31, 2022	
	Non current	Current	Non current	Current
Liability for compensated absences	1,315	417	1,137	310

Experience adjustments	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
Funded					
2022-23	7,179	6,805	(374)	(599)	(165)
2021-22	5,826	5,730	(97)	(423)	73
Unfunded					
2022-23	-	-	-	-	-
2021-22	-	-	-	-	-

Note :
The actuarial valuation as at 31 March 2023 has been carried out on the basis of the membership data provided as at 28 February 2023.

34. Fair values of financial instruments

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. For shorter tenure financial assets such as channel finance, the remaining tenure is assumed to be six months.

Derivatives held for risk management :
The Company enters into 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)

34. 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.

C. Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2023 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:					
Cash and cash equivalents	-	-	-	2,21,103	2,21,103
Other balances with banks	-	-	-	23,765	23,765
Derivative financial instruments	-	-	16,759	-	16,759
Trade receivables	-	-	-	4,776	4,776
Loans including credit substitutes	2,511	32,259	-	69,30,044	69,64,814
Investments (Other than in Associate)	85,356	-	-	3,26,539	4,11,895
Other financial assets	-	-	-	38,631	38,631
Total	87,867	32,259	16,759	75,44,858	76,81,743
Financial Liabilities:					
Trade and other payables	-	-	-	1,00,985	1,00,985
Borrowings *	-	-	-	65,16,853	65,16,853
Lease liabilities	-	-	-	15,430	15,430
Other financial liabilities	-	-	-	1,49,362	1,49,362
Derivative financial liabilities	-	-	264	-	264
Total	-	-	264	67,82,630	67,82,894

* Borrowings includes Debt Securities, Subordinated liabilities and Borrowings (Other than debt securities).

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	Amortised cost	Total Carrying Value
Financial Assets:					
Cash and cash equivalents	-	-	-	1,11,722	1,11,722
Other balances with banks	-	-	-	178	178
Derivative financial assets	-	-	987	-	987
Trade receivables	-	-	-	926	926
Loans including credit substitutes	2,519	-	-	53,77,377	53,79,896
Investments (Other than in Associate)	73,322	-	-	1,92,234	2,65,556
Other financial assets	-	-	-	30,240	30,240
Total	75,841	-	987	57,12,677	57,89,505
Financial Liabilities:					
Trade and other payables	-	-	-	84,329	84,329
Borrowings *	-	-	-	49,08,237	49,08,237
Lease liabilities	-	-	-	8,511	8,511
Other financial liabilities	-	-	-	99,908	99,908
Derivative financial liabilities	-	-	28,987	-	28,987
Total	-	-	28,987	51,00,985	51,29,972

* Borrowings includes Debt Securities, Subordinated liabilities and Borrowings (Other than debt securities).

(Rs. in lakh)

34. Fair values of financial instruments *(Continued)*

C. Financial assets and liabilities *(Continued)*

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

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	-	76,786	-	76,786
Equity Shares	3,957	-	4,613	8,570
Security Receipts	-	-	-	-
Loans including credit substitutes *	-	-	34,770	34,770
Derivative Financial Assets	-	16,759	-	16,759
Total	**3,957**	**93,545**	**39,383**	**1,36,885**
Financial Liabilities:				
Derivative Financial Liabilities	-	264	-	264
Total	**-**	**264**	**-**	**264**

* Loans including credit substitutes under level 3 includes investment in compulsorily convertible debentures.

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	-	61,658	-	61,658
Equity Shares	7,195	-	4,461	11,656
Security Receipts	-	8	-	8
Loans including credit substitutes *	-	-	2,519	2,519
Derivative Financial Assets	-	987	-	987
Total	**7,195**	**62,653**	**6,980**	**76,828**
Financial Liabilities:				
Derivative Financial Liabilities	-	28,987	-	28,987
Total	**-**	**28,987**	**-**	**28,987**

* Loans including credit substitutes under level 3 includes investment in compulsorily convertible debentures.

The following table summarises disclosure of fair value of financial assets and liabilities measured at amortised cost:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets at amortised cost:				
Loans including credit substitutes	69,30,044	69,97,729	53,77,377	54,20,589
Investments	3,26,539	3,18,903	1,92,234	1,88,958
Total	**72,56,583**	**73,16,632**	**55,69,611**	**56,09,547**
Financial Liabilities at amortised cost:				
Borrowings (includes debt securities and subordinated liabilities)	65,16,853	65,18,143	49,08,237	48,94,129
Total	**65,16,853**	**65,18,143**	**49,08,237**	**48,94,129**

The Company has not disclosed fair values for cash and cash equivalents, other balances with bank, trade and other receivables, other financial assets, trade and other payables, lease liabilities and other financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Investment in associates:

The Company has elected to measure Investment in associates at cost and accordingly the requirement of disclosure of fair value of the instrument under Ind AS 107 does not apply.

Fair value of the Financial intruments 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.

T bills and Governemnt securities are valued based on market quotes.

Notes forming part of the Standalone Financial Statements (Continued)

for the year ended March 31, 2023

(Rs. in lakh)

34. Fair values of financial instruments *(Continued)*

D. 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, 2023	 As at March 31, 2022	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Equity Shares - unquoted	4,613	4,461	Level 3	Valuation is based on Net asset value method which is based on the asset and liabilities values as per the latest financial statements of the investee company and estimated earnings upto the reporting date	Forecast of annual revenue is based on the earnings for the latest reported financial year	The estimated fair value would increase (decrease) if the annual earnings growth were higher (lower)
Compulsorily Convertible Debenture	2,511	2,519	Level 3	Discounted contractual cash flows.	Discounting rate	Higher the discounting rate lower the fair value of loans
Loans - FVTOCI	32,259	-	Level 3	Discounted contractual cash flows.	Discounting rate	Higher the discounting rate lower the fair value of loans
Total	**39,383**	**6,980**				

Certain equity investments are carried at Nil value on account of low trading. Fair value of the unquoted equity investment received upon settlement of loan has been considered at Nil value as the investee is under going liquidation.

E. Sensitivity disclosure for level 3 fair value measurements:

Particulars	Unobservable input	Sensitivity	Impact of change in rates on Total Comprehensive Income As at March 31, 2023		 As at March 31, 2022	
			Favourable	Unfavourable	Favourable	Unfavourable
Equity Shares	Forecasted earnings	1%	46	(46)	45	(45)
Compulsorily Convertible Debenture	Discounting rate	1%	55	(53)	25	(25)
Loans	Discounting rate	1%	323	(317)	-	-
Total			**424**	**(416)**	**70**	**(70)**

Notes forming part of the Standalone Financial Statements (Continued)

for the year ended March 31, 2023

(Rs. in lakh)

34. Fair values of financial instruments

F Level 3 fair value measurements

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

i

Particulars	FVTOCI Loans	FVTPL Loans	FVTPL Investments	Total
As at April 1, 2022	-	2,519	4,461	6,980
Total gains or losses:				
in profit or loss	-	101	152	253
in OCI	(198)	-	-	(198)
Purchases	32,457	1,400	-	33,857
Settlements	-	(1,509)	-	(1,509)
Transfers into Level 3	-	-	-	-
As at March 31, 2023	**32,259**	**2,511**	**4,613**	**39,383**

Total gains or losses for the period in the above table are presented in the statement of profit or loss and OCI as follows.

ii

Particulars For the year ended March 31, 2023	FVTOCI Loans	FVTPL Loans	FVTPL Investments	Total
Total gains and losses				
Recognised in profit or loss:				
Fair value changes :				
-Realised	-	-	-	-
-Unrealised	-	101	152	253
Recognised in FVTOCI	(198)	-	-	(198)
Total Net gain/(loss) on fair value changes	(198)	101	152	55
Total	**(198)**	**101**	**152**	**55**

iii

Particulars	FVTOCI Loans	FVTPL Loans	FVTPL Investments	Total
As at April 1, 2021	4,649	1,000	3,689	9,338
Total gains or losses:				-
in profit or loss	-	-	772	772
in OCI	-	-	-	-
Purchases/transfer	-	1,519	-	1,519
Settlements	(4,649)	-	-	(4,649)
Transfers into Level 3	-	-	-	-
As at March 31, 2022	**-**	**2,519**	**4,461**	**6,980**

Total gains or losses for the period in the above table are presented in the statement of profit or loss and OCI as follows.

iv

Particulars For the period ended March 31, 2022	FVTOCI Loans	FVTPL Loans	FVTPL Investments	Total
Total gains and losses				
Recognised in profit or loss:				
Fair value changes :				
-Realised	-	-	-	-
-Unrealised	-	-	772	772
Recognised in FVTOCI	-	-	-	-
Total Net gain/(loss) on fair value changes	-	-	772	772
Total	**-**	**-**	**772**	**772**

35. Risk Management Framework

A Introduction;

As a financial institution, 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 in cognizance with industry risk dynamics and emergence of new challenges and opportunities.
The purpose of risk management is the creation and protection of value. Company’s risk management framework has been laid down with long term sustainability and value creation keeping in mind:
• 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 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:

Company's 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 Company through alignment of risk by creating, preserving and realizing value.

A comprehensive Enterprise Risk Management (“ERM”) Framework has been adopted across 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 11 identified key risk areas based on their probability and impact.

The 11 categories of risks identified and monitored by the Company are Credit Risk, Market Risk, Liquidity Risk, Process, People, Outsourcing, Compliance & Governance, 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 & Liquidity Risk	Enterprise Risk Management Asset Linked Market Policy	Risk Management Committee of the Board Asset Liability Management Committee
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 Compliance & Governance	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.

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 & Liquidity Risk (iii) Operational Risk (Process, People, Outsourcing, Technology, Business Continuity and Fraud) (iv) Strategic Risks (including emerging and external risks) (v) Compliance and Governance (vi)Reputation Risk(vii) Information Security and Cyber Security Risk.

Investment Credit Committee of the Board (ICC): Provides 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 suggests 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 to institute an effective governance mechanism and risk management process for all outsourced IT operations so 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.

35. Risk Management Framework

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

a) 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.

b) 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 Key Risk Indicators (KRIs), operational risk process reviews, etc.
• Operational risk profile based on the KRIs which are beyond the tolerance limit

c) 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 approves/recommends actions against frauds. It reviews the frauds reported and investigated with detailed root cause analysis and corrective action.

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), Credit & Collection review, Retail Risk Review (RRR) for retail business.

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's approach to rigorous portfolio review driven by analytics helps us to take corrective action proactively and to have a resilient underwriting policy and processes for Retail, SME and Corporate portfolio.

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.

b) **Market risk;**

Market risk is 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 minimum 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 Company 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 36 .C.i for summary on sensitivity to a change in interest rates as on 31st March 2023.

35. Risk Management Framework

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 guides 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 by the Company are cash flow hedges.

Refer Note No 36.C.ii for gist of foreign currency risk exposure as on 31st March 2023.

Equity price risk
The Company's 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 36.B for the summary of Maturity analysis for Company's financial liabilities and financial assets as on 31st March 2023.

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 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 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.

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. Company continues to seamlessly carry out normal operations hence addressing the risk associated with occurrence of the pandemic.

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 pandemic Company ensured seamless accessibility of critical systems through virtual private network (VPN), thereby minimizing the risk of security/data breaches and cyber-attacks.
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.

(Rs. in lakh)

36. Risk Management review

This note presents information about the Company's exposure to financial risks and its management of capital.

For information on the financial risk management framework, see Note 35

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/ not pledged

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 35.

i. Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost. The amounts in the table represent gross carrying amounts for financial assets. For loan commitments, the amounts in the table represent the amounts committed.
Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 2xi.

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review *(Continued)*

A. Credit risk

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.

Outstanding Gross Loans	As at March 31, 2023					As at March 31, 2022				
	Count	Stage 1	Stage 2	Stage 3	Total	Count	Stage 1	Stage 2	Stage 3	Total
Days past due										
Zero overdue	11,12,070	68,13,452	88,786	1,994	69,04,232	6,62,805	51,57,972	1,69,726	5,885	53,33,583
1-29 days	34,380	71,037	21,230	1,565	93,832	28,674	64,607	22,137	3,128	89,872
30-59 days	15,034	-	51,497	1,626	53,123	14,481	-	44,465	4,169	48,634
60-89 days	8,026	-	16,305	2,307	18,612	8,469	-	19,256	6,861	26,117
More than 90 days	51,610	-	-	1,34,555	1,34,555	47,084	-	-	1,04,861	1,04,861
Total	12,21,120	68,84,489	1,77,818	1,42,047	72,04,354	7,61,513	52,22,579	2,55,584	1,24,904	56,03,067

Note: Gross carrying amount does not include loan commitments Rs.8,67,458 lakh (March 31, 2022 : Rs. 7,62,135 lakh) which are categorised as Stage I asset under zero overdue.

2)

Impairment allowance on Loans	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due								
Zero overdue	62,122	17,927	1,642	81,691	37,596	43,376	3,981	84,953
1-29 days	4,780	4,678	1,353	10,811	3,800	7,404	1,920	13,124
30-59 days	-	11,830	1,066	12,896	-	11,850	2,507	14,357
60-89 days	-	8,228	1,715	9,943	-	10,101	3,663	13,764
More than 90 days	-	-	1,14,599	1,14,599	-	-	86,322	86,322
Total	66,902	42,663	1,20,375	2,29,940	41,396	72,731	98,393	2,12,520

Notes:

1. Includes impairment allowance on loan commitments Rs. 3,096 lakh (March 31, 2022 : Rs. 1,674 lakh)

2. The above includes impairment allowance towards loan designated as FVTOCI amounting to Rs. 88 lakh (March 31, 2022 : Rs. Nil lakh)

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

A. Credit risk

3)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
LOANS		
- Amortised Cost	**71,69,584**	56,00,548
- At Fair Value through Other Comprehensive Income	**32,259**	-
- At Fair Value through Other Profit and Loss	**2,511**	2,519
Total - Gross Loans	**72,04,354**	56,03,067
Less: Un-amortized loan sourcing cost and revenue received in advance	**(12,784)**	(12,325)
Total - Carrying Value of Loans	**71,91,570**	55,90,742
Less : Impairment Allowance	**(2,26,756)**	(2,10,846)
Total - Net Loans	**69,64,814**	53,79,896

4) **Trade receivables**

PARTICULARS	As at March 31, 2023			As at March 31, 2022		
Category of Trade receivables	**Gross**	**Impairment allowance**	**Net**	**Gross**	**Impairment allowance**	**Net**
Stage 1: Considered good	**4,776**	**-**	**4,776**	813	-	813
Stage 2:Significant increase in credit risk	**88**	**88**	**-**	132	19	113
Stage 3: Credit impaired	**-**	**-**	**-**	-	-	-
Net Carrying value of trade receivables	**4,864**	**88**	**4,776**	945	19	926

Lifetime expected credit losses are considered for trade receivables as per simplified approach

(Rs. in lakh)

36. Risk management 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, 2023			As at March 31, 2022		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Foreign Exchange Forward contracts	99,015	901	-	2,22,465	-	28,573
Cross currency interest rate swap	3,81,825	13,501	264	75,520	88	298
Interest rate swap	-	2,357	-	-	899	116
Total	**4,80,840**	**16,759**	**264**	**2,97,985**	**987**	**28,987**

Derivatives held for risk management purposes, not designated as hedging instruments:

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 35.

The cross currency 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.

(Rs. in lakh)

36. Risk management review (Continued)

A. Credit risk

ii Collateral and other credit enhancements

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 corporate and small business lending, first charge over real estate properties, plant and machineries, inventory and trade receivables, equity and debt securities, floating charge over the corporate assets are obtained. For Construction equipment finance, the asset is hypothecated to the Company.

For retail lending, loan against properties over residential/commercial properties is obtained. For vehicle and tractor loans, the respective movable asset is hypothecated to the Company.

The table represents categories of collaterals available against the loan exposures:

Particulars	Categories of collaterals available	As at March 31, 2023	As at March 31, 2022
Financial assets			
Loans			
Bills purchased and bills discounted	Charge on Trade receivables and inventories	1,70,657	2,37,005
Term loans	A) Charges over: i) real estate properties (including residential and commercial), ii) Property and equipment, iii) inventory and trade receivables, iv) marketable securities (equity and debt securities)	64,21,478	49,49,784
Credit substitutes	B) hypothecation of underlying asset financed such as construction and earth moving equipment, vehicles and tractors C) floating charge on corporate assets as mentioned in point A	3,13,373	2,46,671
Finance lease and hire purchase	Hypothecation of the underlying asset financed, primarily includes plant and equipment	2,25,380	1,61,039
Factoring	Charge on Trade receivables and inventories	65,244	-
Retained portion of assigned loans	mortgages over residential properties	866	1,212
Total		**71,96,998**	**55,95,711**

Assets obtained by taking possession of collateral

The Companies 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 or other assets with the help of external agents to recover funds, to settle outstanding debt. Any surplus funds if any received are returned to the customers/obligors. As a result of this practice, the residential properties, vehicles, construction equipments and tractors 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, plant and machinery, equity shares and debt securities 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.

As on March 31, 2023, the Company has given loan against shares / equity oriented mutual funds / debt securities amounting to Rs. 6,22,453 Lakh (March 31, 2022 : 6,49,058 lakh). The customer has the obligation to maintain Loan to Value (LTV) of 50% as per RBI norms for shares and equity oriented mutual funds at any point in time, failing which the Company has right to make good the shortfall within 7 working days.

As on March 31, 2023, the Company is in possession of assets held for sale gross carrying value Rs. 3,055 lakh ((March 31, 2022 : Rs. 3,055 lakh) and provision towards the same Rs. 3,055 lakh (March 31, 2022 : 3,055 lakh)).

The Company has written-off loans of Rs. 34,280 lakh in financial year ended March 31, 2023 (March 31, 2022 : Rs. 54,665 lakh). The Company retains its contractual right against the obligor and may pursue all remedies to recover these dues.

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

A. Credit risk *(Continued)*

ii Collateral and other credit enhancements *(Continued)*

The table represents categories of collaterals available against the Stage 3 assets, basis valuation available with the Company:

Particulars	Categories of collaterals available	As at March 31, 2023	As at March 31, 2022
Financial assets			
Loans			
Bills purchased and bills discounted	Charge on Trade receivables and inventories	-	-
Term loans	A) Charges over: i) real estate properties (including residential and commercial), ii) Property and equipment, iii) inventory and trade receivables,	**23,427**	3,785
Credit substitutes	iv) marketable securities (equity and debt securities) B) hypothecation of underlying asset financed such as construction and earth moving equipment, vehicles and tractors C) floating charge on corporate assets as mentioned in point A	-	-
Total		**23,427**	3,785

Note: Fresh valuation is obtained for stage 3 assets upon becoming overdue for more than 15 months.

(Rs. in lakh)

36. Risk management 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 for Corporate and SME Finance Division.

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.

1) "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.

2) "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.

3) "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.

4) 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 more than 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 Fraud Risk Management Committee (FRMC). Once an account defaults as a result of the Days past due condition, it will be considered to be cured only when entire arrears of interest and principal are paid by the borrower.

5) 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 in a normal distribution curve 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.

6) 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.

3) Estimation techniques:

The Company has applied the following estimation technique for ECL model:

1) The Company has used historic default rates for calculating the 12-month PD and Lifetime PDs
2) 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.

3) 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:
i) Overdue status
ii) Restructuring, reschedulement of loans and requests for granting of forbearance
iii) Fraudulent customer
iv) Exit directed by the Risk Management Committee
v) Accounts classified by SICR committee indicating significant increase in credit risk
vi) 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 determining capital adequacy of the bank) norms is also used.

4) 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 norms is also used.

5) 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 includes but are not limited to Private consumption, Real GDP, Housing Price Index, Lending interest rate, Consumer prices, Real agriculture, Long-term bond yield, etc.

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.

6) 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.

7) 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.

8) 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.

9) 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

10) For portfolios in respect of which the Company has limited historical data, external benchmark information is used to supplement the internally available data.

11) 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 and assets received in lieu of settlement of loan. LGD estimates are calculated on a discounted cash flow basis using the internal rate of return as the discounting factor. The Company has adopted collection curve method for computation of loss given defaults to determine expected credit losses. In the Absence of observed history of default, LGD applied is based on Basel IRB norms for certain products.

12) 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. 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 for various loan commitments.

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 as well as un-utilised limit post applying the credit conversion factor (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) Modified financial assets:

The Company renegotiates loans 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 debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor 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 downgradation and accordingly loss allowance is measured using 12 month PD.

Pursuant to RBI Covid restructuring policy, accounts for which Covid restructuring facility were given have been reclassified from Stage I to Stage II if DPD at invocation was between 0-29 and If the DPD was 30+ then the accounts were further downgraded within Stage II and corresponding staging wise ECL provision was done.

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management 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	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	52,22,579	2,55,584	1,24,904	56,03,067	41,67,567	1,71,881	1,32,917	44,72,365
New assets originated or purchased (Including charges levied on existing exposure)	42,37,484	797	159	42,38,440	32,29,307	3,467	79	32,32,853
Assets derecognised or repaid (excluding write offs)	(24,88,938)	(73,036)	(29,875)	(25,91,849)	(19,53,678)	(61,567)	(22,340)	(20,37,585)
Transfers to Stage 1	15,870	(9,482)	(6,388)	-	17,698	(11,361)	(6,337)	-
Transfers to Stage 2	(96,754)	96,754	-	-	(2,32,434)	2,32,434	-	-
Transfers to Stage 3	-	(82,862)	82,862	-	-	(74,339)	74,339	-
Amounts written off	(5,752)	(9,937)	(29,615)	(45,304)	(5,881)	(4,931)	(53,754)	(64,566)
Gross carrying amount closing balance	**68,84,489**	**1,77,818**	**1,42,047**	**72,04,354**	**52,22,579**	**2,55,584**	**1,24,904**	**56,03,067**

Note : Gross carrying amount does not include loan commitments Rs.8,67,458 lakh (March 31, 2022 : Rs. 7,62,135 lakh).

b)

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	41,396	72,731	98,393	2,12,520	34,769	49,237	94,077	1,78,083
Remeasurements due to changes in EAD / estimates	54,763	6,244	50,659	1,11,666	43,587	33,964	51,623	1,29,174
Assets derecognised or repaid (excluding write offs)	(17,208)	(17,977)	(23,276)	(58,461)	(16,242)	(12,026)	(13,796)	(42,064)
Transfers to Stage 1	490	(124)	(366)	-	493	(172)	(321)	-
Transfers to Stage 2	(12,029)	12,029	-	-	(20,872)	20,872	-	-
Transfers to Stage 3	-	(22,458)	22,458	-	-	(15,635)	15,635	-
Amounts written off	(510)	(7,782)	(27,493)	(35,785)	(339)	(3,509)	(48,825)	(52,673)
ECL allowance - closing balance	**66,902**	**42,663**	**1,20,375**	**2,29,940**	**41,396**	**72,731**	**98,393**	**2,12,520**

Note : Includes impairment allowance on loan commitments Rs. 3,096 lakh (March 31, 2022 : 1,674 lakh)

Bank balances of the company are with highly rated banks. Hence, the Company doesn’t expect any ECL on cash and cash equivalents and other bank balances.

The increase in the ECL impairment allowance is on account of increase in credit risk.

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

A. Credit risk

iii Amounts arising from ECL

Exposure to modified financial assets

(Rs. in lakh)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Loan exposure to modified financial assets		
(i) **Gross carrying amount**	**1,56,342**	2,26,610
(ii) Impairment allowance	**57,796**	74,336
(iii) Net carrying amount	**98,546**	1,52,274

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

A. Credit risk

Loans by Division

iv) Concentration of Credit Risk

The table below shows the credit quality based on credit concentration 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.

STAGE	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
SBU								
Consumer Finance & Advisory Business	28,36,036	1,39,590	94,902	30,70,528	18,47,413	2,04,654	82,343	21,34,410
Corporate & SME Finance Division	40,41,097	38,228	47,145	41,26,470	33,67,810	50,930	42,561	34,61,301
Others	7,356	-	-	7,356	7,356	-	-	7,356
Total	68,84,489	1,77,818	1,42,047	72,04,354	52,22,579	2,55,584	1,24,904	56,03,067

Note : Gross carrying amount does not include loan commitments Rs. 8,67,458 lakh (March 31, 2022 : 7,62,135 Rs. lakh).

STAGE	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
SBU								
Consumer Finance & Advisory Business	51,124	36,293	79,509	1,66,926	29,911	62,948	60,700	1,53,559
Corporate & SME Finance Division	15,749	6,370	40,866	62,985	11,456	9,783	37,693	58,932
Others	29	-	-	29	29	-	-	29
Total	66,902	42,663	1,20,375	2,29,940	41,396	72,731	98,393	2,12,520

Note : Includes impairment allowance on loan commitments Rs. 3,096 lakh (March 31, 2022 : 1,674 lakh)

Notes forming part of the Standalone Financial Statements (Continued)

for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

B. Liquidity risk

For the definition of liquidity risk and information on how liquidity risk is managed by the Company, see Note 35.

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.

ii. Maturity analysis for financial liabilities and financial assets

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

As at March 31, 2023	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									
Trade payables	1,00,985	1,00,985	34,039	30,935	21,479	14,532	-	86,453	14,532
Debt securities issued	28,85,262	28,85,262	1,18,500	3,48,000	7,62,111	12,01,501	4,55,150	12,28,611	16,56,651
Borrowings (Other than debt securities)	27,26,537	27,26,537	1,34,040	3,35,400	9,30,767	13,26,330	-	14,00,207	13,26,330
Subordinated liabilities	4,32,253	4,32,253	-	-	23,128	1,73,300	2,35,825	23,128	4,09,125
External commercial borrowings	4,72,801	4,72,801	38,035	-	-	4,34,766	-	38,035	4,34,766
Lease liability	15,430	15,430	278	499	2,138	8,718	3,797	2,915	12,515
Other financial liabilities	1,49,362	1,49,362	60,105	25,802	23,548	39,907	-	1,09,455	39,907
Derivative liabilities	264	264	-	-	-	264	-	-	264
Total	**67,82,894**	**67,82,894**	**3,84,997**	**7,40,636**	**17,63,171**	**31,99,318**	**6,94,772**	**28,88,804**	**38,94,090**
Market Borrowings	33,17,515	33,17,515	1,18,500	3,48,000	7,85,239	13,74,801	6,90,975	12,51,739	20,65,776
Bank borrowings	31,99,338	31,99,338	1,72,075	3,35,400	9,30,767	17,61,096	-	14,38,242	17,61,096
Total Borrowings	**65,16,853**	**65,16,853**	**2,90,575**	**6,83,400**	**17,16,006**	**31,35,897**	**6,90,975**	**26,89,981**	**38,26,872**
Financial asset by type									
Cash and cash equivalents	2,21,103	2,21,103	1,99,172	-	21,931	-	-	2,21,103	-
Bank balances	23,765	23,765	-	-	23,765	-	-	23,765	-
Receivables	4,776	4,776	955	3,821	-	-	-	4,776	-
Loans*	69,64,814	69,64,814	8,03,844	9,92,842	12,56,336	22,12,803	16,98,989	30,53,022	39,11,792
Investments	4,13,755	4,13,755	4,01,569	-	-	1,756	10,430	4,01,569	12,186
Other Financial Assets	38,631	38,631	5,057	15,093	15,123	3,358	-	35,273	3,358
Derivative assets	16,759	16,759	3,092	13	34	13,620	-	3,139	13,620
Total	**76,83,603**	**76,83,603**	**14,13,689**	**10,11,769**	**13,17,189**	**22,31,537**	**17,09,419**	**37,42,647**	**39,40,956**

*Loans reporting as per ALM includes Stage I and II provisions and excludes NPA (net of provisions)

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

B. Liquidity risk

ii. Maturity analysis for financial liabilities and financial assets

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

As at March 31, 2022	Carrying amount	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									
Trade payables *	84,329	84,329	-	-	84,329	-	-	84,329	-
Debt securities issued	22,90,671	22,90,671	1,02,060	15,300	8,31,066	8,59,558	4,82,687	9,48,426	13,42,245
Borrowings (Other than debt securities)	18,94,093	18,94,093	1,74,946	2,46,083	4,18,884	10,54,180	-	8,39,913	10,54,180
Subordinated liabilities	4,32,060	4,32,060	-	-	13,580	1,50,855	2,67,625	13,580	4,18,480
External commercial borrowings	2,91,413	2,91,413	-	-	1,71,590	1,19,823	-	1,71,590	1,19,823
Lease liability	8,511	8,511	250	504	1,832	4,287	1,638	2,586	5,925
Other financial liabilities *	99,908	99,908	493	-	51,551	47,864	-	52,044	47,864
Derivative liabilities	28,987	28,987	29	31	28,163	764	-	28,223	764
Total	**51,29,972**	**51,29,972**	**2,77,778**	**2,61,918**	**16,00,995**	**22,37,331**	**7,51,950**	**21,40,691**	**29,89,281**
Market Borrowings	27,22,731	27,22,731	1,02,060	15,300	8,44,646	10,10,413	7,50,312	9,62,006	17,60,725
Bank borrowings	21,85,506	21,85,506	1,74,946	2,46,083	5,90,474	11,74,003	-	10,11,503	11,74,003
Total Borrowings	**49,08,237**	**49,08,237**	**2,77,006**	**2,61,383**	**14,35,120**	**21,84,416**	**7,50,312**	**19,73,509**	**29,34,728**
Financial asset by type									
Cash and cash equivalents	1,11,722	1,11,722	1,00,550	-	11,172	-	-	1,11,722	-
Bank balances	178	178	-	-	178	-	-	178	-
Receivables *	926	926	-	-	926	-	-	926	-
Loans	53,79,896	53,79,896	4,63,449	9,04,040	13,14,043	20,59,287	6,39,077	26,81,532	26,98,364
Investments	2,67,416	2,67,416	2,52,237	-	-	1,655	13,524	2,52,237	15,179
Other Financial Assets *	30,240	30,240	45	-	22,191	8,004	-	22,236	8,004
Derivative assets	987	987	-	-	9	978	-	9	978
Total	**57,91,365**	**57,91,365**	**8,16,281**	**9,04,040**	**13,48,519**	**20,69,924**	**6,52,601**	**30,68,840**	**27,22,525**

* Maturity pattern considered as per ALM reporting.

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

B. Liquidity risk

iii. Financial assets position pledged/ not pledged

The total financial assets demonstrating position of pledged and not pledged assets are shown in the below table :

	As at March 31, 2023			As at March 31, 2022		
ASSETS	**Pledged**	**Not Pledged**	**Total**	**Pledged**	**Not Pledged**	**Total**
Financial assets						
Cash and cash equivalents	-	2,21,103	2,21,103	-	1,11,722	1,11,722
Bank Balance other than (a) above	-	23,765	23,765	-	178	178
Derivatives financial instruments	-	16,759	16,759	-	987	987
Trade Receivables	-	4,776	4,776	-	926	926
Loans	69,57,458	7,356	69,64,814	53,72,540	7,356	53,79,896
Investments	-	4,13,755	4,13,755	-	2,67,416	2,67,416
Other financial assets	-	38,631	38,631	-	30,240	30,240
Non-financial Assets						
Current tax asset	-	12,479	12,479	-	11,932	11,932
Deferred tax Assets (Net)	-	71,735	71,735	-	65,690	65,690
Property, Plant and Equipment	18	37,326	37,344	19	46,977	46,996
Capital work-in-progress	-	115	115	-	22	22
Intangible assets under development	-	699	699	-	569	569
Right to use assets	-	16,112	16,112	-	7,801	7,801
Other Intangible assets	-	2,099	2,099	-	1,867	1,867
Other non-financial assets	-	25,754	25,754	-	19,090	19,090
Total Assets	**69,57,476**	**8,92,464**	**78,49,940**	**53,72,559**	**5,72,773**	**59,45,332**

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

C. Market risk

i Exposure to interest rate risk – Non-trading portfolios *(Continued)*

Company carries out interest rate sensitivity analysis to assess the impact of interest rate movement on earnings, the floating rate assets and liabilities based on exposure as on end of reporting period are considered as outstanding for whole year. 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 loans and borrowings due for repayment / rate reset in next one year.

As on March 31, 2023

Particulars	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate sensitive assets	58,98,663	41,309	(41,309)
Rate sensitive liabilities	49,86,239	37,103	(37,103)
Net Gap (Asset - liability)	**9,12,424**	**4,206**	**(4,206)**

As on March 31, 2022

Particulars	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate sensitive assets	38,99,458	29,824	(29,824)
Rate sensitive liabilities	30,97,689	21,580	(21,580)
Net Gap (Asset - liability)	**8,01,769**	**8,244**	**(8,244)**

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, 2023	As at March 31, 2022
Variable rate borrowings	51%	41%
Fixed rate borrowings	49%	59%
Total borrowings	**100%**	**100%**

ii Exposure to currency risks – Non-trading portfolios

The Company has entered into derivative contract to fully hedge the risk.(Refer- Note 6)
The Company's exposure to foreign currency risk at on March 31, 2023 expressed in INR, are as follows

(Rs. in lakh)

Particulars	March 31, 2023				March 31, 2022			
	USD	EURO	JPY	SGD	USD	EURO	JPY	SGD
Letter of Credit/Buyers Credit	-	-	-	-	428	196	-	-

Particulars	Impact on profit after tax				Impact on profit after tax			
	March 31, 2023				March 31, 2022			
	USD	EURO	JPY	SGD	USD	EURO	JPY	SGD
Sensitivity - Increase by 1%	-	-	-	-	(4.28)	(1.96)	-	-
Sensitivity - Decrease by 1%	-	-	-	-	4.28	1.96	-	-

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

36. Risk management review (Continued)

D. Disclosure persuant to Ind AS 7 “Statement of Cash Flows”

Changes in Liabilities arising from financing activities

Particulars	April 1, 2022	Cash Flows	Exchange Difference	Others*	March 31, 2023
Debt Securities	22,90,671	5,84,137	-	10,454	28,85,262
Borrowings (Other than debt securities)	21,85,506	9,59,516	16,530	37,786	31,99,338
Subordinated liabilities	4,32,060	-	-	193	4,32,253
Total	**49,08,237**	**15,43,653**	**16,530**	**48,433**	**65,16,853**

*includes the effect of amortisation of borrowing cost, interest accrued on borrowings, amortisation of premium/discount on CPs/NCDs.

Particulars	April 1, 2021	Cash Flows	Exchange Difference	Others	March 31, 2022
Debt Securities	20,05,053	2,92,942	-	(7,324)	22,90,671
Borrowings (Other than debt securities)	14,63,345	7,24,497	(2,790)	454	21,85,506
Subordinated liabilities	3,55,532	74,515	-	2,013	4,32,060
Total	**38,23,930**	**10,91,954**	**- 2,790**	**- 4,857**	**49,08,237**

*includes the effect of amortisation of borrowing cost, interest accrued on borrowings, amortisation of premium/discount on CPs/NCDs and conversion of CCCPS to equity shares.

(Rs. in lakh)

36. Risk management review (Continued)

E. Capital management

i Regulatory capital

The Reserve Bank of India (RBI) sets and monitors capital adequacy requirements for the Company from time to time.

The Companies 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) Cumulative compulsorily convertible preference Shares (CCCPS),
5) Debenture redemption reserve
6) Perpetual debt
7) Special reserve
8) Retained earnings
9) 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.

(Rs. in lakh)

36. Risk management review (Continued)

E. Capital management

i 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 Reserve Bank of India (RBI). Under RBI'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, 2023	As at March 31, 2022
Tier 1 capital		
Ordinary share capital	1,71,885	1,65,987
Securities premium reserve	4,71,000	3,61,903
Retained earnings	2,37,559	1,33,804
Debenture redemption reserve	-	30,000
Perpetual debt	1,04,248	1,03,175
Special reserve	1,08,589	80,957
General reserve	31,415	1,310
Less		
-Deferred Revenue Expenditure (includes contingent liabilities on tax matters Rs. 10,989 lakh (March 31, 2022 : 10,693 lakh)	40,803	29,834
-Software (including intangible assets under development)	2,798	2,436
-Deferred Tax Asset	71,735	65,690
-Investment in PTCs	15,332	84,188
-Right of use assets	16,112	-
Tier I Capital	**9,77,916**	**6,94,988**
Subordinate Debt	2,41,025	2,59,325
Impairment loss allowance - stage I	67,031	41,494
Perpetual debt	14,407	15,480
Tier II Capital	**3,22,463**	**3,16,299**
Tier I + Tier II Capital	**13,00,379**	**10,11,287**

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

37. Operating segments -Basis for segmentation

See accounting policy in Note 2(xvi)

In accordance with Ind AS 108 on Segment Reporting, the Company has identified three business segments i.e. Financing Activity, Investment Activity and Others, and one Geographical Segment viz. India, as secondary segment. These divisions offer different products and services, and are managed separately based on the Company's management.

Reportable segments	Operations
Financing activity	Loans for retail and corporate borrowers. Products offered include asset financing, term loans (corporate and retail), channel financing, credit substitutes, investments linked to/arising out of lending business, bill and invoice discounting
Investment activity	Corporate investments
Others	advisory services, wealth management, distribution of financial products and leasing

The Board of Directors review the performance of each division on a quarterly basis

a. Operating segment disclosures are consistent with the information reviewed by the chief operating decision maker (CODM). The basis of measurement of segment information is consistent with the basis of preparation of financial statements. The reconciling items are limited to items that are not allocated to reportable segments, as opposed to a difference in the basis of preparation of the information.

b. When two or more operating segments are aggregated into a single operating segment, the judgements made in applying the aggregation criteria are disclosed by the company. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

(Rs. in lakh)

37. Operating segments - Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax, as included in internal management reports reviewed by the Board of Director's, is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate within the same type of business. Inter-segment pricing is determined on an arm's length basis.

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Segment Revenue		
a) Financing Activity	7,36,108	5,76,075
b) Investment Activity	20,386	18,837
c) Others	37,392	39,100
Total	**7,93,886**	**6,34,012**
Less : Inter Segment Revenue	-	-
Add : Interest on Income Tax Refund	-	5
Total Income	**7,93,886**	**6,34,017**
Segment Results		
a) Financing Activity	1,70,750	92,167
b) Investment Activity	19,335	18,017
c) Others	18,189	16,402
Total	**2,08,274**	**1,26,586**
Less : Unallocated Corporate Expenses	22,960	18,565
Profit before taxation	**1,85,314**	**1,08,021**
Less : Provision for taxation	47,157	26,302
Profit after taxation	**1,38,157**	**81,719**

Particulars	As at March 31, 2023	As at March 31, 2022
Segment Assets		
a) Financing Activity	72,71,955	55,16,933
b) Investment Activity	4,13,792	2,68,348
c) Others	43,622	49,941
d) Unallocated	1,20,571	1,10,110
Total	**78,49,940**	**59,45,332**
Segment Liabilities		
a) Financing Activity	67,50,988	50,79,133
b) Investment Activity	-	-
c) Others	32,861	41,832
d) Unallocated	40,272	48,093
Total	**68,24,121**	**51,69,058**

Particulars	For the Year Ended March 31. 2023	For the Year Ended March 31. 2022
Capital Expenditure (Including Capital Work-In-Progress)		
a) Financing Activity	926	51
b) Investment Activity	-	-
c) Others	11,284	1,568
d) Unallocated	2,536	219
Total	**14,746**	**1,838**
Depreciation and Amortisation		
a) Financing Activity	3,780	3,535
b) Investment Activity	-	-
c) Others	13,093	20,158
d) Unallocated	2,483	2,289
Total	**19,356**	**25,982**

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

38. 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.

	As at March 31, 2023			As at March 31, 2022		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial assets	**37,42,647**	**39,40,956**	**76,83,603**	**30,68,840**	**27,22,525**	**57,91,365**
Cash and cash equivalents	2,21,103	-	2,21,103	1,11,722	-	1,11,722
Bank Balance other than (a) above	23,765	-	23,765	178	-	178
Trade Receivables	4,776	-	4,776	926	-	926
Loans	30,53,022	39,11,792	69,64,814	26,81,532	26,98,364	53,79,896
Investments	4,01,569	12,186	4,13,755	2,52,237	15,179	2,67,416
Other financial assets	35,273	3,358	38,631	22,236	8,004	30,240
Derivative assets	3,139	13,620	16,759	9	978	987
Non-financial Assets	**4,963**	**1,61,374**	**1,66,337**	**-**	**1,53,967**	**1,53,967**
Current tax asset	-	12,479	12,479	-	11,932	11,932
Deferred tax Assets (Net)	-	71,735	71,735	-	65,690	65,690
Property, Plant and Equipment	-	37,344	37,344	-	46,996	46,996
Capital work-in-progress	-	115	115	-	22	22
Intangible assets under development	-	699	699	-	569	569
Other Intangible assets	-	2,099	2,099	-	1,867	1,867
Right of use assets	-	16,112	16,112	-	7,801	7,801
Other non-financial assets	4,963	20,791	25,754	-	19,090	19,090
Total Assets	**37,47,610**	**41,02,330**	**78,49,940**	**30,68,840**	**28,76,492**	**59,45,332**
LIABILITIES						
Financial Liabilities	**28,88,804**	**38,94,090**	**67,82,894**	**21,40,689**	**29,89,283**	**51,29,972**
Trade Payables	86,453	14,532	1,00,985	84,329	-	84,329
Debt Securities	12,28,611	16,56,651	28,85,262	9,48,426	13,42,245	22,90,671
Borrowings (Other than debt securities)	14,38,242	17,61,096	31,99,338	10,11,503	11,74,003	21,85,506
Subordinated liabilities	23,128	4,09,125	4,32,253	13,580	4,18,480	4,32,060
Lease liability	2,915	12,515	15,430	2,586	5,925	8,511
Other financial liabilities	1,09,455	39,907	1,49,362	52,044	47,864	99,908
Derivative financial instruments	-	264	264	28,223	764	28,987
Non-Financial Liabilities	**18,407**	**22,820**	**41,227**	**30,084**	**9,002**	**39,086**
Current tax liability	-	22,820	22,820	26,719	-	26,719
Provisions	5,351	-	5,351	3,365	-	3,365
Other non-financial liabilities	13,056	-	13,056	-	9,002	9,002
Total liabilities	**29,07,211**	**39,16,910**	**68,24,121**	**21,70,773**	**29,98,285**	**51,69,058**
Net	8,40,399	1,85,420	10,25,819	8,98,067	(1,21,793)	7,76,274

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

39. Leases :

As a lessee the Company classified property leases as operating leases under Ind AS 116. These include office premises taken on lease. The leases generally are with a periodicity of one to thirteen years. Leases include conditions such as non-cancellable 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.

Righ-of-use assets and Lease liabilities are presented separately on the face of the balance sheet.

Information about leases for which the Company is a lessee is presented below.

(I). Right-of-use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	7,801	7,294
Additions during the year	11,971	4,386
Deletion during the year	(423)	(721)
Depreciation charge for the year	(3,237)	(3,158)
Closing balance	**16,112**	**7,801**

(II). Movement of Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	8,511	8,092
Additions during the year	10,528	4,192
Deletion during the year	(442)	(883)
Finance cost	764	692
Payment of lease liabilities	(3,931)	(3,582)
Closing balance	**15,430**	**8,511**

(III) Future minimum lease payments under non-cancellable operating leases were payable as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one month	373	305
Between one and three months	685	609
Between three months and one year	2,902	2,225
Between one and five years	11,058	5,259
More than five years	4,261	1,818
Total	**19,279**	**10,216**

(IV). Amounts recognized in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities	(764)	(692)
Depreciation of ROU asset	(3,237)	(3,158)
Gain/(loss) on termination of leases	24	169
Rent concession related to COVID-19	15	40

(V). Amounts recognised In statement of cash flows

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total cash outflow for leases	3,931	3,582

1 Company has considered entire lease term for the purpose of determination of Right of Use assets and Lease liabilities.

2 On July 24, 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 Standalone Financial Statements (Continued)

for the year ended March 31, 2023

(Rs. in lakh)

40. Revenue from contracts with customers

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

Particulars		For the year ended March 31. 2023	For the year ended March 31. 2022
i.	**Type of service**		
	- Fee and commission income	22,444	18,693
	- Branch advertisement income	541	75
	- Income from distribution of financial products	11,482	6,987
	Total	34,467	25,755
ii.	**Primary geographical market:**		
	- Outside India	-	-
	- India	34,467	25,755
	Total revenue from contracts with customers	34,467	25,755
iii.	**Timing of revenue recognition**		
	- at a point in time upon rendering services	33,390	24,899
	- over period of time upon rendering services	1,077	856
	Total	34,467	25,755
iv.	**Trade receivables towards contracts with customers**		
	- Opening Balance	699	1,213
	- Closing Balance	4,482	699
v.	**Impairment on trade receivables towards contracts with customers**	88	19

The unbilled revenue of Rs. 1,511 lakh as at March 31, 2023 (March 31, 2022 : Rs. 1,438 lakh) has been considered as Contract assets, which are billable on completion of milestones specified in the contracts.

As on March 31, 2023 and March 31, 2022, the Company doesn't have any unsatisfied/partially satisfied performance obligation.

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue reported as per IndAS 108 Segment Reporting	7,93,886	6,34,017
Less:		
(a) Revenue reported as per IndAS 109-Financial Instruments	7,31,979	5,76,683
(b) Revenue reported as per IndAS 116-Leases	27,440	30,660
(c) Revenue reported as per IndAS 16-Property, Plant and Equipment	-	914
(d) Revenue reported as per IndAS 12-Income Taxes	-	5
Revenue reported as per IndAS 115 Revenue from contract with customers	34,467	25,755

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

41. 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	ESOP 2022
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 22 months and 30% at the end of each 34 and 46 months from the date of grant	100% at the end of 36 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
ii. Maximum term of option	7 years	7 years	7 years	7 years	3 years	7 years
iii. Method of settlement	Equity settled	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.	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.	N.A.

B. Summary of share based payments

March 31, 2023

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2021 RSU	ESOP 2022	Total
Outstanding balance at the beginning of the period	**14,70,000**	**14,75,000**	**18,47,500**	**15,56,250**	**6,70,870**	**-**	**70,19,620**
Options granted	-	-	-	-	-	**19,99,150**	**19,99,150**
Options forfeited	-	-	-	-	-	**12,000**	**12,000**
Options exercised	50,000	35,000	63,000	-	-	-	**1,48,000**
Options expired	-	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-	-
Options outstanding at the end of the period	**14,20,000**	**14,40,000**	**17,84,500**	**15,56,250**	**6,70,870**	**19,87,150**	**88,58,770**
Options exercisable at the end of the period	14,20,000	10,08,000	7,13,800	3,11,250	-	-	**34,53,050**
For share options exercised:							
Weighted average exercise price at date of exercise							46.31
Money realized by exercise of options							68,53,900
For share options outstanding							
Range of exercise prices	50.60	51.00	40.30	51.80	51.80	85.00	
Average remaining contractual life of options (years)	2.50	3.34	4.34	5.34	1.50	6.17	4.42
Modification of plans	N.A.	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.	N.A.	

March 31, 2022

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2021 RSU	Total
Outstanding balance at the beginning of the period	**15,55,000**	**15,75,000**	**20,32,500**	**-**	**-**	**51,62,500**
Options granted	-	-	-	15,56,250	**6,70,870**	**22,27,120**
Options forfeited	85,000	1,00,000	1,85,000	-	**-**	**3,70,000**
Options exercised	-	-	-	-	-	-
Options expired	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-
Options outstanding at the end of the period	**14,70,000**	**14,75,000**	**18,47,500**	**15,56,250**	**6,70,870**	**70,19,620**
Options exercisable at the end of the period	10,29,000	5,90,000	3,69,500	-	**-**	**19,88,500**
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	51.80	51.80	
Average remaining contractual life of options (years)	3.50	4.34	5.34	6.34	2.50	5.59
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.	

C. Valuation of stock options

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2022
Share price:	50.60	51.00	40.30	51.80	85.00
Exercise Price:	50.60	51.00	40.30	51.80	85.00
Fair value of option:	23.34	23.02	17.07	22.33	40.40
Valuation model used:	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation
Expected Volatility:	0.38	0.41	0.42	0.41	0.43
Basis of determination of expected volatility:	Average historical volatility over 4.85 years of comparable companies	Average historical volatility over 4.85 years of comparable companies	Historical volatility of equity shares of comparable companies over the period ended December 15,2020 based on the life of options	Historical volatility of equity shares of comparable companies over the period ended October 01,2021 based on the life of options	Historical volatility of equity shares of comparable companies over the period ended May 31,2022 based on the life of options
Contractual Option Life (years):	7.00	7.00	7.00	7.00	7.00
Expected dividends:	0.00	0.00	0.00	0.00	0.00
Risk free interest rate:	8.04%	6.28%	5.22%	5.87%	7.14%
Vesting Dates	20% vesting on September 30, 2019 40% vesting on September 30, 2020 70% vesting on September 30, 2021 100% vesting on September 30, 2022	20% vesting on August 01, 2020 40% vesting on August 01, 2021 70% vesting on August 01, 2022 100% vesting on August 01, 2023	20% vesting on December 14, 2021 40% vesting on July 31, 2022 70% vesting on July 31, 2023 100% vesting on July 31, 2024	20% vesting on September 30, 2022 40% vesting on July 31, 2023 70% vesting on July 31, 2024 100% vesting on July 31, 2025	20% vesting on May 31, 2023 40% vesting on May 31, 2024 70% vesting on May 31, 2025 100% vesting on May 31, 2026
Valuation of incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	N.A.

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

As at March 31, 2023

Name of Scheme	Mr. Sarosh Kersi Amaria		Mr. Jaykumar Deepak Shah		Ms. Sonali Punekar	
	Granted	Exercised	Granted	Exercised	Granted	Exercised
ESPS 2009	1,23,250	1,23,250	5,014	5,014	-	-
ESPS 2011	-	-	-	-	-	-
ESOP 2011	80,000	80,000	-	-	-	-
PS 2013	13,286	13,286	541	541	-	-
ESPS 2013	-	-	-	-	-	-
ESOP 2013	-	-	20,000	20,000	-	-
ESOP 2016	10,000	10,000	10,000	10,000	-	-
ESOP 2017	10,000	10,000	10,000	10,000	-	-
ESOP 2018	4,00,000	-	-	-	-	-
ESOP 2019	4,00,000	-	-	-	-	-
ESOP 2020	4,40,000	-	-	-	-	-
ESOP 2021	4,50,000	-	-	-	-	-
ESOP 2021 RSU	1,93,986	-	-	-	-	-
ESOP 2022	3,31,640	-	12,000	-	-	-
Total	**24,52,162**	**2,36,536**	**57,555**	**45,555**	**-**	**-**

As at March 31, 2022

Name of Scheme	Mr. Sarosh Kersi Amaria		Mr. Jaykumar Deepak Shah		Ms. Sonali Punekar	
	Granted	Exercised	Granted	Exercised	Granted	Exercised
ESPS 2009	1,23,250	1,23,250	5,014	5,014	-	-
ESPS 2011	-	-	-	-	-	-
ESOP 2011	80,000	80,000	-	-	-	-
PS 2013	13,286	13,286	541	541	-	-
ESPS 2013	-	-	-	-	-	-
ESOP 2013	-	-	20,000	20,000	-	-
ESOP 2016	10,000	10,000	10,000	10,000	-	-
ESOP 2017	10,000	10,000	10,000	10,000	-	-
ESOP 2018	4,00,000	-	-	-	-	-
ESOP 2019	4,00,000	-	-	-	-	-
ESOP 2020	4,40,000	-	-	-	-	-
ESOP 2021	4,50,000	-	-	-	-	-
ESOP 2021 RSU	1,93,986	-	-	-	-	-
Total	**21,20,522**	**2,36,536**	**45,555**	**45,555**	**-**	**-**

(Rs. in lakh)

42. Contingent Liabilities and Commitments:

(i) Contingent Liabilities :-
Claims not acknowledged by the Company relating to cases contested by the Company and which are not likely to be devolved on the Company relating to the following areas :

(Rs. in lakh)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Income Tax (Pending before Appellate authorities)	**9,195**	8,991
VAT (Pending before Appellate authorities)	**1,794**	1,701
Suits filed against the Company	**77**	649
Bank Guarantees	**107**	1,604
Letters of Credit	**25,244**	30,448

As at March 31, 2023, claims against the Company not acknowledged as debts in respect of income tax matters amounted to Rs. 9,195 lakhs. These claims against the Company are arising on account of multiple issues of disallowances on completion of assessment proceedings under the Income-tax Act, 1961, such as disallowance of expenditure incurred in relation to income not includible in total income u/s 14A of the Income Tax Act, 1961 and disallowance of interest expenditure on perpetual NCDs. These matters are pending before various appellate authorities and the Management expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position. Hence, the Company has not recognized these uncertain tax positions in its books.

(ii) Commitments :-

(a) Undrawn Commitment given to Borrowers
As on March 31, 2023 Rs. 6,00,744 lakh (Year ended March, 31, 2022 : Rs. 5,52,570 lakh)
Loan tenure less than 1 Year: Rs. 3,29,695 lakh (Year ended March, 31, 2022 : Rs. 3,25,358 lakh)
Loan tenure more than 1 Year: Rs. 2,71,049 lakh (Year ended March, 31, 2022 : Rs. 2,27,212 lakh)
(b) Leases entered but not executed Rs. 97,514 lakh (Year ended March, 31, 2022 : Rs. 1,55,561 lakh)
(c) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 3,523 lakh (as at March 31, 2022 : Rs. 1,373 lakh).
- Tangible: Rs. 2,679 lakh (Year ended March, 31, 2022 : Rs. 366 lakh)
- Intangible: Rs. 844 lakh (Year ended March, 31, 2022 : Rs. 1,007 lakh)

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

43. Earnings per Share (EPS):

Particulars		**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Profit after tax	Rs. in lakh	1,38,157	81,719
Weighted average number of Equity Shares used in computing earnings per share	Nos.	1,67,12,73,575	1,63,05,06,175
Weighted average number of equity shares in computing Basic / Diluted earnings per share	Nos.	1,67,12,73,575	1,63,05,06,175
Face value of equity shares	Rupees	10	10
Earnings per share (Basic and Diluted)	Rupees	8.27	5.01

44. Movement in Contingent provisions against Standard Assets (stage I & II) during the year is as under:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Opening Balance	1,14,226	84,137
Add : Additions during the year	61,006	77,551
Less : Utilised during the year	(65,627)	(47,462)
Closing Balance	1,09,605	1,14,226

45. Movement in other provisions during the year is as under:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Opening Balance	1,691	1,059
Add : Additions during the year (net)	564	632
Closing Balance	2,255	1,691

46. Capital to Risk Assets Ratio (CRAR)

Particulars	**As at March 31. 2023**	**As at March 31. 2022**
CRAR (%)	17.26%	17.25%
CRAR – Tier I Capital (%)	12.98%	11.86%
CRAR – Tier II Capital (%)	4.28%	5.39%
Amount of subordinated debt raised as Tier-II Capital	-	65,000
Amount raised by issue of Perpetual Debt Instruments	-	10,000

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

47. Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities.

As on March 31, 2023

(Rs in lakh)

Particulars	Borrowings from Banks	Liabilities Market Borrowings	Foreign Currency Borrowings	Advances	Assets Investments	Foreign Currency Assets
1 day to 7 days	4,333	-	-	2,11,163	4,01,569	-
8 days to 14 days	9,783	36,000	-	1,58,778	-	-
15 days to 30 / 31 days	1,19,925	82,500	38,035	4,33,903	-	-
Over One months to 2 months	2,23,358	2,75,500	-	4,40,065	-	-
Over 2 months upto 3 months	1,12,042	72,500	-	5,52,776	-	-
Over 3 months to 6 months	3,98,884	4,13,123	-	1,79,538	-	-
Over 6 months to 1 year	5,31,883	3,72,117	-	10,76,797	-	-
Over 1 year to 3 years	12,89,830	9,32,913	4,34,766	15,35,137	1,756	-
Over 3 years to 5 years	36,500	4,41,887	-	6,77,666	-	-
Over 5 years	-	6,90,975	-	16,98,991	10,430	-
Total	**27,26,537**	**33,17,515**	**4,72,801**	**69,64,814**	**4,13,755**	**-**

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

As on March 31, 2022

Particulars	Borrowings from Banks	Liabilities Market Borrowings	Foreign Currency Borrowings	Advances	Assets Investments	Foreign Currency Assets
1 day to 7 days	-	-	-	88,475	2,52,237	-
8 days to 14 days	79,001	27,060		1,41,640	-	
15 days to 30 / 31 days	95,947	75,000		2,33,334	-	
Over One months to 2 months	2,11,500	7,800	-	3,89,547	-	-
Over 2 months upto 3 months	34,583	7,500	-	5,15,576	-	-
Over 3 months to 6 months	1,68,816	4,04,356	42,837	4,85,015	-	-
Over 6 months to 1 year	2,50,065	4,40,290	1,28,753	8,27,945	-	-
Over 1 year to 3 years	10,23,580	9,05,913	1,19,823	15,70,171	1,655	-
Over 3 years to 5 years	30,600	1,29,500	-	4,89,116	-	-
Over 5 years	-	7,25,312	-	6,39,077	13,524	-
Total	**18,94,093**	**27,22,731**	**2,91,413**	**53,79,896**	**2,67,416**	**-**

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

48. Loans and advances - Financing Activity (Secured) include Rs. Nil lakh (Year ended March, 31, 2022 : Rs. Nil lakh) being the value of the unquoted preference shares acquired in satisfaction of the respective loans under the Settlement Agreement. As on March 31, 2023, the Company is in possession of non current assets held for sale (NCAHS) of which gross carrying value is Rs. 3,055 lakh (March 31, 2022 : Rs. 3,055 lakh) and provision towards the same is Rs. 3,055 lakh (March 31, 2022 : 3,055 lakh). Investments include Rs. 1,953 lakh (March, 31, 2022 : Rs. 1,768 lakh) being the value of the qouted equity shares acquired in satisfaction of the respective loans under the Settlement Agreement.

49. The company has earned commission from non-life insurance companies amounting to Rs. 1,079 lakh (March 31, 2022 : Rs. 629 lakh) and from life insurance companies amounting to Rs. 735 lakh (March 31, 2022 : Rs. 495 lakh)

50. The value of a unhedged foreign currency transaction for Letter of Credit and Buyers Credit as on March 31, 2023 is Rs. Nil lakh (March 31, 2022 : Rs 626 lakh) is on account of assets acquired to be given on operating lease/finance lease/synthetic lease to the customers.

51. The company has reported 18 frauds aggregating Rs. 447 lakh (March 31, 2022 : 14 frauds aggregating Rs. 9,840 lakh) based on management reporting to risk committee and to the RBI through prescribed returns. The nature of fraud involved is misappropriation of funds, cheating and forgery.

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

52. Disclosure of details as required by Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 as amended under Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 :

Liabilities Side:

(Rs. in lakh)

Particulars	Amount Outstanding		Amount Overdue	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not due				
a) Debentures:				
(other than those falling within the meaning of public deposit)				
- Secured	21,98,517	17,77,402	-	-
- Unsecured	5,31,464	5,09,407	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	28,70,964	18,08,323	-	-
d) Inter-corporate loans and borrowing	5,199	77,958	-	-
e) Commercial Paper	5,87,534	4,35,922	-	-
f) Other loans (Compulsorily Convertible Cumulative Preference share)	-	-	-	-
g) Loan from Bank	-	-	-	-
- Working Capital Demand Loan	3,23,141	2,99,223	-	-
- Overdraft	34	2	-	-

Assets side:

(Rs. in lakh)

Particulars	Amount Outstanding	
	2022-23	2021-22
2) Break up of loans and advances including bills receivables *		
(other than those included in (3) below)		
- Secured (Gross)	26,10,266	23,60,551
- Unsecured (Gross)	26,86,822	18,83,064
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	2,25,375	1,61,002
- Operating Lease	28,576	40,081
b) Stock on hire including hire charges under sundry debtors		
- Assets on hire	5	37
- Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
- Loans where assets have been repossessed	-	-
- Other loans	16,81,886	11,98,413

* Breakup of loans and advances does not include unamortised loan sourcing costs amounting to Rs. 22,841 lakh (March 31, 2022 : Rs. 12,928 lakh) and revenue received in advance Rs. 35,625 lakh (March 31, 2022 : Rs. 25,253 lakh) .

Notes forming part of the Standalone Financial Statements (Continued)

for the year ended March 31, 2023

(Rs. in lakh)

Assets side: ***(Continued)***

(Rs. in lakh)

Particulars	Amount Outstanding 2022-23	2021-22
4) Break up of Investments		
Current Investments:		
a) **Quoted:**		
- Shares: Equity	3,957	7,195
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	75,030	60,002
- Government Securities	2,53,342	1,35,991
- Others Treasury bills	73,197	56,243
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	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	1,756	1,656
- Government Securities	-	-
- Others Treasury bills	-	-
b) **Unquoted:**	-	-
- Shares: Equity	6,473	6,321
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	-	-
- Government Securities	-	-
- Others (Security receipts)	-	8

5) Borrower group-wise classification of assets financed as in (2) and (3) above

(Rs. in lakh)

Particulars	Secured 2022-23	Secured 2021-22	Unsecured 2022-23	Unsecured 2021-22	Total 2022-23	Total 2021-22
a) Related parties						
(i) Subsidiaries	-	-	-	-	-	-
(ii) Companies in the same group	67,781	46,020	3,248	-	71,029	46,020
(iii) Other related parties	48,322	16,151	53,755	53,635	1,02,077	69,786
b) Other than related parties	44,01,429	36,57,832	26,29,819	18,29,429	70,31,248	54,87,261
TOTAL	**45,17,532**	**37,20,003**	**26,86,822**	**18,83,064**	**72,04,354**	**56,03,067**

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

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)	
	2022-23	2021-22	2022-23	2021-22
a) Related parties				
i) Subsidiaries	-	-	-	-
ii) Companies in the same group	-	-	-	-
iii) Other related Parties	**1,802**	**1,805**	1,860	1,860
b) Other than related parties	**4,11,895**	**2,65,556**	4,11,895	2,65,556
TOTAL	**4,13,697**	**2,67,361**	4,13,755	2,67,416

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	2022-23	2021-22
a) Gross Non-Performing Assets		
1) Related parties	**-**	-
2) Other than related parties	**1,42,047**	1,24,904
b) Net Non-Performing Assets		
1) Related parties	**-**	-
2) Other than related parties	**21,672**	26,511
c) Assets acquired in satisfaction of debt	**-**	-

Notes forming part of the Standalone Financial Statements (Continued)

for the year ended March 31, 2023

(Rs. in lakh)

53. 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:

Relationship	**Name of related party**
Ultimate Holding Company	Tata Sons Private Limited
Holding Company	Tata Capital Limited
Subsidiaries of Holding Company	Tata Capital Housing Finance Limited Tata Cleantech Capital Limited Tata Securities Limited TCL Employee Welfare Trust Tata Capital Advisors Pte. Limited Tata Capital General Partners LLP Tata Capital Growth II General Partners LLP Tata Capital Healthcare General Partners LLP TATA Capital Healthcare II General Partners LLP Tata Capital Plc Tata Capital Pte. Limited Tata Opportunities General Partners LLP Tata Capital Growth Fund I Tata Capital Healthcare Fund I Tata Capital Innovations Fund Tata Capital Special Situation Fund Tata Capital Growth Fund II Tata Capital Healthcare Fund II
Associates and Fellow Associates (with which the company had transactions)	Fincare Business Services Limited Fincare Small Finance Bank Limited TVS Supply Chain Solutions Limited Indusface Private Limited Tata Projects Limited Tata Technologies Limited Tema India Limited
Post Employment Benefit Plan of Holding company (with which the company had transactions)	Tata Capital Limited Gratuity Scheme Tata Capital Limited Employees Provident Fund Tata Capital Limited Superannuation Scheme
Key Management Personnel	Mr. Rajiv Sabharwal - (Non-Executive Director and Chairman) Mr. Sarosh Amaria (Managing Director) Mr. F.N. Subedar - (Non-Executive Director) Ms. Varsha Purandare - (Independent Director) Ms. Malvika Sahni Sinha (Independent Director) (Appointed w.e.f. 31.12.2022) Mr. Jaykumar Shah (Chief Financial Officer) Ms. Sonali Punekar (Company Secretary) (w.e.f 01.12.2020) Ms. Anuradha E. Thakur - (Independent Director) (Retired w.e.f. 31.12.2022)

Notes forming part of the Standalone Financial Statements (Continued)

for the year ended March 31, 2023

(Rs. in lakh)

53. 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:

Subsidiaries, Associates, Joint Venture & Retiral Plans of ultimate holding company and its Subsiddiaries & Associates (with which the company had transactions)	AIX Connect Private Limited (formerly known as AirAsia (India) Limited) Infiniti Retail Limited Tata Advanced Systems Limited Tata AIG General Insurance Company Limited Tata Asset Management Private Limited (formerly known as Tata Asset Management Limited) Tata Autocomp Systems Limited Tata Business Hub Limited Tata Consultancy Services Limited Tata Digital Private Limited (formerly known as Tata Digital Limited) Tata Electronics Private Limited (formerly known as TRIL Bengaluru Real Estate Four Private Limited) Tata Elxsi Limited Tata International Limited Tata Medical and Diagnostics Limited Tata Realty and Infrastructure Limited Tata Teleservices (Maharashtra) Limited Tata Teleservices Limited Tata Toyo Radiator Limited Innovative Retail Concepts Private Limited Tata 1mg Technologies Private Limited Tata Unistore Limited (formerly known as Tata Unistore imited) (w.e.f. 09.12.2022) Tata Communications Limited Tata Communications Transformation Services Limited Niskalp Infrastructure Services Limited (formerly known as Niskalp Energy Limited) Stryder Cycle Private Limited Savis Retail Private Limited Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited) Tata Motors Limited Tata Steel Limited The Associated Building Company Limited The Indian Hotels Company Limited The Tata Power Company Limited Titan Company Limited Trent Limited Voltas Limited Tata AIA Life Insurance Company Limited Tata Industries Limited Coastal Gujarat Power Limited Maithon Power Limited Nelco Limited Tata Power Delhi Distribution Limited Tata Power Solar Systems Limited Tata Power Trading Company Limited TP Ajmer Distribution Limited TP Central Odisha Distribution Limited TP Northern Odisha Distribution Limited TP Renewable Microgrid Limited (formerly known as Industrial Power Utility Limited) TP Southern Odisha Distribution Limited TP Western Odisha Distribution Limited Walwhan Renewable Energy Limited Tata Motors Finance Limited (formerly known as Sheba Properties Limited) Tata Motors Passenger Vehicles Limited (formerly known as TML Business Analytics Services Limited) Tata Passenger Electric Mobility Limited TML Business Services Limited (formerly known as Concorde Motors (India) Limited) Indian Steel & Wire Products Ltd. Tata Metaliks Ltd. Tata Steel Downstream Products Limited (formerly known as Tata Steel Processing and Distribution Limited) Tata Steel Utilities and Infrastructure Services Limited (formerly known as Jamshedpur Utilities & Services Company Limited) Ideal Ice & Cold Storage Company Limited Piem Hotels Limited United Hotels Limited Roots Corporation Limited

(Rs. in lakh)

53. 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:

	Fiora Hypermarket Limited Air International TTR Thermal Systems Private Limited (formerly known as Air International TTR Thermal Systems Limited) Tata Boeing Aerospace Limited (formerly known as Tata Aerospace Limited) Tata Lockheed Martin Aerostructures Limited Tata Sikorsky Aerospace Limited (formerly known as Tara Aerospace Systems Limited) Tata Precision Industries (India) Limited Industrial Minerals and Chemicals Company Private Limited Air India SATS Airport Services Private Ltd. Emerald Haven Realty Limited Automotive Stampings and Assemblies Limited Mikado Realtors Private Limited Tata AutoComp GY Batteries Private Limited (formerly known as Tata AutoComp GY Batteries Limited) Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) (Ceased w.e.f 11.11.2021) Tata Ficosa Automotive Systems Private Limited (formerly known as Tata Ficosa Automotive Systems Limited) TP Luminaire Private Limited Supermarket Grocery Supplies Private Limited Land kart Builders Private Limited Tata Motors Body Solutions Limited (formerly known as Tata Motors Body Solutions Limited) Tata Consulting Engineers Limited Tata Investment Corporation Limited Tata Coffee Staff Provident Fund Trust Rallis India Limited Provident Fund Tata Steel Ltd Provident Fund Tata Chemicals Ltd Provident Fund Tata Power Consolidated Provident Fund Tata Tea Limited Staff Pension Fund Tata Steel Long product Limited employees providend fund trust Titan Industries Gratuity Fund Taj Residency Employees Provident fund Trust (Bangalore unit) The Tinplate Company of India Ltd. Gratuity Fund The Tinplate Company Executive Staff Superannuation Fund The Provident Fund of The Tinplate Company of India Ltd Titan Watches Provident Fund Voltas Managerial Staff Provident Fund Tata Communications Employee's Provident Fund Trust Tata Elxsi (India) Ltd. Employees Provident Fund Tata Sons Consolidated Provident Fund Tata Sons Consolidated Superannuation Fund Tata Sons Limited H.O. Employees' Gratuity Fund Tata International Limited Gratuity Fund (w.e.f. 28.01.2023) Tata Housing Development Company Ltd - Employees Provident Fund Tata Metaliks Ltd Employees Provident fund The Indian Hotels Company Limited Employees Provident Fund Voltas Limited Employees' Superannuation Scheme Voltas Limited Provident Fund Tata Industries Superannuation Fund Trust TCE Employees' Providend Fund Tata Investment Corporation Limited - Provident Fund Titan Watches Superannuation Fund

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

Sr No	Party Name	Nature of Transactions	FY 22-23	FY 21-22
1	**Tata Sons Private Limited**			
		Income		
		Interest Income on Finance Lease	4	16
		Operating Lease rental	71	742
		Foreclosure Charges	131	-
		Expenses		
		BEBP Expenses	2,177	1,567
		Professional Fees	8	7
		* Staff Welfare Expenses	-	0
		Training Expenses	4	-
		Other transactions		
		Sale of fixed assets	597	9
		Finance Lease Facility repayment received during period	71	205
		Assets		
		Finance Lease Facility Principal receivable	-	71
		* Finance lease accrued income & other receivables	-	0
		Other Receivables	-	3
		Liabilities		
		Other Payables	2,177	1,567
2	**Tata Capital Limited**			
		Income		
		Recovery Rent and other expenses	4	4
		Expenses		
		Dividend paid during period - Equity Shares	5,478	12,061
		Interest expenses on Inter Corporate Deposit	3,767	9,462
		Interest expenses on Non Convertible Debentures	524	1,113
		Service provider charges	2,665	2,264
		Rent Expenses	962	1,076
		Electricity Expenses	43	42
		Insurance Expenses	9	7
		Contribution to Provident Fund	106	-
		Other transactions		
		Inter-Corporate Deposit received	6,01,926	4,89,579
		Inter-Corporate Deposit repaid	6,79,419	5,27,144
		Infusion in Equity Share (inclusive of premium)	1,15,000	30,000
		Purchase of Fixed Assets	-	1
		Refund received Security Deposits-Premises	1,180	-
		Assets		
		Security Deposit receivable	4,666	5,847
		* Other Receivables	1	0
		Liabilities		
		Equity shares held	1,71,885	1,65,987
		Inter-Corporate Deposit Payable	-	77,493
		Accrued Interest on Inter Corporate Deposit Outstanding	-	495
		Payable towards Non Convertible Debentures	-	12,500
		Accrued Interest on Non Convertible Debentures	-	18
		Other Payables	331	579

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

3	**Tata Capital Housing Finance Limited**			
		Income		
		Referral Fees	32	15
		Recovery Rent and other expenses	942	737
		Expenses		
		Rent Expenses	198	88
		Valuation charges	97	80
		Other Transactions		
		* Purchase of Fixed Assets	0	0
		Sale of fixed assets	-	28
		Assets		
		Other Receivables	108	88
		Liabilities		
		Other Payables	34	18
4	**Tata Cleantech Capital Limited**			
		Income		
		Recovery Rent and other expenses	97	99
		Syndication Fees	-	8
		Expenses		
		Guest House Charges	14	9
		Professional Fees	9	9
		Other transactions		
		Recovery of Salary cost	-	3
		Paid during period towards purchase of loan portfolio	-	4,000
		Received during period towards sale of loan portfolio	44,142	28,864
		Transfer of sanction but undisbursed loan portfolio	937	
		Assets		
		Other Receivables	8	9
5	**Tata Securities Limited**			
		Income		
		Recovery Rent and other expenses	37	46
		Other Income	18	-
		Expenses		
		Professional Fees	12	37
		Commission Expenses	105	-
		Other transactions		
		* Purchase of Fixed Assets	-	0
		Assets		
		Other Receivables	2	-
		Liabilities		
		Other Payables	22	25
6	**Tata Capital Advisors Pte. Limited**			
		Income		
		Service Level Agreement Fees	8	8
		Assets		
		Other Receivables	-	8

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

7	**Tata Capital General Partners LLP**		
	Income		
	Service Level Agreement Fees	1	1
	Assets		
	Other Receivables	-	1
8	**Tata Capital Growth II General Partners LLP**		
	Income		
	Service Level Agreement Fees	1	1
	Assets		
	Other Receivables	-	1
9	**Tata Capital Healthcare General Partners LLP**		
	Income		
	Service Level Agreement Fees	1	1
	Assets		
	Other Receivables	-	1
10	**TATA Capital Healthcare II General Partners LLP**		
	Income		
	Service Level Agreement Fees	1	1
	Assets		
	Other Receivables	-	1
11	**Tata Capital Plc**		
	Income		
	Service Level Agreement Fees	8	8
	Assets		
	Other Receivables	-	8
12	**Tata Capital Pte. Limited**		
	Income		
	Service Level Agreement Fees	15	15
	Assets		
	Other Receivables	-	15
13	**Tata Opportunities General Partners LLP**		
	Income		
	Service Level Agreement Fees	1	1
	Assets		
	Other Receivables	-	1

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

14	**Fincare Business Services Limited**		
	Income		
	Interest Income on Loan	245	316
	Other transactions		
	Loan repayment received during period	2,023	1,830
	Assets		
	Loan Principal receivable	-	2,023
	* Loan accrued interest receivable	-	0
	Investment in Equity Shares	734	734
15	**Fincare Small Finance Bank Limited**		
	Income		
	Interest Income on Loan	409	409
	Other transactions		
	Investment in Equity during period	-	119
	Assets		
	Loan Principal receivable	3,616	3,616
	Loan accrued interest receivable	13	13
	Investment in Equity Shares	146	146
16	**TVS Supply Chain Solutions Limited**		
	Income		
	Income on Invoice Discounting	28	47
	Other transactions		
	Invoice discounted during period	5,635	4,551
	Invoice discounted repayment received during period	5,932	4,635
	Assets		
	Invoice Discounted receivable	212	508
	Invoice Discounting other receivables	1	2
	Investment in Equity Shares	981	981
	Commitments		
	Off balance sheet exposure	777	492
17	**Indusface Private Limited**		
	Expenses		
	Information Technology Expenses	13	13
	Liabilities		
	Other Payables	5	4

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

18	**Tata Projects Limited**			
		Income		
		Interest Income on Finance Lease	2,032	852
		Operating Lease rental	4,018	6,185
		Management Fees	-	702
		Interest Income on Loan	3,095	1,137
		Foreclosure Charges	1	-
		Other transactions		
		Sale of fixed assets	1,230	336
		Purchase of Fixed Assets	5,712	-
		Finance Lease Facility provided during period	11,911	4,270
		Finance Lease Facility repayment received during period	3,844	1,568
		Loan given during period	-	50,000
		Loan repayment received during period	-	8,800
		Security deposit received during period	27	84
		Security deposit repaid / adjusted during period	27	-
		Assets		
		Finance Lease Facility Principal receivable	14,546	6,480
		Finance lease accrued income & other receivables	21,031	2,449
		Loan Principal receivable	41,200	41,200
		Loan accrued interest receivable	1,356	939
		Other Receivables	417	288
		Liabilities		
		Security deposit payable	778	778
		Commitments		
		Off balance sheet exposure	37,087	19,130
19	**Tata Technologies Limited**			
		Income		
		* Interest Income on Finance Lease	0	3
		Expenses		
		Information Technology Expenses	321	424
		Other transactions		
		* Finance Lease Facility repayment received during period	0	28
		Assets		
		Finance Lease Facility Principal receivable	-	0
		Finance lease accrued income & other receivables	-	(0)
		Liabilities		
		Other Payables	101	108
20	**Tema India Limited**			
		Income		
		Interest Income on Loan	6	8
		Other transactions		
		Loan repayment received during period	16	16
		Assets		
		Loan Principal receivable	39	56
		* Loan accrued interest receivable	0	0

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

21	**Tata Capital LimitedGratuity Scheme**		
	Expenses		
	Contribution to Gratuity fund	848	73
22	**Tata Capital LimitedEmployees Provident Fund**		
	Expenses		
	Contribution to Provident Fund	1,890	1,259
	Other transactions		
	Employees Contribution to Provident Fund	3,015	1,939
	Interest paid on Non Convertible Debentures	-	10
	Liabilities		
	Other Payables	480	114
23	**Tata Capital LimitedSuperannuation Scheme**		
	Expenses		
	Contribution to Superannuation	95	92
	Assets		
	Other Payables	7	-
24	**TCL Employee Welfare Trust**		
	Other transactions		
	Loan given during period	-	820
	Assets		
	Loan Principal receivable	7,356	7,356
	Other Receivables	18	1
25	**AIX Connect Private Limited**		
	Income		
	Interest Income on Loan	2,645	1,810
	Management Fees	-	65
	Other transactions		
	Loan given during period	37,000	53,000
	Loan repayment received during period	26,005	46,994
	Assets		
	Loan Principal receivable	36,995	26,000
	Loan accrued interest receivable	274	186
	Commitments		
	Off balance sheet exposure	-	10,000

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

26	**Infiniti Retail Limited**			
		Income		
		Operating Lease rental	-	32
		Interest Income on Finance Lease	74	30
		Expenses		
		Commission Expenses	74	39
		Staff Welfare Expenses	4	-
		Other transactions		
		Finance Lease Facility provided during period	517	546
		Finance Lease Facility repayment received during period	294	82
		Security deposit received during period	69	49
		Security deposit repaid / adjusted during period	2	36
		Payments towards Net Settlement Reward points	1,539	1,497
		Assets		
		Finance Lease Facility Principal receivable	702	479
		Finance lease accrued income & other receivables / (Payable)	(5)	(3)
		* Other Receivables	-	0
		Liabilities		
		Security deposit payable	112	45
		Other Payables	2	0
		Commitments		
		Off balance sheet exposure	1,250	694
27	**Tata Advanced Systems Limited**			
		Income		
		Interest Income on Finance Lease	68	54
		Other transactions		
		Finance Lease Facility provided during period	315	199
		Finance Lease Facility repayment received during period	158	119
		Security deposit received during period	1	-
		Assets		
		Finance Lease Facility Principal receivable	471	313
		Finance lease accrued income & other receivables	224	94
		Liabilities		
		Security deposit payable	1	-
		Commitments		
		Off balance sheet exposure	616	716

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

28	**Tata AIG General Insurance Company Limited**			
		Income		
		Commission Income on Insurance	991	591
		Expenses		
		Insurance Expenses	120	82
		Assets		
		Other Receivables	238	173
29	**Tata Asset Management Private Limited**			
		Income		
		Portfolio Management Services	63	31
		Assets		
		Other Receivables	1	2
30	**Tata Autocomp Systems Limited**			
		Income		
		Operating Lease rental	572	718
		Other transactions		
		Security deposit received during period	-	21
		Security deposit repaid / adjusted during period	473	-
		Assets		
		Other Receivables	542	694
		Liabilities		
		Security deposit payable	-	473
		Commitments		
		Off balance sheet exposure	2,130	6,552
31	**Tata Business Hub Limited**			
		Income		
		Interest Income on Finance Lease	28	12
		Other transactions		
		Finance Lease Facility provided during period	142	217
		Finance Lease Facility repayment received during period	78	24
		Assets		
		Finance Lease Facility Principal receivable	257	193
		Finance lease accrued income & other receivables / (Payable)	(2)	(2)
		Commitments		
		Off balance sheet exposure	-	244

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

32	**Tata Consultancy Services Limited**			
		Income		
		Interest Income on Finance Lease	66	52
		Operating Lease rental	411	490
		Expenses		
		Information Technology Expenses	4,156	8,388
		Other transactions		
		Purchase of Fixed Assets	155	15
		Finance Lease Facility provided during period	523	149
		Finance Lease Facility repayment received during period	231	115
		Security deposit received during period	58	43
		Security deposit repaid / adjusted during period	8	21
		Assets		
		Finance Lease Facility Principal receivable	524	232
		Finance lease accrued income & other receivables / (Payable)	(17)	13
		Liabilities		
		Other Payables	1,259	2,708
		Security deposit payable	228	178
		Commitments		
		Off balance sheet exposure	-	766
33	**Tata Digital Private Limited**			
		Income		
		Interest Income on Loan	-	436
		Expenses		
		Commission Expenses	449	-
		Other Transactions		
		Loan given during period	-	15,000
		Loan repayment received during period	-	15,000
		Commitments		
		Off balance sheet exposure	500	-
34	**Tata Electronics Private Limited**			
		Income		
		Interest Income on Finance Lease	207	41
		Other transactions		
		Finance Lease Facility provided during period	2,982	946
		Finance Lease Facility repayment received during period	967	149
		Security deposit received during period	-	15
		Assets		
		Finance Lease Facility Principal receivable	2,812	797
		Finance lease accrued income & other receivables	432	1,989
		Liabilities		
		Security Deposit Payable	15	15
		Commitments		
		Off balance sheet exposure	3,126	1,322

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

35	**Tata Elxsi Limited**			
		Income		
		Interest Income on Finance Lease	25	12
		Other transactions		
		Finance Lease Facility provided during period	97	150
		Finance Lease Facility repayment received during period	43	14
		Assets		
		Finance Lease Facility Principal receivable	190	136
		Finance lease accrued income & other receivables	28	31
		Commitments		
		Off balance sheet exposure	-	485
36	**Tata International Limited**			
		Income		
		Interest Income on Finance Lease	17	12
		Other transactions		
		Finance Lease Facility provided during period	92	-
		Finance Lease Facility repayment received during period	37	33
		Security deposit repaid / adjusted during period	21	-
		Assets		
		Finance Lease Facility Principal receivable	100	44
		Finance lease accrued income & other receivables	28	16
		Liabilities		
		Security deposit payable	-	21
		Commitments		
		Off balance sheet exposure	356	39
37	**Tata Medical and Diagnostics Limited**			
		Expenses		
		* Staff Welfare Expenses	-	0
		Income		
		* Interest Income on Finance Lease	4	0
		Other transactions		
		Finance Lease Facility provided during period	27	-
		Finance Lease Facility repayment received during period	3	-
		Assets		
		Finance Lease Facility Principal receivable	24	-
		Finance lease accrued income & other receivables	8	50
		Commitments		
		Off balance sheet exposure	-	550
38	**Tata Realty and Infrastructure Limited**			
		Income		
		Interest Income on Loan	62	-
		Other transactions		
		Loan given during period	9,500	-
		Loan repayment received during period	9,500	-

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

39	**Tata Teleservices (Maharashtra) Limited**			
		Expenses		
		Communication Expenses	139	111
		Liabilities		
		Other Payables	8	2
40	**Tata Teleservices Limited**			
		Income		
		Interest Income on Finance Lease	7	18
		Expenses		
		Communication Expenses	30	29
		Other transactions		
		Finance Lease Facility provided during period	-	18
		Finance Lease Facility repayment received during period	53	81
		Assets		
		Finance Lease Facility Principal receivable	-	79
		Finance lease accrued income & other receivables / (Payable)	-	(25)
		Liabilities		
		Other Payables	1	-
41	**Tata Toyo Radiator Limited**			
		Income		
		Operating Lease rental	2,019	2,086
		Interest Income on Loan	-	68
		Other transactions		
		Security deposit received during period	323	22
		Security deposit repaid / adjusted during period	1,501	-
		Loan repayment received during period	-	2,500
		Assets		
		Other Receivables	1,863	2,053
		Liabilities		
		Security deposit payable	10	1,188
		Commitments		
		Off balance sheet exposure	-	286
42	**Innovative Retail Concepts Private Limited**			
		Expenses		
		Staff Welfare Expenses	1	1
		Liabilities		
		* Other Payables	0	0
43	**Tata 1mg Technologies Private Limited**			
		Expenses		
		* Staff Welfare Expenses	0	-
44	**Tata Unistore Limited (w.e.f 09.12.2022)**			
		Expenses		
		Staff Welfare Expenses	1	-

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

45	**Tata Communications Limited**			
		Expenses		
		Information Technology Expenses	597	488
		Other transactions		
		Finance Lease Facility repayment received during period	-	1
		Assets		
		Finance Lease Facility Principal receivable	4	4
		Finance lease accrued income & other receivables / (Payable)	(1)	(1)
		Assigned receivables	655	-
		Liabilities		
		Other Payables	224	264
46	**Tata Communications Transformation Services Limited**			
		Income		
		* Interest Income on Finance Lease	-	0
		Other transactions		
		Finance Lease Facility repayment received during period	-	1
		Assets		
		* Finance Lease Facility Principal receivable	-	0
		* Finance lease accrued income & other receivables / (Payable)	-	(0)
47	**Niskalp Infrastructure Services Limited**			
		Income		
		Recovery of Insurance Expenses	1	-
48	**Stryder Cycle Private Limited**			
		Commitments		
		Off balance sheet exposure	300	-
49	**Savis Retail Private Limited**			
		Expenses		
		Staff Welfare Expenses	-	1
50	**Tata Consumer Products Limited**			
		Income		
		Interest Income on Finance Lease	18	8
		Operating Lease rental	61	63
		Other transactions		
		Finance Lease Facility provided during period	191	-
		Finance Lease Facility repayment received during period	32	18
		Assets		
		Finance Lease Facility Principal receivable	227	68
		Finance lease accrued income & other receivables	3	4
		Other Receivables	37	33
		Commitments		
		Off balance sheet exposure	1,496	310

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

51	**Tata Motors Limited**			
		Income		
		Interest Income on Finance Lease	1,482	621
		Management Fees	1	9
		Other Income	8	-
		Foreclosure Charges	1	18
		Other transactions		
		Finance Lease Facility provided during period	8,616	8,419
		Finance Lease Facility repayment received during period	2,561	2,838
		Assets		
		Finance Lease Facility Principal receivable	12,065	6,009
		Finance lease accrued income & other receivables	2,903	2,531
		Commitments		
		Off balance sheet exposure	5,612	5,515
52	**Tata Steel Limited**			
		Income		
		* Dividend Income	0	-
		Assets		
		Investment in Equity Shares	9	11
53	**The Associated Building Company Limited**			
		Income		
		Interest Income on Loan	-	16
		Other transactions		
		Loan repayment received during period	-	256
54	**The Indian Hotels Company Limited**			
		Income		
		Interest Income on Finance Lease	2	5
		Expenses		
		Staff Welfare Expenses	220	30
		Other transactions		
		Finance Lease Facility provided during period	-	9
		Finance Lease Facility repayment received during period	8	35
		Assets		
		Finance Lease Facility Principal receivable	10	18
		* Finance lease accrued income & other receivables	0	2
		Commitments		
		Off balance sheet exposure	-	286

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

55	**The Tata Power Company Limited**			
		Income		
		Interest Income on Finance Lease	225	260
		Income on Invoice Discounting	12	-
		Other transactions		
		Finance Lease Facility provided during period	117	972
		Finance Lease Facility repayment received during period	511	377
		Invoice discounted during period	14,644	-
		Assets		
		Finance Lease Facility Principal receivable	1,147	1,540
		Finance lease accrued income & other receivables	182	223
		Commitments		
		Off balance sheet exposure	-	2,060
56	**Titan Company Limited**			
		Income		
		Interest Income on Finance Lease	12	6
		Interest Income on Loan	2	-
		Expenses		
		Staff Welfare Expenses	-	1
		Interest expenses on Inter Corporate Deposit	155	35
		Other transactions		
		Security deposit received during period	-	13
		Loan given during period	314	-
		Loan repayment received during period	1	-
		Finance Lease Facility provided during period	-	132
		Finance Lease Facility repayment received during period	13	-
		Inter-Corporate Deposit received	15,000	40,000
		Inter-Corporate Deposit repaid	15,000	40,000
		Assets		
		Finance Lease Facility Principal receivable	119	132
		Finance lease accrued income & other receivables	1	6
		Loan Principal receivable	313	-
		Loan accrued interest receivable	2	-
		Liabilities		
		Security Deposit Payable	13	13
		Payable towards Non Convertible Debentures	3,000	-
57	**Trent Limited**			
		Other transactions		
		Payments towards Net Settlement Reward points	316	246
58	**Voltas Limited**			
		Expenses		
		Commission Expenses	15	34
		Repairs and Maintenance	52	29
		Other transactions		
		Purchase of Fixed Assets	173	21
		Liabilities		
		Other Payables	8	-

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

59	**Tata AIA Life Insurance Company Limited**			
		Income		
		Interest Income on Finance Lease	57	26
		Commission Income on Insurance	495	346
		Expenses		
		Insurance Expenses	317	176
		Other transactions		
		Finance Lease Facility provided during period	413	105
		Finance Lease Facility repayment received during period	69	32
		Interest paid on Non Convertible Debentures	3,496	5,345
		Assets		
		Finance Lease Facility Principal receivable	455	112
		Finance lease accrued income & other receivables	190	5
		Other Receivables	354	200
		Liabilities		
		Payable towards Non Convertible Debentures	51,500	41,200
		Commitments		
		Off balance sheet exposure	1,030	432
60	**Tata Industries Limited**			
		Income		
		Interest Income on Finance Lease	143	205
		Syndication Fees	17	158
		Foreclosure Charges	4	-
		Other transactions		
		Finance Lease Facility provided during period	31	286
		Finance Lease Facility repayment received during period	475	485
		Assets		
		Finance Lease Facility Principal receivable	914	1,358
		Finance lease accrued income & other receivables / (Payable)	(18)	(12)
		Commitments		
		Off balance sheet exposure	-	380
61	**Coastal Gujarat Power Limited**			
		Income		
		Interest Income on Finance Lease	31	34
		Other transactions		
		Finance Lease Facility provided during period	-	186
		Finance Lease Facility repayment received during period	58	36
		Assets		
		Finance Lease Facility Principal receivable	187	245
		* Finance lease accrued income & other receivables / (Payable)	(0)	(6)
		Commitments		
		Off balance sheet exposure	-	1,650

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

62	**Maithon Power Limited**		
	Income		
	Interest Income on Finance Lease	6	9
	Other transactions		
	Finance Lease Facility provided during period	-	52
	Finance Lease Facility repayment received during period	11	11
	Assets		
	Finance Lease Facility Principal receivable	51	62
	Finance lease accrued income & other receivables / (Payable)	(2)	(2)
	Commitments		
	Off balance sheet exposure	-	1,784
63	**Nelco Limited**		
	Income		
	Interest Income on Finance Lease	8	4
	Other transactions		
	Finance Lease Facility provided during period	59	-
	Finance Lease Facility repayment received during period	13	14
	Assets		
	Finance Lease Facility Principal receivable	67	21
	Finance lease accrued income & other receivables	15	18
	Commitments		
	Off balance sheet exposure	999	-
64	**Tata Power Delhi Distribution Limited**		
	Expenses		
	* Advertising Expenses	0	-
65	**Tata Power Solar Systems Limited**		
	Income		
	Interest Income on Finance Lease	33	37
	Other transactions		
	Finance Lease Facility provided during period	53	83
	Finance Lease Facility repayment received during period	92	82
	Assets		
	Finance Lease Facility Principal receivable	169	208
	Finance lease accrued income & other receivables / (Payable)	(7)	(13)
	Commitments		
	Off balance sheet exposure	-	3,413

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

66	**Tata Power Trading Company Limited**		
	Income		
	* Interest Income on Finance Lease	-	0
67	**TP Ajmer Distribution Limited**		
	Income		
	Interest Income on Finance Lease	2	1
	Other transactions		
	Finance Lease Facility provided during period	-	9
	Finance Lease Facility repayment received during period	7	1
	Assets		
	Finance Lease Facility Principal receivable	25	32
	* Finance lease accrued income & other receivables	8	0
	Commitments		
	Off balance sheet exposure	626	1,650
68	**TP Central Odisha Distribution Limited**		
	Income		
	Interest Income on Finance Lease	19	30
	Other transactions		
	Finance Lease Facility provided during period	-	128
	Finance Lease Facility repayment received during period	36	35
	Assets		
	Finance Lease Facility Principal receivable	56	93
	Finance lease accrued income & other receivables	1	(2)
	Commitments		
	Off balance sheet exposure	-	1,698
69	**TP Northern Odisha Distribution Limited**		
	Income		
	Interest Income on Finance Lease	5	3
	Other transactions		
	Finance Lease Facility provided during period	7	28
	Finance Lease Facility repayment received during period	12	2
	Assets		
	Finance Lease Facility Principal receivable	21	27
	Finance lease accrued income & other receivables	3	16
	Commitments		
	Off balance sheet exposure	-	3,452

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

70	**TP Renewable Microgrid Limited**			
		Income		
		* Interest Income on Finance Lease	0	-
		Other transactions		
		Finance Lease Facility provided during period	4	-
		* Finance Lease Facility repayment received during period	0	-
		Assets		
		Finance Lease Facility Principal receivable	4	-
		* Finance lease accrued income & other receivables	0	-
71	**TP Southern Odisha Distribution Limited**			
		Income		
		* Interest Income on Finance Lease	3	0
		Other transactions		
		Finance Lease Facility provided during period	13	-
		Finance Lease Facility repayment received during period	1	-
		Assets		
		Finance Lease Facility Principal receivable	11	-
		Finance lease accrued income & other receivables	2	-
		Commitments		
		Off balance sheet exposure	-	3,487
72	**TP Western Odisha Distribution Limited**			
		Income		
		Interest Income on Finance Lease	8	2
		Other transactions		
		Finance Lease Facility provided during period	9	47
		Finance Lease Facility repayment received during period	21	1
		Assets		
		Finance Lease Facility Principal receivable	35	46
		Finance lease accrued income & other receivables	5	10
		Commitments		
		Off balance sheet exposure	-	3,417
73	**Walwhan Renewable Energy Limited**			
		Commitments		
		Off balance sheet exposure	1,650	-
74	**Tata Motors Finance Limited**			
		Expenses		
		Rent expenses	246	42
		Liabilities		
		Other Payables	20	20

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

75	**Tata Motors Passenger Vehicles Limited**			
		Income		
		Interest Income on Finance Lease	486	215
		* Foreclosure Charges	0	-
		Other transactions		
		Finance Lease Facility provided during period	2,719	2,094
		Finance Lease Facility repayment received during period	733	141
		Assets		
		Finance Lease Facility Principal receivable	3,938	1,953
		Finance lease accrued income & other receivables	934	691
		Commitments		
		Off balance sheet exposure	1,476	4,802
76	**Tata Passenger Electric Mobility Limited**			
		Income		
		Interest Income on Finance Lease	54	16
		Other transactions		
		Finance Lease Facility provided during period	507	145
		Finance Lease Facility repayment received during period	69	2
		Assets		
		Finance Lease Facility Principal receivable	581	143
		Finance lease accrued income & other receivables	286	51
		Commitments		
		Off balance sheet exposure	411	1,950
77	**TML Business Services Limited**			
		Income		
		Operating Lease rental	4	-
		Interest Income on Finance Lease	44	11
		Foreclosure Charges	-	42
		Other transactions		
		Sale of fixed assets	-	13
		Finance Lease Facility provided during period	398	-
		Finance Lease Facility repayment received during period	76	-
		Assets		
		Finance Lease Facility Principal receivable	322	-
		Finance lease accrued income & other receivables	67	-
		Liabilities		
		Other Payables	6	-
		Commitments		
		Off balance sheet exposure	-	42

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

78	**Indian Steel & Wire Products Ltd.**			
		Income		
		Interest Income on Finance Lease	12	9
		Other transactions		
		Finance Lease Facility provided during period	-	44
		Finance Lease Facility repayment received during period	35	26
		Assets		
		Finance Lease Facility Principal receivable	42	77
		* Finance lease accrued income & other receivables / (Payable)	(0)	4
		Commitments		
		Off balance sheet exposure	-	1,230
79	**Tata Metaliks Ltd.**			
		Income		
		Interest Income on Finance Lease	22	7
		Operating Lease rental	9	31
		Foreclosure Charges	1	-
		Other transactions		
		Security deposit received during period	18	9
		Finance Lease Facility provided during period	287	74
		Finance Lease Facility repayment received during period	97	16
		Sale of fixed assets	4	-
		Assets		
		Finance Lease Facility Principal receivable	257	68
		Finance lease accrued income & other receivables / (Payable)	(2)	27
		* Other Receivables	0	1
		Liabilities		
		Security deposit payable	29	22
		Commitments		
		Off balance sheet exposure	-	6,484
80	**Tata Steel Downstream Products Limited**			
		Income		
		* Interest Income on Finance Lease	0	-
		Other transactions		
		Finance Lease Facility provided during period	32	-
		Assets		
		Finance Lease Facility Principal receivable	32	-
		Finance lease accrued income & other receivables	3	-
		Commitments		
		Off balance sheet exposure	1,951	-

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

81	**Tata Steel Utilities and Infrastructure Services Limited**		
	Income		
	Interest Income on Finance Lease	56	19
	Operating Lease rental	88	-
	Foreclosure Charges	3	-
	Other transactions		
	Finance Lease Facility provided during period	312	216
	Finance Lease Facility repayment received during period	111	62
	Security deposit received during period	253	21
	Security deposit repaid / adjusted during period	80	-
	Assets		
	Finance Lease Facility Principal receivable	386	185
	* Finance lease accrued income & other receivables	6	0
	Other Receivables	68	-
	Liabilities		
	Security deposit payable	203	29
	Commitments		
	Off balance sheet exposure	3,208	981
82	**Ideal Ice & Cold Storage Company Limited**		
	Income		
	Interest Income on Finance Lease	6	3
	Other transactions		
	Finance Lease Facility provided during period	57	-
	Finance Lease Facility repayment received during period	12	-
	Assets		
	Finance Lease Facility Principal receivable	45	-
	Finance lease accrued income & other receivables	1	55
	Commitments		
	Off balance sheet exposure	-	246
83	**Piem Hotels Limited**		
	Income		
	Interest Income on Loan	-	17
	Management Fees	-	5
	Expenses		
	Staff Welfare Expenses	15	3
	Other transactions		
	Loan given during period	-	495
	Loan repayment received during period	-	495
	Commitments		
	Off balance sheet exposure	-	1,500

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

84	**United Hotels Limited**			
		Income		
		Interest Income on Finance Lease	6	4
		Expenses		
		Staff Welfare Expenses	1	-
		Other transactions		
		Finance Lease Facility provided during period	-	11
		Finance Lease Facility repayment received during period	6	4
		Assets		
		Finance Lease Facility Principal receivable	26	32
		Finance lease accrued income & other receivables	2	4
		Commitments		
		Off balance sheet exposure	-	35
85	**Roots Corporation Limited**			
		Expenses		
		* Staff Welfare Expenses	4	0
86	**Fiora Hypermarket Limited**			
		Expenses		
		Commission Expenses	8	3
		Staff Welfare Expenses	58	-
		Other transactions		
		Payments towards Net Settlement Reward points	440	287
		Liabilities		
		Other Payables	-	1
87	**Air International TTR Thermal Systems Private Limited**			
		Income		
		Operating Lease rental	26	29
		Assets		
		Other Receivables	20	27
		Liabilities		
		Security deposit payable	18	18
		Commitments		
		Off balance sheet exposure	-	823

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

88	**Tata Boeing Aerospace Limited**			
		Income		
		Interest Income on Finance Lease	1	1
		Other transactions		
		Finance Lease Facility provided during period	11	-
		Finance Lease Facility repayment received during period	3	2
		Security deposit received during period	2	-
		Assets		
		Finance Lease Facility Principal receivable	11	4
		* Finance lease accrued income & other receivables / (Payable)	(0)	(0)
		Liabilities		
		Security deposit payable	2	-
		Commitments		
		Off balance sheet exposure	-	138
89	**Tata Lockheed Martin Aerostructures Limited**			
		Income		
		Interest Income on Finance Lease	5	2
		Other transactions		
		Finance Lease Facility provided during period	44	-
		Finance Lease Facility repayment received during period	14	13
		Security deposit received during period	2	-
		Assets		
		Finance Lease Facility Principal receivable	40	10
		Finance lease accrued income & other receivables	2	13
		Liabilities		
		Security deposit payable	2	-
90	**Tata Sikorsky Aerospace Limited**			
		Income		
		Interest Income on Finance Lease	9	9
		Other transactions		
		Finance Lease Facility provided during period	43	44
		Finance Lease Facility repayment received during period	32	15
		Security deposit received during period	2	-
		Assets		
		Finance Lease Facility Principal receivable	60	48
		* Finance lease accrued income & other receivables / (Payable)	(0)	12
		Liabilities		
		Security deposit payable	2	-
		Commitments		
		Off balance sheet exposure	-	53

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

91	**Tata Precision Industries (India) Limited**		
	Income		
	Interest Income on Loan	10	3
	Management Fees	-	1
	Other transactions		
	Loan given during period	-	96
	Loan repayment received during period	19	23
	Assets		
	Loan Principal receivable	76	96
	Loan accrued interest receivable	1	1
92	**Industrial Minerals and Chemicals Company Private Limited**		
	Income		
	Interest Income on Loan	80	-
	Management Fees	2	-
	Other transactions		
	Loan given during period	2,550	-
	Assets		
	Loan accrued interest receivable	44	-
	Loan Principal receivable	2,550	-
93	**Air India SATS Airport Services Private Ltd.**		
	Income		
	Operating Lease rental	6	-
	Assets		
	Other Receivables	6	-
	Commitments		
	Off balance sheet exposure	4,133	-
94	**Emerald Haven Realty Limited**		
	Income		
	Interest Income on Loan	1,037	603
	Management Fees	62	-
	Other transactions		
	Loan given during period	11,010	-
	Loan repayment received during period	4,177	2,037
	Assets		
	Loan Principal receivable	11,015	4,183
	Loan accrued interest receivable	142	59

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

95	**Automotive Stampings and Assemblies Limited**		
	Income		
	Interest Income on Loan	-	207
	Management Fees	-	7
	Other transactions		
	Loan given during period	-	6,933
	Loan repayment received during period	-	11,100
96	**Mikado Realtors Private Limited**		
	Income		
	* Interest Income on Loan	-	0
97	**Tata AutoComp GY Batteries Private Limited**		
	Income		
	Interest Income on Loan	-	6
	Other transactions		
	Loan given during period	-	1,000
	Loan repayment received during period	-	1,000
98	**Tata Steel BSL Limited**		
	Income		
	Interest Income on Loan	-	2
99	**Tata Ficosa Automotive Systems Private Limited**		
	Income		
	Interest Income on Loan	-	25
	Other Transactions		
	Loan given during period	-	1,400
	Loan repayment received during period	-	2,400
100	**TP Luminaire Private Limited**		
	Income		
	Interest Income on Loan	-	302
	Other Transactions		
	Loan repayment received during period	-	4,224
101	**Supermarket Grocery Supplies Private Limited**		
	Income		
	Interest Income on Loan	-	27
	Management Fees	-	30
	Other transactions		
	Loan given during period	-	5,968
	Loan repayment received during period	-	5,968
102	**Land kart Builders Private Limited**		
	Income		
	Referral Fees	-	2
	Assets		
	Other Receivables	-	2

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

103	**Tata Motors Body Solutions Limited**			
		Commitments		
		Off balance sheet exposure	-	750
104	**Tata Consulting Engineers Limited**			
		Other transactions		
		Interest paid on Non Convertible Debentures	36	-
		Liabilities		
		Payable towards Non Convertible Debentures	500	500
105	**Tata Investment Corporation Limited**			
		Other transactions		
		Interest paid on Non Convertible Debentures	356	-
		Liabilities		
		Payable towards Non Convertible Debentures	4,000	-
106	**Tata Coffee Staff Provident Fund Trust**			
		Other transactions		
		Interest paid on Non Convertible Debentures	83	67
		Liabilities		
		Payable towards Non Convertible Debentures	920	920
107	**Rallis India Limited Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	29	29
		Liabilities		
		Payable towards Non Convertible Debentures	290	290
108	**Tata Steel Ltd Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	159	159
		Liabilities		
		Payable towards Non Convertible Debentures	1,730	1,730
109	**Tata Chemicals Ltd Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	193	192
		Liabilities		
		Payable towards Non Convertible Debentures	1,990	1,990
110	**Tata Power Consolidated Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	87	87
		Liabilities		
		Payable towards Non Convertible Debentures	1,000	1,000

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties (Rs. In lakhs)

111	**Tata Tea LimitedStaff Pension Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	76	76
	Liabilities		
	Payable towards Non Convertible Debentures	800	800
112	**Tata Steel Long product Limitedemployees providend fund trust**		
	Other transactions		
	Interest paid on Non Convertible Debentures	22	22
	Liabilities		
	Payable towards Non Convertible Debentures	230	230
113	**Titan Industries Gratuity Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	108	93
	Liabilities		
	Payable towards Non Convertible Debentures	1,710	1,210
114	**Taj Residency Employees Provident fund Trust (Bangalore unit)**		
	Other transactions		
	Interest paid on Non Convertible Debentures	5	5
	Liabilities		
	Payable towards Non Convertible Debentures	50	50
115	**The Tinplate Company of India Ltd. Gratuity Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	10	10
	Liabilities		
	Payable towards Non Convertible Debentures	110	110
116	**The Tinplate Company Executive Staff Superannuation Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	4	4
	Liabilities		
	Payable towards Non Convertible Debentures	50	50
117	**The Provident Fund of The Tinplate Company of India Ltd**		
	Other transactions		
	Interest paid on Non Convertible Debentures	14	14
	Liabilities		
	Payable towards Non Convertible Debentures	160	160
118	**Titan Watches Provident Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	268	194
	Liabilities		
	Payable towards Non Convertible Debentures	3,280	3,280

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

119	**Voltas Managerial Staff Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	43	16
		Liabilities		
		Payable towards Non Convertible Debentures	480	180
120	**Tata Communications Employee's Provident Fund Trust**			
		Other transactions		
		Interest paid on Non Convertible Debentures	147	147
		Liabilities		
		Payable towards Non Convertible Debentures	1,490	1,490
121	**Tata Elxsi (India) Ltd. Employees Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	189	65
		Liabilities		
		Payable towards Non Convertible Debentures	2,350	2,350
122	**Tata Sons Consolidated Provident Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	28	28
		Liabilities		
		Payable towards Non Convertible Debentures	280	280
123	**Tata Sons Consolidated Superannuation Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	26	26
		Liabilities		
		Payable towards Non Convertible Debentures	235	235
124	**Tata Sons LimitedH.O. Employees' Gratuity Fund**			
		Other transactions		
		Interest paid on Non Convertible Debentures	1	1
		Liabilities		
		Payable towards Non Convertible Debentures	10	10
125	**Tata International Limited Gratuity Fund**			
	(w.e.f 28.01.2023)	**Other transactions**		
		Interest paid on Non Convertible Debentures	10	-
		Liabilities		
		Payable towards Non Convertible Debentures	200	-

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

126	**Tata Housing Development Company Ltd - Employees Provident Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	-	4
	Liabilities		
	Payable towards Non Convertible Debentures	-	40
127	**Tata Metaliks Ltd Employees Provident fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	2	2
	Liabilities		
	Payable towards Non Convertible Debentures	15	15
128	**The Indian Hotels Company LimitedEmployees Provident Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	3	3
	Liabilities		
	Payable towards Non Convertible Debentures	30	30
129	**Voltas LimitedEmployees' Superannuation Scheme**		
	Other transactions		
	Interest paid on Non Convertible Debentures	1	1
	Liabilities		
	Payable towards Non Convertible Debentures	10	10
130	**Voltas LimitedProvident Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	6	-
	Liabilities		
	Payable towards Non Convertible Debentures	70	-
131	**Tata Industries Superannuation Fund Trust**		
	Other transactions		
	Interest paid on Non Convertible Debentures	21	21
	Liabilities		
	Payable towards Non Convertible Debentures	200	200
132	**TCE Employees' Providend Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	9	9
	Liabilities		
	Payable towards Non Convertible Debentures	100	100

(Rs. in lakh)

53. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

B) Transactions with related parties

(Rs. In lakhs)

133	**Tata Investment Corporation Limited- Provident Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	5	5
	Liabilities		
	Payable towards Non Convertible Debentures	50	50
134	**Titan Watches Superannuation Fund**		
	Other transactions		
	Interest paid on Non Convertible Debentures	-	9
	Liabilities		
	Payable towards Non Convertible Debentures	-	90
135	**Relative of KMP's**		
	Other transactions		
	Interest paid on Non Convertible Debentures	3	3
	Liabilities		
	Payable towards Non Convertible Debentures	29	29
136	**KMP of Holding Company**		
	Other transactions		
	* Interest paid on Non Convertible Debentures	0	0
	Liabilities		
	Payable towards Non Convertible Debentures	2	2
137	**Key managerial personnel (KMP)**		
	Remuneration to KMP		
	Short Term Employee Benefits	561	495
	Post Employment Benefits	29	27
	Share based payments (No. of Shares)		
	Options granted **	25,09,717	21,66,077
	Options exercised	2,82,091	2,82,091
	Director Sitting Fees & Commission	151	114
	Other transactions		
	Interest paid on Non Convertible Debentures	5	18
	Liabilities		
	Payable towards Non Convertible Debentures	50	51

Notes :

a) * less than Rs.50,000/-

b) ** ESOP has been granted by Tata Capital Limited

c) Expected credit loss provision for parties listed above have not been considered as provision for doubtful debts, hence not disclosed

d) The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

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

B) List of Associates

		Ownership Interest	
Country of Incorporation	**Name of Associates**	**March 31, 2023**	**March 31, 2022**
India	Fincare Business Services Limited	0.76%	0.76%
India	Fincare Small Finance Bank Limited	0.11%	0.11%
India	TVS Supply Chain Solutions Limited	0.38%	0.38%

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

54. Disclosure of Restructured Accounts As on 31-Mar-23

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on 1st April, 2022 (Opening figures)*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	14,105	897	813	-	15,815	14,105	897	813	-	15,815
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	2,05,883	9,464	11,263	-	2,26,610	2,05,883	9,464	11,263	-	2,26,610
		Provision thereon	-	-	-	-	-	-	-	-	-	-	57,235	7,887	9,214	-	74,336	57,235	7,887	9,214	-	74,336
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	6	-	-	6	-	6	-	-	6
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	978	91	70	-	1,139	978	91	70	-	1,139
		Provision thereon	-	-	-	-	-	-	-	-	-	-	238	78	70	-	386	238	78	70	-	386
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	75	(41)	(34)	-	-	75	(41)	(34)	-	-
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	922	(626)	(516)	-	(220)	922	(626)	(516)	-	(220)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	171	(431)	(349)	-	(609)	171	(431)	(349)	-	(609)
							-															
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(284)	(25)	(19)	-	(328)	(284)	(25)	(19)	-	(328)
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	(2,556)	(118)	(63)	-	(2,737)	(2,556)	(118)	(63)	-	(2,737)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(555)	(58)	(63)	-	(676)	(555)	(58)	(63)	-	(676)
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(2,872)	1,924	948	-	-	(2,872)	1,924	948	-	-
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	(29,864)	19,124	7,721	-	(3,019)	(29,864)	19,124	7,721	-	(3,019)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(11,408)	14,789	7,507	-	10,888	(11,408)	14,789	7,507	-	10,888
6	Write-offs / settlements / recoveries of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(3,110)	(419)	(441)	-	(3,970)	(3,110)	(419)	(441)	-	(3,970)
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	(56,892)	(3,779)	(4,760)	-	(65,431)	(56,892)	(3,779)	(4,760)	-	(65,431)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(20,295)	(3,243)	(2,991)	-	(26,529)	(20,295)	(3,243)	(2,991)	-	(26,529)
7	Restructured accounts as on 31st Mar, 2023 (Closing figures)*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	**7,914**	**2,342**	**1,267**	-	**11,523**	**7,914**	**2,342**	**1,267**	-	**11,523**
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	**1,18,471**	**24,156**	**13,715**	-	**1,56,342**	**1,18,471**	**24,156**	**13,715**	-	**1,56,342**
		Provision thereon	-	-	-	-	-	-	-	-	-	-	**25,386**	**19,022**	**13,388**	-	**57,796**	**25,386**	**19,022**	**13,388**	-	**57,796**

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

NOTES

1. Fresh Restructuring during the year' includes Rs. 10.6 crore of fresh / additional sanction (125 accounts and 3.2 crore provision thereto also) to existing restructured accounts.
2. Write offs of restructured accounts' includes Rs. 518 crore (3890 accounts with provision of 142 crore) of reduction from existing restructured accounts by way of sale / recovery.
3. The above disclosure includes restructuring granted pursuant to Reserve Bank of India notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 pertaining to Resolution Framework for COVID-19-related Stress (Refer Note 59).

(Rs. in lakh)

55. Disclosure of details as required by Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 as amended under Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 : (Continued)

(i) **The Company has following Registrations effective as on March 31, 2023 :**

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
Reserve Bank of India	B-13.02005	04-Nov-11	-	NBFC-ND-SI
Reserve Bank of India	N-13.02439	07-Oct-22	-	Factoring Business
Reserve Bank of India	-	15-Jan-19	14-Jan-25	Marketing and distribution of Co-branded Credit Card
Association of Mutual Fund of India	ARN No. 84894	12-Mar-15	11-Mar-24	Distributor of MF products (ARN)
Securities and Exchange Board of India	INA000002215	17-Sep-14	15-Sep-24	Investment Advisor
Insurance Regulatory and Development Authority of India	CA 0076	01-Apr-16	31-Mar-25	Corporate Agent

(ii) **Ratings assigned by credit rating agencies and migration of ratings during the year**

(i) Rating Assigned to	Short Term Debt, Long Term Debt, Perpetual Debt, Tier II Debt
(ii) Date of Rating	ICRA- March 31 2023, CARE- December 26, 2022, CRISIL- January 30, 2023, India Rating November 02, 2022
(iii) Rating Valid up to	Till the Date of reaffirmation
(iv) Name of the Rating Agency	ICRA Limited (ICRA), CRISIL Limited (CRISIL), Credit Analysis and Research Limited (CARE), India Ratings & Research Private Limited (IND)
(v) Rating of products	
(a) Commercial Paper	ICRA A1+ , CRISIL A1+ , IND A1+ (no change in the rating)
(b) Debentures	**Secured/Unsecured Non Convertible Debentures** Current year **:** ICRA AAA (Stable), CRISIL AAA (Stable) and CARE AAA (Stable) (No change in rating) **Secured Non Convertible Debentures - MLD** **Current year :** CRISIL PP-MLD AAA (Stable) **Tier II Debentures** Current year **:**ICRA AAA (Stable), CRISIL AAA (Stable) and CARE AAA (Stable) (No change in rating) **Perpetual Debentures** Current year **:** CRISIL AA+(Stable), CARE AA+(Stable) and ICRA AA+(Stable) (No change in rating)
(c) Others	**Short Term Bank Loans** ICRA A1+ (no change in the rating) **Long Term Bank Loans** Current year : ICRA AAA (Stable) , CARE AAA (Stable) and India Ratings IND AAA(Stable) (No change in rating)

(iii) RBI has not levied any penalties on the Company during the year.

(iv) **Off Balance Sheet Exposure as on March 31, 2023 is as follows :-**

(a) Undrawn Commitment given to Borrowers
As on March 31, 2023 Rs. 6,00,744 lakh (Year ended March, 31, 2022 : Rs. 5,52,570 lakh)
Loan tenure less than 1 Year: Rs. 3,29,695 lakh (Year ended March, 31, 2022 : Rs. 3,25,358 lakh)
Loan tenure more than 1 Year: Rs. 2,71,049 lakh (Year ended March, 31, 2022 : Rs. 2,27,212 lakh)
(b) Leases entered but not executed Rs. 97,514 lakh (Year ended March, 31, 2022 : Rs. 1,55,561 lakh)
(c) Others (Tax Matters and suits filed) Rs. 11,066 lakh (Year ended March, 31, 2022 : Rs. 11,341 lakh)

(Rs. in lakh)

55. Disclosure of details as required by Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 as amended under Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 : (Continued)

(v) **Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in the Statement of Profit and Loss (refer Note 1)	**FY 22-23**	**FY 21-22**
Provision for depreciation on Investments (net of fair value changes)	(382)	(1,662)
Impairment of investment in associates	-	-
Provision towards NPA (refer Note 2)	20,461	4,235
Provision against assets held for sale	-	(1)
Provision against other doubtful advances	97	(21)
Provision against derivative current credit exposure	67	-
Provision made towards Income tax	47,157	26,302
Other Provision and Contingencies (with details):		
- Provision for Employee Benefits	564	632
- Provision for Standard Assets	(4,533)	30,071
Total	**63,431**	**59,556**

Note :

1. The Company has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Accounting Standard - 29 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 separately as contingent liabilities in the notes to the accounts forming part of the financial statements (refer Note no 42(i)). The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

2. The Company has not availed relief in the classification and provision for non-performing assets against the exposure to micro, small and medium borrowers registered under Goods and Service Tax as provided by RBI through its circular no. RBI/2017-18/129 DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018.

(vi) **Concentration of Advances & Exposures stood as follows:**

Advances#

Particulars	**FY 22-23**	**FY 21-22**
Total Advances to twenty largest borrowers	7,89,009	6,82,793
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	10.95%	12.19%

Includes Loans, Advances & Credit Substitutes (Advance includes interest accrued but not due)

Exposure * **(Rs in lakh)**

Particulars	**FY 22-23**	**FY 21-22**
Total Exposure to twenty largest borrowers	8,29,326	8,18,901
Percentage of Exposure to twenty largest borrowers to Total Exposure of the NBFC **	10.09%	12.75%

* Includes Loans, Advances, Credit Substitutes & Investment in Equity Shares, Preference Shares, Security Receipts & Mutual Funds (including sanctioned part disbursed)

** Total Exposure includes off balance sheet exposure and interest accrued but not due (refer schedule 50(iv)(a,b and c)

(vii) The Company does not have any Joint Ventures and Subsidiaries abroad. The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable

(viii) **The status of the Customer Complaints during the year is as follows :**

Sr No	**Particulars**	**FY 22-23**	**FY 21-22**
(a)	No. of complaints pending at the beginning of the year	35	93
(b)	No. of complaints received during the year	3,625	2,724
(c)	No. of complaints redressed during the year	3,642	2,782
(d)	No. of complaints pending at the end of the year	18	35

(Rs. in lakh)

55. Disclosure of details as required by Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 as amended under Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 : (Continued)

(ix) **Details of Assignment transactions undertaken by NBFCs:**

(Rs in lakh)

S No.	Particulars	FY 22-23	FY 21-22
1	No. of accounts	4	2
2	Aggregate value (net of provisions) of accounts sold	44,978	28,798
3	Aggregate consideration	44,142	28,864
4	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
5	Aggregate gain / loss over net book value	Nil	Nil

(x) (a) Non Performing Assets purchased during the year - Nil (Previous Year : Nil).

(b) Details of Non Performing Assets sold :

S No.	Particulars	FY 22-23	FY 21-22
1	No. of accounts sold (Count)	-	9
2	Aggregate outstanding [net of provision] (Rs in lakh)	-	0
	a) Aggregate outstanding (Rs in lakh)	-	2,055
	b) Provision held on date of sale	-	2,055
3	Aggregate consideration received (Rs in lakh)	-	1,500

(xi) No Parent Company Products are financed during the year (Year ended March, 31, 2022 : Nil).

(xii) The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the RBI Concentration norms applicable to NBFCs.

(xiii) The Exposure to Unsecured Advances is Rs. 26,86,822 lakh (Year ended March, 31, 2022 : Rs. 18,83,064 lakh) constituting 37.29% of the Total Loans and Advances (Year ended March, 31, 2022 : 33.61%). The Exposure to Secured Loans includes Rs. Nil (Year ended March, 31, 2022 : Rs. Nil) towards a Loan given against Copy Rights for motion films in the nature of intangible asset.

(xiv) Concentration of NPAs

Particulars	March 31, 2023 (Rs in lakh)	March 31, 2022 (Rs in lakh)
Total Exposure to top four NPA accounts	11,776	11,986

(xv) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		March 31, 2023	March 31, 2022
1	Agriculture & allied activities	74.38%	46.39%
2	MSME (refer Note 1)	1.52%	1.52%
3	Corporate borrowers (refer Note 2)	1.68%	2.01%
4	Services (refer Note 3)	0.40%	0.23%
5	Unsecured personal loans	3.33%	3.82%
6	Auto loans	1.93%	3.07%
7	Other personal loans (refer Note 4)	3.29%	3.89%

Note:
1. includes borrowers classified as per the Master Direction FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 dated July 02, 2020.
2. includes borrowers classified as Industry excluding the MSME.
3. includes borrowers classified as Services excluding the MSME.
4. other Personal Loans include : Loan against Property, Loan against Shares and Consumer Durables.

(xvi) Since the Company does not have significant uncertainties pending resolutions as at March 31, 2023, revenue recognition has not been postponed.

(xvii) Drawdown of reserves made during current year of Rs. 6 lakh is on account of Share issue expenses (March 31, 2022 : Rs. Nil lakh)

(xviii) The disclosure of the Concentration of Deposits taken is not applicable since the Company is not in the business of accepting deposits being a Systemically Important Non Deposit Accepting NBFC.

(Rs. in lakh)

55. Disclosure of details as required by Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 as amended under Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 : (Continued)

(xix) **Derivative Instruments Exposures:**

Derivative positions open as at March 31, 2023 and March 31, 2022 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, 2023			For the Year ended March 31, 2022		
		USD (Mio)	JPY (Mio)	Rs. In lakh	USD (Mio)	JPY (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	121	-	-	176	14,455	2,22,465
Interest rate swap contract i.e. Notional principal of Swap Agreements (Foreign Currency borrowings*Closing exchange rate)	Buy	-	-	-	-	-	-
Cross currency swap contract i.e. Notional principal of Swap Agreements (Foreign Currency borrowings*Closing exchange rate)	Buy	465	-	3,81,825	100	-	75,520
Cap option i.e. Notional principal of Swap Agreements (Foreign Currency borrowings*Closing exchange rate)	Buy	-	-	-	-	-	-
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Buy	NA	NA	NA	NA	NA	NA
Collateral required by the NBFC upon entering into swaps	Buy	NA	NA	NA	NA	NA	NA
Concentration of credit risk arising from the swaps $	Buy	NA	NA	NA	NA	NA	NA
The fair value gain/(loss) of the foreign exchange forward	Buy	NA	NA	29,473	NA	NA	(13,468)
The fair value loss of the interest rate swap	Buy	NA	NA	1,575	NA	NA	2,540
The fair value loss of the cap option	Buy	NA	NA	-	NA	NA	56
The fair value gain/(loss) of the Cross currency swap contract	Buy	NA	NA	13,446	NA	NA	1,094

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	
	2022-23	2021-22	2022-23	2021-22
(i) Derivatives (Notional Principal Amount)	3,81,825	2,97,985	-	-
(ii) Marked to Market Positions [1]				
(a) Assets (+)	14,402	88	2,357	899
(b) Liability (-)	(264)	(28,871)	-	(116)
(iii) Credit Exposure [2]	-	-	-	-
(iv) Unhedged Exposures	-	-	-	-

(Rs. in lakh)

55. Disclosure of details as required by Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 as amended under Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 : (Continued)

(xx) **NPA Movement during the year**

(Rs in lakh)

Particulars			**FY 22-23**	**FY 21-22**
(i)	**Net NPAs to Net Advances (%)**		**0.31%**	0.48%
(ii)	**Movement of NPAs (Gross)**			
	(a)	Opening balance	**1,24,904**	1,32,917
	(b)	Additions during the year	**83,021**	74,418
	(c)	Reductions during the year	**(65,878)**	(82,431)
	(d)	Closing balance	**1,42,047**	1,24,904
(iii)	**Movement of provisions for NPAs (excluding provision on standard assets)**			
	(a)	Opening balance	**98,393**	94,077
	(b)	Additions during the year	**73,117**	67,258
	(c)	Write-off / write-back of excess provisions	**(51,135)**	(62,942)
	(d)	Closing balance	**1,20,375**	98,393
(iv)	**Movement of Net NPAs**			
	(a)	Opening balance	**26,511**	38,840
	(b)	Additions during the year	**9,904**	7,161
	(c)	Reductions during the year	**(14,743)**	(19,490)
	(d)	Closing balance	**21,672**	26,511

Note:
The movement of Gross NPA, Provisions for NPA and Net NPA presented above excludes NPA identified and regularized in the same financial year.

(Rs. in lakh)

55. Disclosure of details as required by Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 as amended under Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 : (Continued)

(xxi) **Exposure to Capital Market :-**

(Rs in lakh)

	Particulars	**FY 22-23**	**FY 21-22**
(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; (Refer note (b) below)	12,941	13,516
(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; (Refer note (a) below)	85,158	51,821
(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; (Refer note (a) below)	4,52,098	5,40,432
(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; (Refer note (a) below)	27,538	4,043
(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;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	57,659	52,762
Total Exposure to Capital Market		**6,35,394**	**6,62,574**

Note:

Exposure to Capital Market includes:

a) Limits given to Borrowers but part un-utilised of Rs. 37,462 lakh (March 31, 2022 : Rs. 68,190 lakh).

b) Investment in equity shares of Rs. 898 lakh in a Commercial Real Estate customer i.e. Shriram properties limited (March, 31, 2022 : Rs. 1,179 lakh).

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

55. Disclosure of details as required by Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 as amended under Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 : (Continued)

(xxii) **Investments**

(Rs. in lakh)

Particulars	**FY 22-23**	**FY 21-22**
(1) Value of Investments		
(i) Gross Value of Investments	4,16,491	2,68,228
(a) In India	4,16,491	2,68,228
(b) Outside India	-	-
(ii) Provision for Depreciation	2,736	812
(a) In India	2,736	812
(b) Outside India	-	-
(iii) Net value of investments	4,13,755	2,67,416
(a) In India	4,13,755	2,67,416
(b) Outside India	-	-
(2) Movement of Provisions held towards depreciation on investments		
(i) Opening Balance	812	1,653
(ii) Add: Provision/fair value loss during the year	2,173	4,781
(iii) Less: Write-off / write-back of excess provisions or fair value gain during the year	249	5,622
(iv) Closing balance	2,736	812

Note: The above details does not include investment in the form of Credit Substitutes.

(xxiii) **Exposure to Real Estate Sector**

(Rs. in lakh)

Category	**FY 22-23**	**FY 21-22**
(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	3,92,001	3,74,559
(ii) **Commercial Real Estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	5,03,035	4,43,208
(iii) **Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	**8,95,036**	**8,17,767**

Note:

Exposure to Real Estate Sector includes:
a) Limits given to Borrowers but part un-utilised of Rs. 36,933 lakh (March 31, 2022 : Rs. 29,416 lakh).

b) Pursuant to RBI circular no RBI/2009-10/151 DBOD.BP.BC.No. 42 / 08.12.01/ 2009-10 dated September 9, 2009, an exposure is classified as real estate exposure if the cash flows are primarily dependant on the buy/sell/renting of the real estate property.

(Rs. in lakh)

56. Disclosure of details as required by RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 - Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022

A) Exposure

(i) Exposure to real estate sector

Category	2022-23	2021-22
i) Direct exposure	8,95,036	8,17,767
a) Residential Mortgages –	**3,92,001**	**3,74,559**
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	3,92,001	3,74,559
b) Commercial Real Estate –	**5,03,035**	**4,43,208**
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	5,03,035	4,43,208
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –	-	-
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure	28,033	6,610
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	28,033	6,610
Total Exposure to Real Estate Sector	**9,23,069**	**8,24,377**

Note:
Exposure to Real Estate Sector includes:
a) Limits given to Borrowers but part un-utilised of Rs. 36,933 lakh (March 31, 2022 : Rs. 29,416 lakh).
b) Pursuant to RBI circular no RBI/2009-10/151 DBOD.BP.BC.No. 42 / 08.12.01/ 2009-10 dated September 9, 2009, an exposure is classified as real estate exposure if the cash flows are primarily dependant on the buy/sell/renting of the real estate property.

(ii) Exposure to capital market

Particulars	2022-23	2021-22
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	12,941	13,516
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	85,158	51,821
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	5,09,757	5,93,194
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	27,538	4,043
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	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:	-	-
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Total exposure to capital market	**6,35,394**	**6,62,574**

Note:
Exposure to Capital Market includes:
a) Limits given to Borrowers but part un-utilised of Rs. 37,462 lakh (March 31, 2022 : Rs. 68,190 lakh).
b) Investment in equity shares of Rs. 898 lakh in a Commercial Real Estate customer i.e. Shriram properties limited (March, 31, 2022 : Rs. 1,179 lakh).

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

56. Disclosure of details as required by RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 - Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022

(iii) **Sectoral exposure**

Sectors	2022-23			2021-22		
Particulars	**Total Exposure (includes on balance sheet and off-balance sheet exposure)**	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector**	**Total Exposure (includes on balance sheet and off-balance sheet exposure)**	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector**
1. Agriculture and Allied Activities	1,088	809	74.36%	6,238	2,894	46.39%
2. Industry						
2.1. Micro and Small	3,61,187	4,526	1.25%	2,75,689	3,031	1.10%
2.2. Medium	3,58,573	3,570	1.00%	2,89,910	1,942	0.67%
2.3. Large	9,65,648	13,549	1.40%	6,80,553	11,527	1.69%
Total of Industry (2)	**16,85,408**	**21,645**	**1.28%**	**12,46,152**	**16,500**	**1.32%**
3. Services						
3.1.Transport Operators	34,400	478	1.39%	35,876	680	1.90%
3.2.Computer Software	37,277	-	0.00%	11,452	-	0.00%
3.3. Tourism, Hotels and Restaurants	12,944	-	0.00%	9,080	-	0.00%
3.4. Shipping	2,876	-	0.00%	3,713	-	0.00%
3.5. Aviation	38,277	-	0.00%	36,186	-	0.00%
3.6. Professional Services	58,031	1	0.00%	48,943	1	0.00%
3.7. Trade	8,21,191	14,697	1.79%	7,08,309	16,506	2.33%
3.7.1. Wholesale Trade (other than food procurement)	2,61,050	5,774	2.21%	2,29,678	8,955	3.90%
3.7.2. Retail Trade	5,60,141	8,923	1.59%	4,78,631	7,551	1.58%
3.8. Commercial Real Estate	1,69,324	-	0.00%	1,88,811	391	0.21%
3.9. Non-Banking Financial Companies (NBFCs) of which,	7,69,712	1	0.00%	6,09,025	1	0.00%
3.9.1. Housing Finance Companies (HFCs)	28,033	-	0.00%	6,609	-	0.00%
3.9.2. Public Financial Institutions (PFIs)	-	-	0.00%	-	-	0.00%
3.10. Other Services	9,70,019	9,312	0.96%	11,13,065	8,208	0.74%
Total of Services (3)	**29,14,051**	**24,489**	**0.84%**	**27,64,460**	**25,787**	**0.93%**
4. Personal Loans						
4.1. Consumer Durables	3,595	549	15.27%	2,622	557	21.24%
4.2. Housing (Including Priority Sector Housing)	7,37,574	28,447	3.86%	6,33,944	28,366	4.47%
4.3. Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	-	-	0.00%	-	-	0.00%
4.4. Advances to Individuals against share, bonds, etc.	2,05,589	1	0.00%	1,53,582	-	0.00%
4.5. Credit Card Outstanding	-	-	0.00%	-	-	0.00%
4.6. Education	-	-	0.00%	-	-	0.00%
4.7. Vehicle Loans	8,09,562	15,133	1.87%	4,93,875	14,896	3.02%
4.8. Loans against gold jewellery	-	-	0.00%	-	-	0.00%
4.9. Other Personal Loans	17,14,945	50,974	2.97%	10,64,329	35,904	3.37%
4.10.Others	-	-	0.00%	-	-	0.00%
Total of Personal Loans (4)	**34,71,265**	**95,104**	**2.74%**	**23,48,352**	**79,723**	**3.39%**
5. Others, if any (please specify)	**-**	**-**	**-**	**-**	**-**	**-**
Total	**80,71,812**	**1,42,047**		**63,65,202**	**1,24,904**	

(iv) **Intra-group exposures**

Particualrs	**2022-23**	**2021-22**
i) Total amount of intra-group exposures	86,483.08	1,01,453.75
ii) Total amount of top 20 intra-group exposures	85,716.25	98,686.41
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	1.05%	1.58%

(v) There were no unhedged foreign currency transactions during current year. Refer Note No. 36 C (ii) for policies to manage currency induced risk.

Tata Capital Financial Services Limited

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

56. Disclosure of details as required by RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 - Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022 ***(continued)***

B) Related Party Disclosure

2022-23

Nature of transaction	Parent (as per ownership or control)		Subsidiaries		Associates & Joint Venture		Key Management Personnel#		Relatives of Key Management Personnel#	
	As on date / for the year	Maximum	As on date / for the year	Maximum	As on date / for the year	Maximum	As on date / for the year	Maximum	As on date / for the year	Maximum
Borrowings	-	12,985	-	-	-	-	52	52	29	29
Deposits	-	1,96,762	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	3,842	6,529	-	-	-	-
Investments	-	-	-	-	1,860	1,860	-	-	-	-
Purchase of fixed/otherassets	-	NA	-	NA	-	NA	-	NA	-	NA
Sale of fixed/other assets	-	NA	-	NA	-	NA	-	NA	-	NA
Interest Paid	4,291	NA	-	NA	-	NA	5	NA	3	NA
Interest Received	-	NA	-	NA	681	NA	-	NA	-	NA
Others :										
Equity shares held	1,71,885	NA	-	NA	-	NA	-	NA	-	NA
Infusion in Equity Share (inclusive of premium)*	1,15,000	NA	-	NA	-	NA	-	NA	-	NA
Inter-Corporate Deposit received*	6,01,926	NA	-	NA	-	NA	-	NA	-	NA
Inter-Corporate Deposit repaid*	6,79,419	NA	-	NA	-	NA	-	NA	-	NA

* Transactions during the year.
# Transactions by directors and relatives of directors.

2021-22

Nature of transaction	Parent (as per ownership or control)		Subsidiaries		Associates & Joint Venture		Key Management Personnel#		Relatives of Key Management Personnel#		Subsidiary Of Ultimate Holding Company	
	As on date / for the year	Maximum	As on date / for the year	Maximum	As on date / for the year	Maximum	As on date / for the year	Maximum	As on date / for the year	Maximum	As on date / for the year	Maximum
Borrowings	12,518	12,518	-	-	-	-	53	53	29	29	-	-
Deposits	77,988	1,72,974	-	-	-	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	6,164	7,958	-	-	-	-	-	-
Investments	-	-	-	-	1,860	5,677	-	-	-	-	-	-
Purchase of fixed/other assets	1	NA	-	NA	-	NA	-	NA	-	NA	-	NA
Sale of fixed/other assets	-	NA	-	NA	-	NA	-	NA	-	NA	-	NA
Interest Paid	10,575	NA	-	NA	-	NA	18	NA	3	NA	-	NA
Interest Received	-	NA	-	NA	771	NA	-	NA	-	NA	-	NA
Others :												
Equity shares held	1,65,987	NA	-	NA	-	NA	-	NA	-	NA	-	NA
Inter-Corporate Deposit received*	4,89,579	NA	-	NA	-	NA	-	NA	-	NA	-	NA
Inter-Corporate Deposit repaid*	5,27,144	NA	-	NA	-	NA	-	NA	-	NA	-	NA
Other Loans given*	-	NA	-	NA	-	NA	-	NA	-	NA	76,193	NA

* Transactions during the year.
# Transactions by directors and relatives of directors.

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

56. Disclosure of details as required by RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 - Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022 *(continued)*

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	2022-23	2021-22
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	35	93
2	Number of complaints received during the year	3,625	2,724
3	Number of complaints disposed during the year	3,642	2,782
3.1	Of which, number of complaints rejected by the NBFC	330- IO scheme started from 1st Jun'22	NA - IO scheme started from 1st Jun'22
4	Number of complaints pending at the end of the year	18	35
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	533	507
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	533	507
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	7	14
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	**2**	**3**	**4**	**5**	**6**
			2022-23		
Tata Neu Digital partnership related	-	868	-	-	-
Collections related	7	443	31% decrease	7	-
Application Status related	2	168	51% decrease	-	-
Communication to Third Party	3	682	11% increase	-	
Foreclosure Letter Delay	2	229	35% increase	2	-
Others	21	1,235		9	-
Total	**35**	**3,625**	**33% increase**	**18**	**-**
			2021-22		
Collections related	18	646	17% decrease	7	-
Communication to Third Party	9	615	200% increase	3	-
Application Status related	2	345	5% increase	2	-
Staff related	10	198	1% increase	2	-
Termination related	1	106	39% decrease	2	-
Others	53	814		19	4
Total	**93**	**2,724**	**25% decrease**	**35**	**4**

D) There is no breach of covenant of loan availed or debt securities issued.

E) There is no divergence in asset classification and provisioning.

(Rs. in lakh)

57. 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 RBI Norms

As at March 31, 2023

Asset Classification as per RBI 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
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	68,84,488	63,807	68,20,681	28,828	34,979
	Stage 2	1,77,818	42,663	1,35,155	13,847	28,816
Subtotal		**70,62,306**	**1,06,470**	**69,55,836**	**42,675**	**63,795**
Non-Performing Assets (NPA)						
Substandard	Stage 3	78,363	58,300	20,063	7,901	50,399
Doubtful - up to 1 year	Stage 3	35,682	35,263	419	29,003	6,260
1 to 3 years	Stage 3	25,193	24,002	1,191	16,245	7,757
More than 3 years	Stage 3	2,272	2,272	-	1,980	292
Subtotal for doubtful		63,147	61,537	1,610	47,228	14,309
Loss	Stage 3	538	538	-	538	-
Subtotal for NPA		**1,42,048**	**1,20,375**	**21,673**	**55,667**	**64,708**
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 1	8,67,458	3,096	8,64,362	-	3,096
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**8,67,458**	**3,096**	**8,64,362**	**-**	**3,096**
Total	**Stage 1**	**77,51,946**	**66,903**	**76,85,043**	**28,828**	**38,075**
	Stage 2	**1,77,818**	**42,663**	**1,35,155**	**13,847**	**28,816**
	Stage 3	**1,42,048**	**1,20,375**	**21,673**	**55,667**	**64,708**
	Total	**80,71,812**	**2,29,941**	**78,41,871**	**98,342**	**1,31,599**

1. Stage I includes impairment allowance towards loan designated as FVTOCI amounting to Rs. 88 lakh.

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

58. Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies.

(i) Funding Concentration based on significant counterparty (borrowings)

Sr. No	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	20	3904616*	0%	57%

* Principal amount outstanding as on March 31, 2023

(ii) Top 20 Large Deposits

Sr. No	Counterparty	Amount (in Rs. lakh)	% of total deposits
Nil			

(iii) Top 10 Borrowing (amounts to Rs. 16,66,742 Lakhs and 43% of total borrowings)

Sr. No.	Amount (Rs. In lakh)	% of total borrowings
1	2903962*	45%

* Face Value of outstanding amount considered

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

58. Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001 /2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies.

(iv) Funding Concentration based on significant instrument/product

Sr.No	Name of the instrument/product	Amount (Rs. in lakh)*	% of total liabilities
1	Non Convertible Debenture	26,50,825	38.84%
2	Bank Loans	27,15,545	39.79%
3	Commercial paper	6,01,500	8.81%
4	External Commercial Borrowing	4,57,151	6.70%
5	Inter Corporate Deposit	5,000	0.07%
	Total	**64,30,021**	

* Principal amount outstanding as on March 31, 2023

(v) Stock Ratios

Particulars	%
(a) Commercial papers as a % of total public funds	9.23%
(a) Commercial papers as a % of total liabilities	8.81%
(a) Commercial papers as a % of total assets	7.66%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total public funds	0.00%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total liabilities	0.00%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total assets	0.00%
(c)Other Short-term liabilities as a % of total public funds	45.32%
(c)Other Short-term liabilities as a % of total Liabilities	43.28%
(c)Other Short-term liabilities as a % of total Assets	37.62%

(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.

Footnotes :

1. For the purpose of above disclosure, "Public Funds" i.e. Commercial papers and NCD's are shown at Face Value whereas total assets and total liabilities are shown at Carrying values.
2. Total Liabilities refer to Total outside liabilities i.e. Balance sheet total excluding Share Capital and Reserves.
3. Other Short term liabilities include Financial Liabilities and non financial liabilities payable within an year (Excluding CP maturity and NCD maturity of original tenor less than 1 year).

(Rs. in lakh)

58. Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001 /2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies.

(vii) LCR framework under the liquidity risk management of the Tata Capital Financial Services Ltd. (TCFSL) 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.

As per the RBI circular dated 4th Nov 2019 circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 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 NBFCs 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. Road Map for NBFCs to adhere the LCR is as per the table (as prescribed by RBI).

From	01-Dec-20	01-Dec-21	01-Dec-22	01-Dec-23	01-Dec-24
Minimum LCR	50%	60%	70%	85%	100%

As per the above requirement, Tata Capital Financial Services Ltd is required to maintain LCR from 1 December 2020. Therefore, for the year ended 31 March 2023, the Company has disclosed the LCR as a simple average of all days in 3 months within a quarter for all four quarters of FY 22-23.

LCR maintained: Starting in Dec 2020, LCR has been computed as per methodology prescribed in the RBI circular dated 4 November 2019. For the quarter ended March 23, the simple average of all days in the past three months was observed at 95% (HQLA- Rs. 271,125 lakh) against the requirement of minimum 70% (HQLA - Rs. 200,043 lakh). For the year FY23, the company has been complaint with LCR framework for all 4 quarters.

Main drivers to the LCR numbers: All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.

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 April 22 to March 23. For Q4 FY23, the maximum and minimum required HQLA observed for regulatory compliance was Rs.234,169 lakh and Rs.140,306 lakh respectively.

Composition of HQLA: The HQLA maintained by TCFSL comprises Government securities (including Treasury bills) and cash balance maintained in current account.
The details are given below.

For the period Q4 FY23 between Jan to March 2023, the average HQLA of (Rs. 2,71,125 lakh) comprised of Rs. 2,709 lakh in cash and remaining Rs. 2,68,416 Lakh from government securities and T bill.

Concentration of funding sources:
The company maintains 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.

Derivative exposures and potential collateral calls:
As on 31st March, the company has fully hedged interest and principal outflows on the foreign currency ECBs. ECBs constitutes no more than 7.1% of the total borrowings as on 31st March, 2023. Hence, derivative exposures are considered NIL.

Currency mismatch in LCR: There is NIL mismatch to be reported in LCR as on 31st March 2023 since FCY ECBs are fully hedged for the corresponding interest and principal components. With respect to Letters of credits and buyers credit, the Company does a monthly assessment to evalute the net outflows or inflows and if material the same is considered int he LCR computation. For the month of March 23, the Company has assessed the impact to be immaterial.

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 31st March 2023

Detailed LCR template is presented below according to the format given in RBI circular mentioned above under Appendix I.

		Three months ended Mar 31, 2023		Three months ended Dec 31, 2022		Three months ended Sep 30, 2022		Three months ended June 30, 2022	
Sr. No.	**Description**	**Total Unweighted Value (average)**	**Total weighted Value (average)**	**Total Unweighted Value**	**Total weighted Value**	**Total Unweighted Value**	**Total weighted Value**	**Total Unweighted Value**	**Total weighted Value**
High Quality Assets									
1	Total High Quality Assets (HQLA)	2,71,125	2,71,125	2,18,550	2,18,550	2,11,017	2,11,017	1,86,695	1,86,695
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	96,622	1,11,116	1,03,380	1,18,888	97,120	1,11,688	23,725	27,284
4	Secured wholesale funding	1,14,359	1,31,513	98,033	1,12,738	1,19,594	1,37,533	72,719	83,627
5	Additional requirements, of which	6,64,770	7,64,486	5,93,388	6,82,397	5,84,887	6,72,620	6,04,210	6,94,842
(i)	*Outflows related to derivative exposures and other collateral requirements*	-	-	-	-	-	-	-	-
(ii)	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
(iii)	*Credit and liquidity facilities*	6,64,770	7,64,486	5,93,388	6,82,397	5,84,887	6,72,620	6,04,210	6,94,842
6	Other contractual funding obligations	1,15,431	1,32,745	79,136	91,007	80,597	92,687	56,523	65,002
7	Other contingent funding obligations	2,819	3,242	2,085	2,398	2,180	2,507	649	746
8	**TOTAL CASH OUTFLOWS**	**9,94,001**	**11,43,102**	**8,76,022**	**10,07,428**	**8,84,378**	**10,17,035**	**7,57,826**	**8,71,501**
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	7,58,907	5,69,180	5,70,807	4,28,105	5,55,844	4,16,883	4,78,894	3,59,170
11	Other cash inflows	7,16,740	5,37,555	7,77,317	5,82,987	7,99,991	5,99,993	7,44,694	5,58,521
12	**TOTAL CASH INFLOWS**	**14,75,647**	**11,06,735**	**13,48,124**	**10,11,092**	**13,55,835**	**10,16,876**	**12,23,588**	**9,17,691**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	**TOTAL NET CASH OUTFLOWS**		2,85,775		2,51,857		2,54,259		2,17,875
14	**TOTAL HQLA (Maintained)**		**2,71,125**		**2,18,550**		**2,11,017**		**1,86,695**
15	**LIQUIDITY COVERAGE RATIO (%)**		**95%**		**87%**		**83%**		**86%**

Note:
* Inflows from fully performing exposures includes both secured and unsecured lending.

(Rs. in lakh)

59. 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, 2023 are given below :

(Rs. in lakh except number of accounts)

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, 2022 (A) #	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2023	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, 2023 #*^
Personal Loans	85,775	4,772	1,406	17,641	69,112
Corporate persons*	10,705	451	70	2,587	8,650
Of which MSMEs	-	-	-	-	-
Others	26,760	2,678	574	6,980	19,008
Total	**1,23,240**	**7,901**	**2,050**	**27,208**	**96,770**

**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 additions due to interest capitalisation.
*** includes amounts paid by borrower towards interest capitalised during the half year.*

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

60. Disclosure pursuant to Reserve Bank of India notification RBI/2018-19/100 DBR.No.BP.BC/18/21.04.048/2018-19 dated January 01, 2019 pertaining to Micro, Small and Medium Enterprises (MSME) Sector-Restructing of Advances

No of Accounts restructured	Amount (Rs. in lakh)
499	23,521

Note: The above amount denotes exposure to MSME accounts before implementation of Restructure plan.

61. Details of transactions with companies struck off under section 248 of the Companies Act, 2013 :

(Rs. in lakhs)

Sr. No.	Name of Struck off Company	Nature of transactions	As at March 31, 2023	As at March 31, 2022	Relationship with the struck off company
1	Safna Consultancy Pvt Ltd	Debenture	26	25	Debenture Holder
2	Manak Realtors Pvt Ltd	Loan	24	26	Borrower
3	Bonaventura Constructions	Loan	-*	-*	Borrower
4	G R Foundations Private Ltd	Loan	1	2	Borrower
5	Solar Equipment Private Limited	Loan	10	14	Borrower
6	Pravik Minerals Ltd	Loan	4	5	Borrower
7	First Office Solutions India Private Limited	Loan	7	-*	Borrower
8	Paradise Instruments Pvt Ltd	Loan	279	285	Borrower
9	Vaishnavi Healthcare Pvt Ltd	Loan	80	81	Borrower
10	Harbinger Bay Advertising Private Limited	Loan	8	10	Borrower
11	Uark Entertainment Opc Private Limited	Loan	4	5	Borrower
12	India Glycols Ltd	Loan	1,778	2,185	Borrower

*Amounts to less than Rs. 50,000.

Notes forming part of the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Rs. in lakh)

62. 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	17.26%	17.25%	0%	NA
Tier I CRAR	Capital funds – Tier I	Total risk weighted assets	12.98%	11.86%	9%	NA
Tier II CRAR	Capital funds – Tier II	Total risk weighted assets	4.28%	5.39%	-21%	NA
Liquidity Coverage Ratio.	Total HQLA (Maintained)	Total Net Cash Outflows	95%	83%	14%	NA

63. Details of loans transferred / acquired during the quarter ended March 31, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) (a) Details of loans not in default acquired as given below. These are entirely through assignment / novation:

Particulars	Rs in lakhs
Aggregate amount of Loan acquired (in lakhs)	33,699
Weighted average residual maturity (in months)	26.31
Weighted average holding period by originator (in months)	4.53
Retention of beneficial economic interest by the originator	0-10%
Tangible security coverage	100%
Rating-wise distribution of rated loans	AA-, AA : (ICRA) A : (FITCH)

(b) Details of loans not in default transferred as given below. These are entirely through assignment / novation:

Particulars	Rs in lakhs
Aggregate amount of Loan transferred (in lakhs)	937
Weighted average residual maturity (in months)	160.00
Weighted average holding period by originator (in months)	Nil
Retention of beneficial economic interest by the originator	Nil
Tangible security coverage	100%
Rating-wise distribution of rated loans	ICRA A-(CE)

Nil instances of replacing loans transferred to transferee(s) or paid damages arising out of any representation or warranty.

(ii) (a) The Company has not transferred any Special Mention Account (SMA).
(b) The Company has not transferred any non-performing assets (NPAs).

(iii) The Company has not acquired any stressed loan.

64. During the year ended March 31, 2023, the Company has raised funds through the right issue, amounting to Rs. 1,15,000 lakhs through allotment of 5,89,74,358 equity shares of face value Rs. 10 each fully paid up, at a price of Rs. 195 each, including a premium of Rs. 185 each.

65. The Board of Directors of Tata Capital Financial Services Limited ("the Company" or "TCFSL") at its meeting held on March 28, 2023, approved a Scheme of Arrangement for amalgamation of the Company, a wholly owned subsidiary of Tata Capital Limited ("TCL") and Tata Cleantech Capital Limited ("TCCL"), a subsidiary of TCL with TCL ("the Scheme"), under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder.

The Scheme will become effective from the Appointed Date i.e. April 1, 2023 or such other later date as may be decided by the Board of Directors upon fulfilment of all the conditions set out in the Scheme including approval of the Scheme by the Reserve Bank of India and National Company Law Tribunal ("NCLT") and grant of NBFC license to TCL by the Reserve Bank of India and upon the receipt of other applicable regulatory approvals.

Upon the Scheme becoming effective:

(i) The entire business undertaking of the Company shall be merged with and vested in TCL and thereafter TCL will carry on all the business activities undertaken by TCFSL.

(ii) From the Appointed Date till the effective date, the business carried on by TCFSL shall be deemed to have been carried on for and on behalf of and in trust for TCL.

(iii) All the shares of TCFSL held by TCL (either directly and/or through nominees) would stand cancelled without any further application, act or deed.

(iv) The holders of Non-Convertible Debentures (NCDs) of TCFSL will become holders of NCDs of TCL on the same terms, including the coupon rate, tenure, redemption price, quantum, nature of security, adequately safeguarding the interest of the NCD holders.

66. The Reserve Bank of India had issued the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (the framework) vide circular RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 on October 22, 2021. The framework categorises NBFCs in Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL) and Top Layer (NBFC-TL). The Reserve Bank of India vide press release 2022-2023/975 dated September 30, 2022 has placed the Company in the Upper Layer.

67. 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.

68. 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.

69. Figures in the previous year have been regrouped and correspondingly ratios are changed wherever necessary, in order to make them comparable to current year.

In terms of our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No: 042423
Mumbai

In terms of our report of even date
For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577
Mumbai

For and on behalf of the Board of Directors

Rajiv Sabharwal	**F.N. Subedar**	**Varsha Purandare**
(Director)	*(Director)*	*(Director)*
(DIN No. : 00057333)	(DIN No. : 00028428)	(DIN No. : 05288076)
Mumbai	Mumbai	Pune

Malvika Sinha	**Sarosh Amaria**	**Jaykumar Shah**	**Sonali Punekar**
(Director)	*(Managing Director)*	*(Chief Financial Officer)*	*(Company Secretary)*
(DIN No. : 08373142)	(DIN No. : 08733676)		
Mumbai	Mumbai	Mumbai	Mumbai

Date : April 25, 2023