TATA CAPITAL HOUSING FINANCE LIMITED

Tata Capital Housing Finance Limited (our "**Company**") was incorporated as Tata Capital Housing Finance Limited on October 15, 2008 at Mumbai, Maharashtra, as a public limited company, under the provisions of the Companies Act, 1956. Our Company also received a certificate for commencement of business on November 10, 2008. Our Company has obtained a certificate of registration dated April 2, 2009, bearing registration number 04.0073.09 from the National Housing Bank (the "**NHB**") to carry on the business of a housing finance institution without accepting public deposits in accordance with Section 29A of the National Housing Bank Act, 1987. For further details regarding changes to our Registered Office, see "*History and Main Objects*" beginning on page 89.

Corporate Identity Number: U67190MH2008PLC187552
Registered Office: 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
Tel: (91 22) 6606 9000; **Fax**: (91 22) 6656 2699; **Website**: www.tatacapital.com
Company Secretary and Compliance Officer: Mr. Jinesh Meghani; **Tel**: (91 22) 6606 9000; **Fax**: (91 22) 6656 2699; **Email**: tchflncdcompliance@tatacapital.com

PUBLIC ISSUE BY OUR COMPANY OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("SECURED NCD") AND UNSECURED, SUBORDINATED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("UNSECURED NCD"), (TOGETHER REFERRED AS "NCDs") FOR AN AMOUNT AGGREGATING UPTO ₹ 5,00,000 LAKH ("SHELF LIMIT") ("ISSUE"). THE UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES WILL BE IN THE NATURE OF SUBORDINATED DEBT AND WILL BE ELIGIBLE FOR INCLUSION AS TIER II CAPITAL. THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH SUCH TRANCHE ISSUANCE "TRANCHE ISSUE") WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "ISSUE DOCUMENTS"). THIS ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, EACH AS AMENDED, AND TO THE EXTENT NOTIFIED (THE "COMPANIES ACT, 2013").

PROMOTER

Our Promoter is Tata Capital Limited. For further details see, "*Our Promoter*" beginning on page 100.

GENERAL RISK

Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, the investors must rely on their own examination of our Company and this Issue including the risks involved. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 14 and "*Material Developments*" beginning on page 124, in the Shelf Prospectus and the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the NHB, the Registrar of Companies, Maharashtra at Mumbai ("**RoC**") or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Shelf Prospectus read together with the Shelf Prospectus with the relevant Tranche Prospectus for a Tranche Issue contains and will contain all information with regard to our Company and the relevant Tranche Issue, which is material in the context of this Issue and the relevant Tranche Issue. The information contained in this Draft Shelf Prospectus read together with the Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue is true and correct in all material respects and is not misleading in any material respect and that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued pursuant to this Issue have been rated "CRISIL AAA/Stable" by CRISIL for an amount of up to ₹ 5,00,000 lakh by way of its letter dated November 27, 2019 bearing reference number TCHFL/225196/RB/27112019 and have been rated "[ICRA] AAA (stable)" by ICRA for an amount of up to ₹ 5,00,000 lakh by way of its letter dated November 27, 2019 bearing reference number 2019-20/MUMR/1504. The rating of the NCDs by ICRA indicates highest degree of safety regarding timely servicing of financial obligations. The ratings provided by CRISIL and ICRA may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please see Annexures B to E in this Draft Shelf Prospectus for rating letters and rationale letters for the aforementioned ratings.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated December 17, 2019 is open for public comments. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of Mr. Jinesh Meghani, Company Secretary and Compliance Officer at the following address: 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013, tel: (91 22) 6606 9000; fax: (91 22) 6656 2699; email: tchflncdcompliance@tatacapital.com. All comments must be received by our Company within seven Working Days of hosting this Draft Shelf Prospectus on the website of the Designated Stock Exchange and BSE. Comments by post, fax and mail shall be accepted, however please note that all comments by post must be received by our Company by 5:00 p.m. on the seventh Working Day from the date on which this Draft Shelf Prospectus is hosted on the website of the Designated Stock Exchange and BSE.

LISTING

The NCDs offered through this Draft Shelf Prospectus, the Shelf Prospectus along with the relevant Tranche Prospectus are proposed to be listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**"). For the purposes of this Issue, NSE shall be the Designated Stock Exchange. Our Company has received an 'in-principle' approval from NSE by way of its letter bearing reference number [●] dated [●] and from BSE by way of its letter bearing reference number [●] dated [●].

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT AND ELIGIBLE INVESTORS

For details pertaining to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see "*General Terms of the Issue*" beginning on page 125. For details relating to eligible investors see, "*The Issue*" beginning on page 43.

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE**
Edelweiss Financial Services Limited Edelweiss House, Off CST Road Kalina Mumbai 400 098 Tel: (91 22) 4086 3535 Fax: (91 22) 4086 3610 Email: tchfl.ncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr. Lokesh Singhi Compliance officer: Mr. B. Renganathan SEBI Registration Number: INM0000010650	**A. K. Capital Services Limited** 30-38, Free Press House, 3rd Floor, Free Press Journal Marg 215, Nariman Point, Mumbai 400 021 Tel: (91 22) 6754 6500 Fax: (91 22) 6610 0594 Email: tchfl.ncd2019@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akgroup.co.in Contact Person: Ms. Aanchal Wagle/ Mr. Lokesh Shah Compliance officer: Mr. Tejas Davda SEBI Registration Number: INM000010411	**KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)** Selenium Tower B, Plot 31 & 32 Gachibowli Financial District Nanakramguda, Serilingampally, Hyderabad 500 032, Telangana Tel: (91 40) 6716 2222 Fax: (91 40) 2343 1551 Email: tchfl.ncd@kfintech.com Investor Grievance Email: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: Mr. M. Murali Krishna Compliance Officer: Mr. Rakesh Santhalia SEBI Registration Number: INR000000221	**IDBI Trusteeship Services Limited** Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate Mumbai 400 001 Tel: (91 22) 4080 7000 Fax: (91 22) 6631 1776 Email: nikhil@idbitrustee.com Investor Grievance Email: itsl@idbitrustee.com Website: www.idbitrustee.com Contact Person: Mr.Nikhil Lohana Compliance Officer: Mr. Jatin Bhat SEBI Registration Number: IND000000460

ISSUE PROGRAMME*	
ISSUE OPENS ON: As specified in the relevant Tranche Prospectus	**ISSUE CLOSES ON:** As specified in the relevant Tranche Prospectus

**This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors or a duly authorised committee of the Board of Directors. In the event of such an early closure of or extension of this Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or initial date of closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges.*

*** IDBI Trusteeship Services Limited pursuant to Regulation 4(4) of the SEBI Debt Regulations and by way of its letter dated November 25, 2019 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus, Shelf Prospectus and the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue. For details of the consent, see "Annexure F" on page 200.*

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the RoC, in terms of Section 26 and Section 31 of the Companies Act, 2013, along with the certified copies of all requisite documents. For further details see, "Material Contracts and Documents for Inspection" beginning on page 192.

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SECTION I: GENERAL

DEFINITIONS/ABBREVIATIONS

This Draft Shelf Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Draft Shelf Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

The words and expressions used in this Draft Shelf Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI Debt Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, the NHB Act and the RBI Act and the rules and regulations notified thereunder.

Notwithstanding the foregoing, the terms defined as part of "Our Business", "Risk Factors" "Industry Overview", "Regulations and Policies", "Statement of Tax Benefit Available to the Debenture Holders" and "Summary of Key Provisions of Articles of Association" beginning on pages 75, 14, 62, 176, 53 and 187, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of "Our Business", "Risk Factors", "Industry Overview" and "Regulations and Policies", beginning on pages 75, 14, 62 and 176, shall have the meaning ascribed to them hereunder.

General terms

Term	Description
Company / Issuer	Tata Capital Housing Finance Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
We / us / our	Unless the context otherwise indicates or implies, refers to our Company

Company related terms

Term	Description
AoA / Articles / Articles of Association	Articles of association of our Company
Asset Liability Committee	Asset liability committee of our Company constituted in accordance with applicable law
Audit Committee	Audit committee of our Company constituted in accordance with applicable law
Audited Financial Statements under Ind AS	The balance sheet of the Company as at March 31, 2019 and the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the financial years ended March 31, 2019 and the summary of significant accounting policies including notes thereto prepared in accordance with Ind AS
Board / Board of Directors	Board of directors of our Company and includes any committee constituted thereof
CCCPS	Compulsorily convertible cumulative preference shares of our Company bearing face value ₹ 10 each
Condensed Interim Financial Statements	The balance sheet of the Company as at September 30, 2019 and the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the half year ended September 30, 2019 and the summary of significant accounting policies including notes thereto prepared in accordance with Ind AS
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company constituted in accordance with the applicable law
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of face value ₹ 10 each of our Company
Financial Statements	Audited Financial Statements under Ind AS, Reformatted Financial Information and Condensed Interim Financial Statements
Independent Directors(s)	Independent directors of our Company, appointed in accordance with provisions of the Companies Act, 2013
Information Technology Strategy Committee	Information technology strategy committee of our Company constituted in accordance with applicable law
Key Managerial Personnel	Key managerial personnel of our Company as disclosed in this Draft Shelf Prospectus on page

Term	Description
	95 and appointed in accordance with the provisions of the Companies Act, 2013
Lending Committee	Committee of the Board of Directors of our Company, constituted and re-constituted by the Board of Directors, from time to time
Memorandum / MoA / Memorandum of Association	Memorandum of association of our Company
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company constituted in accordance with applicable law
Non-Executive Director(s)	Non-executive directors of our Company, appointed in accordance with provisions of the Companies Act, 2013
Promoter	Tata Capital Limited
Reformatted Financial Information	Reformatted Financial Information under Indian GAAP and Reformatted Financial Information under Ind AS
Reformatted Financial Information under Indian GAAP	The reformatted statement of assets and liabilities as at March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 the reformatted information of profit and loss and the reformatted information of cash flows for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 and the summary of significant accounting policies including notes thereto prepared in accordance with Indian GAAP as examined by our Company's Statutory Auditors, B S R & Co. LLP, Chartered Accountants The audited financial statements as at and for the years ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 form the basis for such Reformatted Financial Information under Indian GAAP. The audited financial statements as at and for the years ended March 31, 2017, March 2016 and March 2015 were audited by Deloitte Haskins & Sells LLP, Chartered Accountants
Reformatted Financial Information under Ind AS	The reformatted statement of assets and liabilities as at March 31, 2019, the reformatted information of profit and loss and the reformatted information of cash flows for each of the years ended March 31, 2019 and the summary of significant accounting policies including notes thereto prepared in accordance with Ind AS as examined by our Company's Statutory Auditors, B S R & Co. LLP Chartered Accountants The audited financial statements as at and for the years ended March 31, 2019, form the basis for such Reformatted Financial Information under Ind AS
Registered Office	Registered office of our Company located at 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
Registrar of Companies/RoC	The registrar of companies, Maharashtra at Mumbai
Risk Management Committee	Risk management committee of our Company constituted in accordance with applicable law
Shareholders	Shareholders of our Company from time to time
Statutory Auditors	B S R & Co. LLP., having their office at 5th Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai 400 011
TCL	Tata Capital Limited
Tata Capital Group	Tata Capital Limited and its subsidiaries, being Tata Capital Financial Services Limited, Tata Capital Housing Finance Limited, Tata Cleantech Capital Limited, Tata Securities Limited and Tata Capital Pte. Limited
Working Committee	Working committee of the Board of Directors of our Company constituted and re-constituted by the Board of Directors, from time to time

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Shelf Prospectus and the relevant Tranche Prospectus
Acknowledgement Slip	The slip or the document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees, in accordance with the Basis of Allotment

Term	Description
Allotment / Allot/ Allotted	Unless the context otherwise requires, the allotment of the NCDs pursuant to this Issue to the Allottees
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful applicant to whom the NCDs are Allotted
Applicant (s) / Investor (s)	The person who applies for Allotment of NCDs pursuant to the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus (es) and Abridged Prospectus and the Application Form for any Tranche Issue
Application/ ASBA Form/ ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered through the ASBA process offered pursuant to this Issue by submission of a valid Application Form and authorizing an SCSB to block the Application Amount in the ASBA Account
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Prospectus
Application Form	Forms in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for the Allotment in terms of this Draft Shelf Prospectus, the Shelf Prospectus and respective Tranche Prospectus
ASBA/ Application Supported by Blocked Amount	The Application in terms of which the Applicant shall make an Application by authorizing SCSB to block the Application Amount in the specified bank account maintained with such SCSB
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Banker(s) to the Issue	The banks with which are clearing members and registered with SEBI as bankers to the issue, with whom the Public Issue Accounts and/or Refund Accounts will be opened by our Company in respect of the Issue, and as specified in the Tranche Prospectus for each Tranche Issue
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Basis of Allotment	As specified in the relevant Tranche Prospectus for each Tranche Issue
Bidding Centres	Centre at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Applications to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges.
Category I Investor	• Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs • Provident funds and pension funds with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 • Resident Venture Capital Funds registered with SEBI • Insurance companies registered with the IRDAI • State industrial development corporations • Insurance funds set up and managed by the army, navy, or air force of the Union of India • Insurance funds set up and managed by the Department of Posts, the Union of India • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated

Term	Description
	November 23, 2005 of the Government of India published in the Gazette of India • Mutual funds registered with SEBI
Category II Investor	• Companies within the meaning of Section 2(20) of the Companies Act, 2013 • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs • Co-operative banks and regional rural banks • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs • Partnership firms in the name of the partners • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009) • Association of Persons • Any other incorporated and/ or unincorporated body of persons
Category III Investor - High Net-Worth Individual Investors	Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in this Issue
Category IV Investor - Retail Individual Investors	Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in this Issue
CDP/Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations
Consortium Agreement	As specified in the relevant Tranche Prospectus for each Tranche Issue
Consortium Members	As specifically set out in the relevant Tranche Prospectus
Consortium/ Members of the Consortium (each individually, a Member of the Consortium)	The Lead Managers and the Consortium Members
Coupon Rate	As specifically set out in the relevant Tranche Prospectus
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Credit Rating Agencies	For this Issue, the credit rating agencies being CRISIL and ICRA
CRISIL	CRISIL Limited
Debenture(s)/ NCD(s)	Secured, rated, listed, redeemable, NCDs of face value of ₹ 1,000 each and unsecured, subordinated, rated, listed, redeemable NCDs eligible for inclusion in Tier II Capital of face value of ₹ 1,000 each, aggregating up to ₹ 5,00,000 lakh offered through this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus
Debenture Holder(s)/ NCD Holder(s)	The holders of the Secured NCDs and Unsecured NCDs whose name appears in the database of the relevant Depository
Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100 % asset cover for the NCDs and the interest due thereon issued pursuant to the Issue
Debenture Trustee Agreement	The agreement dated December 17, 2019 entered into between the Debenture Trustee and our Company
Debt Application Circular (s)	Circular no. CIR/IMD/DF-1/20/2012 issued by SEBI on July 27, 2012 and Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018
Deemed Date of Allotment	The date on which the Board of Directors or a duly authorized committee of the Board of Directors approves the Allotment of the NCDs for each Tranche Issue or such date as may be

Term	Description
	determined by the Board/ committee. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment
Demographic Details	Details of the investor such as address, bank account details, category, PAN for printing on refund orders and occupation, which are based on the details provided by the Applicant in the Application Form
Designated Branches	Such branches of SCSBs which shall collect the ASBA Application and a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Applications. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account Agreement
Designated Intermediary(ies)	Collectively, the Lead Managers, the Consortium Members, Lead Brokers, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the Application Forms to CRTAs. The details of such Designated RTA Locations, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchange at www.bseindia.com and www.nseindia.com
Designated Stock Exchange	NSE
Direct Online Application	The Application made using the online interface and online payment facility of the Stock Exchange, as applicable. Please note that the Direct Online Application facility will not be available to the Applicants for the Issue. For further details, please see the section titled "*Issue Procedure*" on page 143
DP / Depository Participant	A depository participant as defined under the Depositories Act
Draft Shelf Prospectus	This draft shelf prospectus dated December 17, 2019 filed with the Designated Stock Exchange and with BSE for receiving public comments, and submitted with SEBI for its records, in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations
ICRA	ICRA Limited
Interest Payment Date	As specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue	Public issue by our Company of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each and unsecured, subordinated, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, for an amount aggregating up to the Shelf Limit pursuant to the Shelf Prospectus and the relevant Tranche Prospectus. The unsecured, rated, listed, redeemable non-convertible debentures will be in the nature of subordinated debt and will be eligible for Tier II Capital. The NCDs will be issued in one or more Tranche(s), on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue. Our Company may opt to issue Secured NCDs or Unsecured NCDs or both Secured NCDs and Unsecured NCDs as part of any Tranche Prospectus and corresponding Tranche Issue
Issue Agreement	Agreement dated December 17, 2019 entered into by our Company and the Lead Managers
Issue Closing Date	Issue closing date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue Document	This Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any
Issue Opening Date	Issue Opening Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, as provided in the respective Tranche Prospectus

Term	Description
Lead Brokers	As specifically set out in the relevant Tranche Prospectus
Lead Broker Agreement	As specifically set out in the relevant Tranche Prospectus
Lead Managers	Edelweiss Financial Services Limited and A. K. Capital Services Limited
Market Lot	1 (one) NCD
Option(s)	An option of NCDs which are identical in all respects including, but not limited to terms and conditions, listing and ISIN and as further stated to be an individual option in this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus
Public Issue Account	Bank account opened with any of the Bankers to the Issue by our Company under Section 40 of the Companies Act, 2013, to receive monies from the ASBA Accounts on the Designated Date as specified for respective Tranche Prospectus(es)
Public Issue Account Agreement	As specified in the relevant Tranche Prospectus
Public Issue Account Bank	Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened and as specified in the relevant Tranche Prospectus
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under the relevant Tranche Prospectus. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016
Redemption Amount/ Maturity Amount	As specified in the relevant Tranche Prospectus
Redemption Date/ Maturity Date	The date on which our Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus
Refund Account	The account(s) opened by our Company with the Refund Bank(s), from which refunds of the whole or part of the Application Amounts (excluding for the ASBA Applicants), if any, shall be made
Refund Bank	As stated in the relevant Tranche Prospectus
Register of Debenture holder	A register of debenture holders maintained by our Company in accordance with the provisions of the Companies Act, 2013 and for further details see, "*General Terms of the Issue*" beginning on page 125
Registrar Agreement	Agreement dated December 17, 2019 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar to the Issue/ Registrar	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 as amended from time to time, and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants
Secured NCDs	Secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each
Secured Debenture Holder (s) /Secured NCD Holder(s)	The holders of the Secured NCDs whose name appears in the database of the Depository and/or the register of Secured NCD Holders (if any) maintained by our Company if required under applicable law
Self-Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time.
Shelf Limit	The aggregate limit of this Issue, being ₹ 5,00,000 lakh to be issued pursuant to the Shelf Prospectus through one or more Tranche Issues

Term	Description
Shelf Prospectus	The shelf prospectus dated [●] that shall be filed by our Company with the RoC and submitted to SEBI and Stock Exchanges in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations
Specified Cities/ Specified Locations	Centers where the member of the Consortium shall accept ASBA Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
Stock Exchanges	NSE and BSE
Subordinated Debt	A fully paid up instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of a housing finance company. The book value of such instrument shall be subjected to discounting as provided hereunder: Remaining maturity of the instruments and rate of discount: • up to one year 100 %; • more than one year but up to two years 80 %; • more than two years but up to three years 60 %; • more than three years but up to four years 40 %; and • more than four years but up to five years 20 % to the extent such discounted value does not exceed fifty per cent of Tier I capital
Syndicate ASBA	Applications submitted by an ASBA Applicant through the Syndicate or the Designated Intermediaries.
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus
Tier I Capital	Tier I capital means owned fund as reduced by investment in shares of other HFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund
Tier II Capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55 %; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier-I capital
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus
Tranche Prospectus(es)	The relevant Tranche Prospectus containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts, documents for inspection and other terms and conditions in respect of the relevant Tranche Issue
Transaction Documents	Transaction documents shall mean the Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Consortium Agreement and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee. For further details see, "*Material Contracts and Documents for Inspection*" on page 192
Transaction Registration Slip or TRS	The acknowledgment slip or document issued by any of the Members of the Consortium, the SCSBs, or the Designated Intermediaries as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs
Trustees / Debenture Trustee	Trustees for the Debenture Holders in this case being, IDBI Trusteeship Services Limited appointed by the Board of Directors of our Company
Unsecured NCDs	NCDs offered under this Issue which are rated, listed, redeemable and are not secured by any charge on the assets of our Company, which will be in the nature of Subordinated Debt and

Term	Description
	will be eligible for Tier II Capital
Wilful Defaulter	A Person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI/ NHB and includes a company whose director or promoter is categorized as a wilful defaulter
Working Day	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in Mumbai

Industry related terms

Term	Description
AMC	Asset management company
Assets Under Management or AUM	Total Loan Assets including retained interest under assignment transactions
CRAR	Capital to risk adjusted ratio
ECBs	External commercial borrowings
ECS	Electronic clearance service
EMI	Equated monthly instalment
Gross NPA	Outstanding loans including future principal and overdue charges and excluding unrealised interest accrued and due under NPA accounts (represents assets that are Credit impaired (Stage 3))
HFC	Housing finance company
IBPC	Inter bank participation certificate
ICAI	Institute of Chartered Accountants of India
KYC	Know your customer
LTV	Loan to value ratio
Net Loan Assets	Total Loan Assets as adjusted for provisions for non-performing assets
Net NPA	Gross non-performing asset net off provision held for non-performing asset accounts (represents assets that are Credit impaired (Stage 3) net-off Impairment loss allowance thereof)
NPA	Non-performing asset/ Stage 3 Assets
Stage 1 Assets	Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date as defined under Ind AS
Stage 1 Provision	Stage 1 provision are 12-month Expected Credit Loss resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS
Stage 2 Provision	Stage 2 provision are life time Expected Credit Loss resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Stage 3 Assets	Stage 3 assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 Provision	Stage 3 provision are life time Expected Credit Loss resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Substandard Asset	Substandard asset means an asset which has been classified as non-performing asset for a period not exceeding 12 months
Doubtful Asset	Doubtful asset means an asset which remains a sub-standard asset for a period exceeding 12 months
Loss Asset	Loss asset means an asset which has been identified as loss asset by the housing finance

Term	Description
	company or its internal or external auditor or by the NHB, to the extent it is not written off by the HFC; and an asset which is adversely affected by a potential threat of non-recoverability
NRI/Non-Resident	A person resident outside India, as defined under the FEMA
RRB	Regional rural bank
SCB	Scheduled commercial banks
Total Loan Assets	Secured loans, retained interest on securitization and unsecured loans

Conventional terms

Term	Description
₹/ Rs. / INR/ Rupees	The lawful currency of the Republic of India
AGM	Annual general meeting
AS	Accounting standard
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder, as amended
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Consumer Protection Act	Consumer Protection Act, 1986, as amended
CrPC	Code of Criminal Procedure, 1973, as amended
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
Depositories Act	Depositories Act, 1996, as amended
DIN	Director identification number
DP ID	Depository participant’s identity number
DSA	Direct sales agent
EGM	Extraordinary general meeting
EPS	Earnings per share
ESOP	Employee stock option scheme
FDI	Foreign direct investment
FDI Policy	Government policy and the regulations (including the applicable provisions of Foreign Exchange Management (Debt Instruments) Regulations, 2019 issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business)
FEMA	Foreign Exchange Management Act, 1999, as amended
Finance Act	Finance (No. 2) Act, 2019
Fiscal / Financial Year / FY	Financial year ending March 31
GDP	Gross domestic product
GoI	Government of India
HUF	Hindu undivided family
IFRS	International financial reporting standards
IFSC	Indian financial system code
Ind AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP	Generally accepted accounting principles in India
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International securities identification number
IST	Indian standard time
IT Act/ Income Tax Act	Income Tax Act, 1961, as amended

Term	Description
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
NACH	National automated clearing house
NBFC	Non-banking financial company as defined under Section 45-IA of the RBI Act
NEFT	National electronic funds transfer
NHB	The National Housing Bank
NHB Act	National Housing Bank Act, 1987, as amended
NHB Act Amendment	Amendments to the NHB Act included in the Finance (No. 2) Act, 2019
NHB Directions	Master Circular - Housing Finance Companies (NHB) Directions, 2010, updated as on June 30, 2019
NHB IT Guidelines	Information Technology Framework for HFCs dated June 15, 2018 issued by the NHB
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, as amended
SEBI	Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
TDS	Tax deducted at source

FORWARD-LOOKING STATEMENTS

Certain statements in this Draft Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as *"aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would",* or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- Default and non-payment by borrowers and other counterparties;
- Inability to maintain our growth;
- Volatility in interest rates, market risks and asset liability management risks;
- Increase in the levels of NPAs in our loan portfolio;
- Indebtedness and conditions and restrictions imposed by our financing arrangements;
- Difficulties in geographically expanding our business and the products offered;
- Risk of inability to raise capital when necessary in order to maintain such capital adequacy ratio;
- Future regulatory changes;
- Periodic inspections by the NHB; and
- Non-renewal of lease or license agreements of the Company or their renewal on terms unfavourable to us.

For further discussion of factors that could cause our actual results to differ, see "*Risk Factors*" beginning on page 14.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the "*Industry Overview*", "*Our Business*" and *"Legal and Other Information"* on pages 62, 75 and 161, respectively.

The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, our Directors and officers, nor any of their respective affiliates or the Lead Managers nor any of its Directors and its officers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI Debt Regulations, our Company and the Lead Managers will ensure that investors in India are informed of material developments between the date of filing this Draft Shelf Prospectus and the date of receipt of listing and trading permission being obtained from the Stock Exchanges.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

In this Draft Shelf Prospectus, unless the context otherwise indicates or implies, references to *"you"*, *"offeree"*, *"purchaser"*, *"subscriber"*, *"recipient"*, *"investors"* and *"potential investor"* are to the prospective investors in this Offering, references to our *"Company"*, the *"Company"* or the *"Issuer"* are to Tata Capital Housing Finance Limited.

In this Draft Shelf Prospectus, references to *"US$"* is to the legal currency of the United States and references to *"₹"*, *"Rs."*, *"INR"* and *"Rupees"* are to the legal currency of India. All references herein to the *"U.S."* or the *"United States"* are to the United States of America and its territories and possessions and all references to *"India"* are to the Republic of India and its territories and possessions, and the *"Government"*, the *"Central Government"* or the *"State Government"* are to the Government of India, central or state, as applicable.

In this Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

Unless otherwise stated, references in this Draft Shelf Prospectus to a particular year are to the calendar year ended on December 31 and to a particular *"fiscal"* or *"fiscal year"* are to the fiscal year ended on March 31.

Unless otherwise stated all figures pertaining to the financial information in connection with our Company are on a standalone basis. Additionally, unless stated otherwise all references to time in this Draft Shelf Prospectus are to IST.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Presentation of Financial Information

In accordance with the notification issued by the Ministry of Corporate Affairs, our Company has adopted Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. Our Company has adopted Ind AS from April 1, 2018 with effective transition date as April 1, 2017. Our Company publishes its financial statements in Rupees, in lakh. Our Company's Condensed Interim Financial Statements for the period ended September 30, 2019, the Reformatted Financial Information under Ind AS and the Audited Financial Statements under Ind AS for the year ended March 31, 2019 have been prepared in accordance with Ind AS and the Reformatted Financial Information under Indian GAAP for the years ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 have been prepared in accordance with Indian GAAP.

Unless stated otherwise or unless context requires otherwise, the financial data used in this Draft Shelf Prospectus for the financial year ended on March 31, 2019 and for the six months ended September 2019 is derived from the Reformatted Financial Information under Ind AS, Audited Financial Statements under Ind AS and Condensed Interim Financial Statements, and has been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 (as amended for time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 read with Sub-section (1) of Section 210A of Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) have also been applied along with compliance with other statutory promulgations.

Unless stated otherwise or unless context requires otherwise, the financial data used in this Draft Shelf Prospectus is derived from our Company's Reformatted Financial Information under Indian GAAP as at and for the years ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

The Financial Statements are included in this Draft Shelf Prospectus. The examination reports on the Financial Statements, as issued by our Statutory Auditors, are included in this Draft Shelf Prospectus in Annexure A, "*Financial Information*" beginning on page 195.

Industry and Market Data

There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Unless stated otherwise, all industry and market data cited throughout this Draft Shelf Prospectus has been obtained from industry publications and certain public sources and accordingly, all financial data forming part of the industry and market data cited throughout this Draft Shelf Prospectus, is based on such industry publications and certain public sources and represented in Rupees, in million, billions and trillions, as applicable. Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been verified by us or any independent sources. Further, the extent to which the market and industry data presented in this Draft Shelf Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

Exchange Rates

The exchange rates (in ₹) of USD are provided below:

(in ₹)

Currency	September 30, 2019	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
USD	70.87	69.15	65.04	64.84	66.33	62.59

Source: www.rbi.org.in and www.fbil.org.in.

Note: In the event that March 31 of any of the respective years is a public holiday, the previous working day not being a public holiday has been considered.

SECTION II: RISK FACTORS

An investment in NCDs involves a certain degree of risk. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose off the NCDs. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Draft Shelf Prospectus including "Our Business", "Financial Information" beginning on page 75 and 195, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and result of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

Unless otherwise stated in the relevant risk factors set forth, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

This Draft Shelf Prospectus contains forward looking statements that involve risk and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward looking statements as a result of several factors, including the considerations described below and elsewhere in this Draft Shelf Prospectus.

Unless otherwise indicated, the financial information included herein is based on our Condensed Interim Financial Statements, Audited Financial Statements under Ind AS, the Reformatted Financial Information under Ind AS and the Reformatted Financial Information under Indian GAAP as included in this Draft Shelf Prospectus.

Investors are advised to read the following risk factors carefully before making an investment in the NCDs offered in this Issue. You must rely on your examination of our Company and this Issue, including the risks and uncertainties involved.

Internal risks pertaining to our business and operations

1. ***As an HFC, we face the risk of default and non-payment by borrowers and other counterparties. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may have a material adverse effect on our profitability and asset quality.***

Any lending activity is exposed to credit risk arising from the risk of default and non-payment by borrowers. Our outstanding loan portfolio has grown at a CAGR of 24.52 % from ₹ 17,34,264 lakh as of March 31, 2017 to ₹26,88,816 lakh as of March 31, 2019.The size of our loan portfolio is expected to continue to grow as a result of our expansion strategy. As our portfolio expands, we will be exposed to an increasing risk of defaults. Any negative trends or financial difficulties among our borrowers could increase the level of NPAs in our portfolio and adversely affect our business and financial performance. The borrowers may default on their repayment obligations due to various reasons including insolvency, lack of liquidity, operational failure, and other reasons. We also rely on collection agents to recover outstanding dues in the event of a default and such collection agents may not be successful in recovering outstanding dues. Further, any delay in enforcing the collateral due to delays in enforcement proceedings before courts of an appropriate forum, or otherwise could expose us to potential losses. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.

In deciding whether to extend credit to or enter into transactions with customers and counterparties, we rely largely on information furnished by or on behalf of our customers, including financial information, based on which we perform our credit assessment. We may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. Any such information, if materially misleading, may increase the risk of default. Our financial condition and results of operations could be adversely affected by relying on information that may not be true or may be materially misleading.

Although we regularly review our credit exposures to clients and counterparties and to industries and geographical regions that we believe may present credit concerns, defaults may arise from events or circumstances that are difficult to detect or foresee.

As of September 30, 2019, a substantial portion of our loans advanced to customers had tenors exceeding one year. The long tenor of these loans may expose us to risks arising out of economic cycles. In addition, some of these loans are construction finance loans and there can be no assurance that these projects will perform as anticipated or that such projects will be able to generate sufficient cash flows to service commitments under the advances. We are also exposed to residential projects that are still under development and are open to risks arising out of delay in execution, such as delay in execution on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact our cash flows.

2. ***Our business has grown consistently in the past. Any inability to maintain our growth may have a material adverse effect on our business, results of operations and financial condition.***

Our business has steadily expanded in the past three Fiscals and for Fiscals 2017, 2018, 2019 and for the period ended September 30, 2019, our revenue from operations was ₹ 1,70,696 lakh, ₹ 1,94,690 lakh, ₹ 2,38,761 lakh and ₹1,47,540 lakh respectively, and our profit after tax was ₹ 17,817 lakh, ₹ 21,420 lakh, ₹ 5,049 lakh and ₹ 2,370 lakh for Fiscals 2017, 2018, 2019 and for the period ended September 30, 2019 respectively.

Our growth strategy includes increasing the number of loans we extend, diversifying our product portfolio and expanding our customer base. There can be no assurance that our growth strategy will continue to be successful or that we will be able to continue to expand further or diversify our product portfolio.

In order to maintain our growth in future, we will, *inter alia*, need to continue to focus on: (i) raising funds at optimum costs; (ii) our managerial, technical and operational capabilities; (iii) the allocation of our resources; and (iv) our information and risk management systems. In addition, we may be required to manage relationships with a greater number of customers, third-party agents, lenders and other parties.

Our business depends significantly on our marketing initiatives. Additionally, we carry out certain marketing activities through our Promoter pursuant to a service agreement between our Company and our Promoter (the "**Service Agreement**"). Pursuant to the terms of the Service Agreement our Promoter has agreed to provide certain services to our Company in relation to marketing, management and administrative functions, in order to facilitate housing finance activities carried out by our Company. The duration of the service agreement has been extended to March 31, 2022. Our advertisement and business promotion expenses amounted to ₹ 817 lakh, ₹ 875 lakh, ₹ 969 lakh and ₹ 543 lakh in the fiscal years ended March 31, 2017, 2018 and 2019 and the period ended September 30, 2019 respectively. Our business sourcing expenses amounted to ₹ 5,585 lakh, ₹ 5,792 lakh, ₹ 6,635 and ₹ 3,117 lakh for the years ended March 31, 2017, 2018 and 2019 and the period ended September 30, 2019, respectively. There can be no assurance in relation to the impact of such initiatives and any failure to achieve the desired results may negatively impact our ability to leverage our brand value. Further, there can be no assurance that we would be able to continue such initiatives in the future in a similar manner and on commercially viable terms.

Further, we cannot assure you that we will not experience issues such as capital constraints, difficulties in expanding our existing business and operations, and hiring and training of new personnel in order to manage and operate our expanded business.

Any or a combination of some or all of the above-mentioned factors may result in a failure to maintain the growth of our loan portfolio which may, in turn, have a material adverse effect on our business, results of operations and financial condition.

3. ***Our business is particularly vulnerable to volatility in interest rates, market risks and asset liability management risks which may have great impact on our financial performance.***

A substantial component of our income is the interest income that we receive from the loans we disburse which comprised ₹ 1,440.79 crore or 96.38 % of our total income of ₹ 1,494.89 crore for the six months ended September 30, 2019 and ₹ 2,330.13 crore or 95.50 % of our total income of ₹ 2,440.01 crore for the financial year 2019. Our interest income is affected by any volatility in interest rates in our lending operations. Our Company's borrowings are a mix of fixed and floating rates. A mismatch between assets and liabilities may cause our gross spreads to decline and adversely affect our probability. Interest rates are highly volatile due to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, and domestic and international economic and political conditions.

If there is an increase in the interest rates that we pay on our borrowings, which we are unable to pass on to our customers, our profitability may be affected. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Our borrowings have interest rates that are a combination of fixed and floating rates, while the majority of our advances are on a floating rate basis. Fluctuations in interest rates may adversely affect our profitability. If there is a sudden or sharp rise in interest rates, we could be adversely affected by the decline in the market value of our securities portfolio Our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations.

Also, when interest rates decline, we are subject to greater re-pricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. In periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to re-price loans. If we are required to re-price loans, it could adversely affect our profitability. If borrowers prepay loans, we will lose interest income expected from the loans over the course of their tenure and the return on our capital may be impaired if we are not able to deploy the received funds at similar interest rates. In addition, all housing finance providers in India are prohibited from charging pre-payment penalties on loans with variable interest rates granted to individual borrowers, which has led to balance transfer refinancing between lenders. Lenders, such as us, therefore usually witness high turnover of loans assets and face increased origination costs. If we are unable to recover the origination costs due to the short lifespan of the loans, our profitability could be adversely affected.

There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest margin.

4. ***Any increase in the levels of NPAs in our loan portfolio, for any reason whatsoever, would adversely affect our business, results of operations and financial condition.***

With the growth in our business, we expect an increase in our loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. There can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. As of September 30, 2019, our provisioning coverage as a percentage of our gross NPAs was 63.79 %.

As of September 30, 2019, our gross NPAs as a percentage of our net outstanding loans was 1.45 %, and our net NPAs, as a percentage of our outstanding loans, was 0.53 %. The provisioning in respect of our outstanding loan portfolio has been undertaken in accordance with Ind AS. The provisioning requirements of NHB guidelines are different from that of Ind AS. The current provisioning is sufficient to meet NHB requirements, however, we cannot assure the same in future. These provisioning requirements may require us to reserve lower amounts than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management. The level of our provisions may be inadequate to cover further increases in the amount of our non-performing loans or decrease in the value of the underlying collateral. If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or other loan losses that may occur, or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds at favourable terms, if at all, as well as our results of operations, liquidity and financial condition could be adversely affected. Furthermore, whilst our current gross NPAs are within the levels stipulated by NHB guidelines on refinance, we cannot assure you that our gross NPAs will continue to be within the levels stipulated and in the event our gross NPAs exceed the levels prescribed, our Company may face difficulty in obtaining refinance from NHB and we may become subject to regulatory action.

If the quality of our loan portfolio deteriorates or we are unable to implement effective monitoring and collection methods, our financial condition and results of operations may be adversely affected. In addition, we anticipate that the size of our loan portfolio will grow as a result of our expansion strategy in existing as well as new products, which will expose us to an increased risk of defaults.

Any negative trends or financial difficulties particularly among our borrowers could increase the level of NPAs in our portfolio and adversely affect our business and financial performance. If a significant number of our customers are unable to meet their financial obligations in a timely manner it may lead to an increase in our level of NPAs. If we are not able to prevent increases in our level of NPAs, our business and our future financial performance could be adversely affected.

5. ***Our indebtedness and conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.***

In the ordinary course of our business, we have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of these agreements contain restrictive covenants which require us to obtain consent from our lenders, before, among other things, altering our capital structure, disposing assets out of the ordinary course of business, incurring capital expenditure above certain limits, effecting any scheme of amalgamation or reconstitution, creating any charge or lien on our assets or receivables. Some of these agreements also contain restrictive covenant requiring our Promoter to maintain majority shareholding in our Company. In addition, under certain of our financing agreements, upon the occurrence of a default on our interest payments or repayment of principal to the lender, we would be restricted from declaring dividends and provide the lender with a right to appoint a nominee director. Our financing agreements may also require us to maintain certain financial ratios.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we have breached any terms in the past which are noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments.

Furthermore, our financing arrangements may contain cross-default provisions which could automatically trigger defaults under other financing arrangements.

6. ***We may experience difficulties in geographically expanding our business and the products offered.***

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets. Currently, our business is geographically concentrated in the state of Maharashtra, with 24.62 % of the total loans offered to customers in the state. Factors such as competition, customer requirements, regulatory regimes, culture, business practices and customs in these new markets may differ from those in our current markets, and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete not only with other banks and financial institutions but also the local unorganised or semi-organised private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with potential customers.

As we continue to expand our geographic footprint, our business may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully marketing our products in markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; falling under additional local tax jurisdictions; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardised systems and procedures; and adapting our marketing strategy and operations to different regions of India or outside of India in which different languages are spoken.

Further, of our total loan portfolio, majority forms part of the retail loans that we offer to our customers and we may not be able to effectively diversify our loan portfolio. To address such challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not recover. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

Our inability to expand our current operations or withdrawal from the present locations would consequently change the number of branches across India and may adversely affect our business prospects, financial conditions and results of operations.

7. ***In order to sustain our growth, we will need to maintain a minimum capital adequacy ratio. There is no assurance that we will be able to raise capital when necessary in order to maintain such a ratio.***

The NHB Directions currently require HFCs to comply with a capital to risk (weighted) assets ratio, or capital adequacy ratio ("**CRAR**"), consisting of Tier I and Tier II capital. As per the NHB Directions, we are required to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital. Regulation 30 of the NHB Directions currently requires all HFCs to comply with a CRAR, consisting of Tier I and Tier II capital, of not less than 13.0% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items, on or before March 31, 2020, 14 % on or before March 31, 2021 and 15 % on or before March 31, 2022 and thereafter. At a minimum, Tier I capital of an HFC, at any point of time, cannot be less than 10 %. We must maintain this minimum capital adequacy level to support our continuous growth. Regulation 3(2) of the NHB Directions requires that no HFC shall have deposits inclusive of public deposits, the aggregate amount of which together with the amounts, if any, held by it as loans or other assistance from the NHB, in excess of 14 times of its net owned funds ("**NOF**") on or after March 31, 2020, 13 times of its NOF on or after March 31, 2021 and 12 times of its NOF on or after March 31, 2022.

Our capital adequacy ratio, calculated in accordance with Ind AS, was 16.97 % as at September 30, 2019. Our ability to support and grow our business could be limited by a declining capital adequacy ratio if we are unable to access or have difficulty raising capital. Additionally, there is no assurance that the NHB will not increase the current capital adequacy ratio.

In particular, according to the NHB Directions, 2010, at no point can our total Tier II Capital exceed 100 % of the Tier I capital. For further details, see "*Regulations and Policies*" beginning on page 176. This ratio is used to measure a HFCs capital strength and to promote the stability and efficiency of the housing finance system. Our capital adequacy ratio, calculated in accordance with Ind AS, was 16.97 % as of September 30, 2019. As our asset book grows further, our CRAR may decline and this may require us to raise fresh capital. There is no assurance that NHB will not increase the minimum capital adequacy requirements. Should we be required to raise additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favourable terms, in a timely manner or at all. If we fail to meet the requirements prescribed by the NHB, then the NHB may take certain actions, including but not limited to levying penalties, restricting our lending activities, investment activities and asset growth, and suspending all but our low-risk activities and imposing restrictions on the payment of dividends.

8. ***We are an HFC and subject to various regulatory and legal requirements. Also, future regulatory changes may have a material adverse effect on our business, results of operations and financial condition.***

Our business is highly-regulated. The operations of HFCs are subject to various regulations framed by the Ministry of Corporate Affairs and the NHB and the RBI amongst others. We are also subject to the corporate, taxation and other laws in effect which require continued monitoring and compliance. These regulations, apart from regulating the manner in which a company carries out its business and internal operation, prescribe various periodical compliances and filings including but not limited to filing of forms and declarations with the relevant registrar of companies, and the NHB. Pursuant to the NHB regulations, HFCs are currently required to maintain a minimum CRAR consisting of Tier I and Tier II Capital which collectively shall not be less than 13.00 % of their aggregate risk weighted assets and their risk adjusted value of off-balance sheet items.

The Finance Act includes the NHB Act Amendments, which have come into force on August 9, 2019. Pursuant to the NHB Act Amendments, amongst others, (i) application for registration as a HFC is required to be made to the RBI under the NHB Act, in place of NHB; (ii) HFCs are required to create reserve fund as per the provisions under the RBI Act and (iii) the RBI has the power to determine policy and issue directions in relation to housing finance institutions. The RBI, vide its notification dated August 13, 2019, has stated that it will come out with revised regulations for HFCs in due course. In the meantime, HFCs shall continue to comply with the directions and instructions issued by the NHB till the RBI issues a revised framework. NHB will continue to carry out supervision of HFCs and HFCs will continue to submit various returns to NHB as hitherto. However, any difference in interpretation of NHB Act Amendments by the RBI and NHB, may adversely impact our business.

Further, the RBI vide the notification dated November 11, 2019, has amended the 'Master Directions- Exemptions from the RBI Act, 1934' by withdrawing the existing exemptions available to HFCs under the RBI Act. Accordingly, there may be further scrutiny and instructions from the RBI in relation to the regulation of HFCs. If we fail to comply with such requirements, we may be subject to penalties or compounding proceedings.

The requirement for compliance with such applicable regulations presents a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, if the interpretations of the regulators and authorities with respect to these regulations vary from our interpretation, we may be subject to penalties and our business could be adversely affected.

Furthermore, we are also subject to changes in laws, regulations and accounting principles. There can be no assurance that the laws and regulations governing companies generally or HFCs in particular, will not change in the future or that such changes or the interpretations or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance. The introduction of additional government controls or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may result in a material adverse effect on our business, results of operations and financial condition and our future growth plans. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests, could adversely affect our results of operations.

We cannot assure you that we will be in compliance with the various regulatory and legal requirements in a timely manner or at all. We cannot assure you that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the housing finance industry in general. Further, changes in tax laws may adversely affect demand for real estate and therefore, for housing finance, which will adversely affect our business, financial condition and results of operations.

9. ***We are subject to periodic inspections by the NHB. Non-compliance with the NHB's observations made during any such inspections could adversely affect our reputation, business, financial condition, results of operations and cash flows.***

The RBI has amended the 'Master Directions - Exemptions from the RBI Act, 1934' vide their notification dated November 11, 2019, by withdrawing the existing exemptions available to HFCs under the RBI Act. Pursuant to this notification, the NHB, on being directed by RBI, has the power inspect our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information, which we may have failed to furnish when called upon to do so. However, pursuant to the NHB Act Amendments, the RBI will also have the power to conduct such inspections, in addition to the NHB. The most recent inspection by the NHB was conducted with respect to the position of our Company as on March 31, 2018, pursuant to which the NHB issued its observations by way of its letter dated June 14, 2019 ("**Observations**"). Our Company provided its response and informed the NHB regarding the status of our compliance in relation to such Observations on August 9, 2019. Our Company has also received a follow-up letter from the NHB dated September 18, 2019. The Company thereafter scheduled a meeting for management discussion at the NHB head office on September 23, 2019 and submitted their responses to the observations of NHB. However, there can be no assurance that NHB will consider such steps to be adequate and treat the observations as being duly complied with. The NHB may take appropriate actions against our Company which could have a material and adverse effect on our business and our overall financial condition.

10. ***Our Registered Office is not owned by us and is located on our Promoter's premises and certain of our branch offices are located on leased premises and non-renewal of the respective lease or license agreements or their renewal on terms unfavorable to us could adversely affect our operations.***

Our Registered Office is located in Mumbai and is not owned by us and certain of our branch offices are located on leased premises. As on the date of this Draft Shelf Prospectus, our Promoter has issued a no objection certificate allowing our Company to use the premises as its registered office. If our Promoter withdraws its no objection certificate, or issues a conditional no objection certificate on terms and conditions that are unacceptable to us, our operations may suffer a disruption. We may be unable to locate suitable alternate facilities on commercially acceptable terms. This may adversely impact our business.

Further, as we expand our branch offices network, we expect the number of leased/ co-leased branch offices to increase significantly and if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, and such disruptions or increased costs may adversely affect our business and results of operations.

11. ***We may face maturity mismatches between our assets and liabilities in the future which may cause liquidity issues.***

We regularly monitor our funding levels to ensure we are able to satisfy the requirements for loan disbursements and maturities on our liabilities. We follow the "Asset Liability Management System for Housing Finance Companies – Guidelines" issued by NHB. The difference between the value of assets and liabilities maturing in any time period provides the extent to which we are exposed to the liquidity risk. As is typical for several HFCs, a portion of our funding requirements is met through short-term funding sources, such as short-term bank loans, working capital demand loans, cash credit, short term loans and commercial papers. However, a large portion of our assets have medium or long-term maturities. In the event that our existing and committed credit facilities are withdrawn or are not made available to us, funding mismatches may be created and it could have an adverse effect on our business and our future financial performance.

On a cumulative basis as at September 30, 2019, our liabilities maturing within one year exceeded our assets maturing within the same period by ₹ 76,266 lakh. As at September 30, 2019, our liabilities maturing between one year and three years exceeded our assets maturing within the same period by ₹ 5,61,246 lakh and our liabilities maturing between three and five years exceeded our assets maturing within the same period by ₹ 4,38,797 lakh, while our assets maturing in over 10 years exceeded our liabilities maturing within the same period by ₹ 5,18,097 lakh.

We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided by long-term borrowings from banks and mutual funds, short and long-term general financing through the domestic debt markets and retained earnings, proceeds from securitisation, refinancing from NHB.

12. ***If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. See *"Our Business"* beginning on page 75. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation methodology and our critical accounting estimates and the adequacy of our allowances for loan losses.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. If we fail to effectively implement our risk management policies in our day to day operations, including at our branch offices, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

13. ***If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.***

We manage our internal compliance by monitoring and evaluating internal controls, and we endeavour to ensure that all relevant statutory and regulatory compliances are met and fulfilled in accordance with applicable law.

Whilst there has been no past instance of a material lapse in our internal controls, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. If we are unable to effectively maintain our system of internal controls and compliances, our business and reputation could be adversely affected and we may become subject to statutory and regulatory actions.

14. ***We may be unable to realise the expected value of collateral when borrowers default on their obligations to us, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We follow internal risk management guidelines in relation to portfolio monitoring. However, we may not be able to realise the full value of the collateral as a result of various factors including the following factors:

- deficiencies in the services provided by the valuation agencies which may affect the price of the property funded;
- delays in legal proceedings;
- non-availability of land records in certain parts of India leading to errors in assessing previous collateral, if any;
- defects or deficiencies in the perfection of collateral (including due to inability to obtain any approvals that may be required from third parties);
- fraud by borrowers;
- errors in assessing a diminution in the value of the collateral;
- illiquid market for the sale of the collateral; and
- applicable legislative provisions or changes thereto and past or future judicial pronouncements.

As a result of any of the foregoing factors, we may not be able to realise the full value of collateral, which could have an adverse effect on our financial condition, results of operations and cash flows.

15. ***As an HFC, we have significant exposure to the real estate sector and any negative events affecting this sector could adversely affect our business and result of operations.***

The primary security for the loans disbursed by us is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. In the event the real estate sector is adversely affected due to a decline of demand for real estate properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collaterals may diminish which may affect our business and results of operations. Failure to recover the expected value of collateral could expose us to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition.

Following the introduction of the SARFAESI Act and the subsequent extension of its application to HFCs, we are allowed to foreclose on secured property after 60 days' notice to a borrower, whose loan has been classified as non-performing. Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that can guarantee that we will be able to realise the full value of our collateral, due to, among other things, delays on our part in taking action to secure the property, delays in legal proceedings, inability to sell the property, diminution in the value of the property, economic downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

Further, among the various regulatory developments that have impacted the real estate sector recently, we believe that the implementation of the Real Estate (Regulation and Development) Act, 2016, as amended ("**RERA Act**") is expected to have the biggest impact over the long term. After notification of certain sections of the Act with effect from May 2016, the full provisions of the Act became effective from May 2017 onwards. Subsequent to this, the obligations of real estate project developers under the provisions of the RERA Act, including mandatory project registration, enhanced disclosure norms and penal provisions for violation of rules have become effective across India. While most of the state governments have notified rules in relation to the RERA Act, other states are in the process of doing so. To ensure compliance with the requirements of the RERA, players in the real estate sector may need to allocate additional resources, which may increase compliance and they may face regulatory actions or be required to undertake remedial steps, which may have an adverse effect the business, operations and financial condition of various players in the sector leading to less than anticipated growth in the housing sector, which may affect our business adversely.

Therefore, there can be no assurance that we will be able to foreclose our collateral on a timely basis, or at all, and if we are able to foreclose on our collateral, that the value will be sufficient to cover the outstanding amounts owed to us which may result in a material adverse effect on our business, results of operations and financial condition.

16. ***The Bankruptcy Code may affect our rights to recover loans from borrowers***

The Insolvency and Bankruptcy Code, 2016 ("**IBC**") was notified on August 5, 2016. The IBC offers a uniform and comprehensive insolvency legislation encompassing all companies, including HFCs. It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The IBC creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the IBC, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution process and liquidation. The sale proceeds have to also be equally distributed for dues owed to workmen for twenty four months preceding the liquidation. Further, under this process, dues owed to the Central and State Governments rank below the claims of secured creditors, workmen and other employee dues and unsecured financial creditors. Further, pursuant to an amendment to the IBC, allottees in a real estate project are considered on par with financial creditors. Specifically, in relation to cases where we have extended construction finance to developers or builders for specific projects, allottees in such real estate projects will be considered on par with our Company in terms of priority of repayment. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realize their security interests in priority.

Accordingly, if the provisions of the IBC are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the IBC.

Accordingly, if the provisions of the IBC are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the IBC.

17. ***Our growth in profitability depends on the continued growth of our loan portfolio.***

Our results of operations depend on a number of internal and external factors, including changes in demand for home loans in India, the competitive landscape, our ability to expand geographically and diversify our product offerings and the size of our loan portfolio. Changes in market interest rates could impact the interest rates charged on our interest-earning assets in a way different to its effect on the interest rates paid on our interest-bearing liabilities. Further, we may experience issues such as capital constraints. We cannot assure that we will be able to expand our existing business and operations successfully, or that we will be able to retain existing personnel or to hire and train new personnel to manage and operate our expanded business.

18. ***We may not continue to gain undisrupted access to our funding sources or be able to secure the requisite amount of financing at competitive rates for our growth plans and to meet other cash needs.***

Our liquidity and on-going profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. In addition to cash flows required for general business operations and capital expenditures, we are required to pay dividend to our CCCPS holders at the end of each fiscal year. If we are unable to pay such dividend in the fiscal year in which it is due, such dividend is accrued and paid in the next fiscal year. Our funding requirements historically have been met primarily from a combination of borrowings such as term loans from banks and financial institutions, refinance assistance from the NHB including subsidized refinance for onward lending for affordable housing and issuance of commercial papers and non-convertible debentures and other debt instruments on a private placement basis. We have been receiving capital infusion by the Promoter in the past. We cannot assure you that we would be able to have access to funds from Promoters in future. Thus, our continued growth and our ability to make payments on, or repay or refinance, our debts and obligations, including the NCDs will depend, among other things, on our ability to secure requisite financing at competitive rates, to manage our expansion process, to make timely capital investments, to control input costs and to maintain sufficient operational control. Changes in laws and regulations, higher cost borrowings, our obligations to lenders or under debt instruments can disrupt funding sources which would have a material adverse effect on our liquidity, scale of operation, financial condition and profit margins. Our inability to secure requisite financing, refinancing or continuing with our existing financing arrangement could have an adverse effect on our business, results of operations and financial condition. We cannot assure you that future debt or equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the NCDs, or to fund other liquidity needs. If we cannot procure sufficient cash to fund our liquidity needs, we may, among other things, need to restructure or refinance all or a portion of our debt, including the NCDs, obtain additional financing, delay planned capital expenditures or investments or sell material assets. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on commercially reasonable terms, if at all.

19. ***Any downgrade in our credit ratings may increase our financing costs and subject us to more onerous covenants, which may adversely affect our future issuances of debt and our ability to borrow on a competitive basis.***

We have received rating for our short-term instruments and long-term instruments as set forth:

Rating Agency	Rating	Nature of Securities
CRISIL	CRISIL A1+	Commercial Paper
CRISIL	CRISIL PP-MLD AAAr/ Stable	Market Linked Debentures
CRISIL	CRISIL AAA/ Stable	Secured NCDs, Subordinated Debt and Bank facilities
India Ratings	IND AAA	Non-convertible debentures and subordinated debt
ICRA	[ICRA] AAA (stable)	Subordinated Debt and Secured NCDs
ICRA	[ICRA] A1+	Commercial Paper

Such aforementioned ratings indicate strong degree of confidence in our Company’s ability to timely service financial obligations and allow us to access debt financing at competitive rates of interest. The rationale for such ratings mentions a number of factors based on which the ratings have been assigned, including but not limited to the strong support provided by, and the strategic importance and business of, TCHFL’s controlling entity. We believe that our strong financial performance, credit rating, risk containment measures and brand help us to access capital at competitive rates. Any downgrade in our credit ratings may increase interest rates for our existing short-term and long-term borrowings and for our refinancing of our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis. We may also be subject to more onerous covenants, which could further restrict our business, financial condition and results of operations. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings.

20. ***We have experienced negative cash flows in relation to our operating activities in recent years and any negative cash flows in the future would adversely affect our results of operations and financial condition.***

We had a negative cash flow from operating activities, mainly due to increase in our loan book, of ₹ 1,02,570 lakh, ₹ 5,94,278 lakh, ₹ 3,26,713 lakh and ₹ 3,58,940 lakh for the period ended September 2019 and the Fiscals 2019,2018 and 2017respectively. We may experience negative cash flows in future, which could adversely affect our business prospects, financial condition and results of operations.

21. ***We have included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance in this Draft Shelf Prospectus. The manner of preparation of such non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Shelf Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies including other HFCs.

22. ***We do not own the trademark and the logo associated with "Tata" brand name. Consequently, our ability to use the trademark, name and logo may be impaired.***

We do not own the trademark and logo associated with "Tata" brand name which we use in the course of our operations and to conduct our business. The "Tata" trademark and the logo " " ("**Trademarks**") are registered in the name of Tata Sons Private Limited (formerly known as Tata Sons Limited), the ultimate holding company of our Promoter. Our Company has subscribed to the Tata Brand Equity and Business Promotion Agreement with Tata Sons Private Limited for use of the Trademarks. For further details see, "*History and Main Objects*" beginning on page 89. Pursuant to the BEBP Agreement, we have a license to use the Trademarks and any claims by any third parties relating to such trademark, if not effectively defended by Tata Sons Private Limited, may affect our ability to use such trademark. Being a licensee of the Trademarks, we are not permitted to obtain Trademark registration in our name and accordingly in case of infringement of our name by third parties we solely rely on Tata Sons Private Limited to defend such infringement of "Tata" brand name. We can only seek relief in the nature of passing off by other entities, which may not afford sufficient protection. Our inability to use the "Tata" trademark and to prevent any unauthorized usage of our name, if not adequately defended by Tata Sons Private Limited, could result in adverse effects to our business operations.

Further, we may become subject to claims by third parties if we use slogans, names, designs, software or other such subjects in breach of any intellectual property rights registered by such third party. Any legal proceedings pursuant to such claims, or settlements thereunder, may divert management attention and require us to pay financial compensation to such third parties, as well as compel us to change our marketing strategies or brand names of our products and services, which could adversely affect our business, prospects, results of operation and financial condition.

23. ***We may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.***

We require certain statutory and regulatory permits and approvals to operate our business. We have a licence from the NHB, which requires us to comply with certain terms and conditions for us to continue our housing finance operations. In the event that we are unable to comply with any or all of these terms and conditions, or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the NHB may revoke this licence or may place stringent restrictions on our operations. This may result in the interruption of all or some of our operations. Further, under certain of our contractual arrangements, we are required to obtain and hold all necessary and applicable approvals, registrations and licences from local government authorities. Failure by us to renew, maintain or obtain the required permits, licences or approvals, including those set out above, may have a material adverse effect on our business, results of operations and cash flows.

24. ***Our business and operations significantly depend on senior management and key employees and may be adversely affected if we are unable to retain them.***

Our business and operations largely depend on the continued services and performance of our senior management and other key employees. The need and competition for skilled senior management in our industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our senior members of our management team and key employees could seriously impair our ability to continue to manage and expand our business efficiently and could adversely affect our business, results of operations and financial condition.

25. ***There may be potential conflicts of interest with our Promoter and its affiliates.***

Our Promoter has equity interests or investments in other entities that offer services that are related to our business and our Promoter being a systemically important non-deposit accepting core investment company (CIC-ND-SI) registered with the RBI under Section 45-IA of the RBI Act, our Promoter is permitted to invest in other HFCs. Accordingly, there may be conflicts of interest in addressing business opportunities and strategies where other companies (including other HFCs) in which our Promoter has equity interests are also involved.

26. ***We may not get the benefits of being a "Tata" company and the "Tata" brand in case of any change of control.***

In case of any change of control due to any event, such as transfer of Equity Shares or CCCPS by our Promoter, preferential allotment to any investor, including conversion of any convertible instruments, our ability to leverage the “Tata” brand may be adversely affected. The benefits of being a Tata company and being a part of the Tata Capital Group such as being able to leverage business from other Tata companies including the Tata Capital Group may become unavailable to us and, consequently our business operations and profitability could be adversely affected. We have previously received support from our Promoter, including the provision of letters of comfort and guarantees in respect of refinancing obtained from the NHB, for additional details, see “*Our Promoter*” beginning on page 100. We cannot assure you that such support will continue in the event of a change of control which could adversely affect our business, results of operations and financial condition.

27. ***Our business is highly dependent on information technology. A failure, inadequacy or security breach in our information technology and telecommunication systems or an inability to adapt to rapid technological changes may adversely affect our business, results of operation and financial condition.***

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting or other data processing systems and management information systems that are hosted on cloud or at data centres or our corporate website may fail to operate adequately or become disabled as a result of events that may be beyond our control, including a disruption of electrical or communications services. Further, our computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other attacks that may compromise data integrity and security and result in client information or identity theft, for which we may potentially be liable. Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies, and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operation and financial condition.

In addition, the future success of our business will depend in part on our ability to respond to technological advances and to emerging banking industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entail significant technical and business risks. There can be no assurance that we will successfully implement new technologies effectively or adapt our technology and systems to meet customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our financial condition could be adversely affected. Any technical failures associated with our information technology systems or network infrastructure, including those caused by power failures and breaches in security caused by computer viruses and other unauthorised tampering, may cause interruptions or delays in our ability to provide services to our customers on a timely basis or at all, and may also result in added costs to address such system failures and/or security breaches, and for information retrieval and verification.

28. ***We may have a high concentration of loans to certain customers or group of customers. If a substantial portion of these loans becomes non-performing, our business and financial performance could be affected.***

Our business exposes us to the risk of third parties that owe us money. Our loan portfolio and non-performing asset portfolio has, or may in the future, have a high concentration in certain customers or groups of customers. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, and breach of contract, government or other regulatory intervention and other reasons including inability to adapt to changes in the macro business environment. Historically, borrowers or borrower groups have been adversely affected by economic conditions in varying degrees. Credit losses due to financial difficulties of these borrowers/ borrower groups in the future could adversely affect our business and our financial performance.

29. ***We have experienced incidents of fraud committed by employees, customers and third parties in the past. There can be no assurance that such incident will not recur in the future. If such incidents of fraud recur or if we are unable to prevent them, our business, results of operation and financial condition may be adversely affected.***

Our business is susceptible to fraud committed by our employees, customers and third parties. In the past, there have been certain incidents of fraud committed by our employees and customers. We cannot assure you that such incidents of fraud will not recur in the future. There can also be no assurance that we will be able to prevent frauds in the future or that our existing mechanisms to detect or prevent fraud will be sufficient. Any frauds discovered in the future may have an adverse effect on our business, reputation, results of operations and financial condition and could result in regulatory and/or legal proceedings.

30. ***We may not be able to attract or retain talented professionals required for our business.***

The complexity of our business operations requires highly skilled and experienced manpower. Such highly skilled personnel give us a competitive edge. Further, the successful implementation of our growth plans would largely depend on the availability of such skilled manpower and our ability to attract such qualified manpower. We may lose many business opportunities and our business would suffer if such required manpower is not available on time. Though we have appropriate human resource policies in place, we may face the risk of losing our key management personnel due to reasons beyond our control and we may not be able to replace them in a satisfactory and timely manner which may adversely affect our business and our future financial performance.

31. ***We depend on the accuracy and completeness of information provided by our potential borrowers. Our reliance on any misleading information given by potential borrowers may affect our judgment of creditworthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.***

In deciding whether to extend credit or enter into other transactions with potential borrowers, we rely on information furnished to us by potential borrowers, and analysis of the information by independent valuers and advocates. To further verify the information provided by potential borrowers, we conduct searches through TransUnion CIBIL Limited ("**CIBIL**") Experian Credit Information Company of India Private Limited, CRIF High Mark Credit Information Services Private Limited and Equifax Credit Information Services Private Limited (collectively referred to as "**Credit Bureaus**") to check the creditworthiness of our borrowers. We also verify information with registrar and sub-registrar of assurances for encumbrances on collateral. We follow the KYC guidelines as prescribed by the NHB on the potential borrower, verify the place of business or place of employment as applicable to the potential borrower and also verify the details with the caution list of the NHB as circulated from time to time. Such information includes representations with respect to the accuracy and completeness of information relating to the financial condition of potential borrowers, and independent valuation reports and title reports with respect to the property secured. We have framed our policies to prevent frauds in accordance with the KYC guidelines issued by NHB dated October 11, 2010 mandating the policies of HFCs to have certain key elements, including, *inter alia*, a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management. The NHB KYC Guidelines were amended by NHB(ND)/DRS/Pol. Circular No.60/2013-14 dated February 6, 2014 and NHB (ND)/DRS/Policy Circular No.72/2014-15 dated April 23, 2015 and NHB(ND)/DRS/Pol. Circular No. 94/2018-19 dated March 11, 2019 to provide an indicative list of the nature and type of documents and information that may be relied upon for customer identification.

Further, we believe we have a well-established and streamlined credit appraisal process. However, we cannot assure you that information furnished to us by potential borrowers and analysis of the information by independent valuers or the independent searches conducted by us with Credit Bureaus will be accurate, and our reliance on such information given by potential borrowers may affect our judgment of the creditworthiness of potential borrowers, and the value of and title to the collateral, which may adversely affect our business, results of operations and financial condition.

32. ***We rely on third-party intermediaries and service providers who may not perform their obligations satisfactorily or in compliance with law.***

We enter into outsourcing arrangements with third party vendors providing services that include, among others, software services and professional services for sourcing of customers including valuation and title search. As a result of outsourcing such services, we are exposed to various risks including strategic, compliance, operational, legal and contractual risks. Any failure by a service provider to provide a specified service or a breach in security/ confidentiality or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation. We cannot assure that there will be no disruptions in the provision of such services or that these third parties may not adhere to their contractual obligation. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations may be adversely affected. In case of any dispute, there can be no assurance that the terms of such agreements will not be breached, which may result in litigation costs. Such cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, financial condition and results of operations. Legal risks, including actions being undertaken by the NHB, if our third-party service providers act unethically or unlawfully, could materially and adversely affect our business, financial condition and results of operations.

In addition, we license certain software and technology from third parties. Any premature termination of our license agreements or the loss of the ability to use such software or technology for any reason would have an adverse impact on our reputation, business and operations.

33. ***Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.***

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, in certain circumstances, may not provide adequate coverage and may be subject to certain deductibles, exclusions and limits on coverage. Further, whether the relevant insurance policy is adequate, will depend upon a number of factors, including, but not limited to, coverage of insurance product selected, any policy exclusions and any breaches by the customer that might warrant the insurance product void e.g. breach of trust in relation to the declaration of good health. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations and financial condition.

34. ***We have entered into certain related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest.***

We have entered into certain transactions with related parties, including our holding company and fellow subsidiaries, and may continue to do so in future. While we believe that all such transactions are in compliance with applicable laws and are in ordinary course and on arms-length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties, or that we will be able to maintain existing terms in cases where the terms are more favourable than if the transaction had been conducted on arm's length basis. It is likely that we will enter into other related party transactions in the future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. For further details see, the statement of related party transactions in Annexure A, "*Financial Information*" beginning on page 195.

35. ***We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation***

We are required to comply with applicable anti-money laundering and anti-terrorism laws and other regulations. In the course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls to prevent the occurrence of these risks as is customary in our jurisdiction. In certain of our activities and in our pursuit of business, we run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a Board-approved KYC anti-money laundering policy and associated processes in place. Further, our Company is required to comply with certain norms relating to cash collection, including those prescribed under the Section 269 of the Income Tax Act, and any failure to comply with the company will result is our Company becoming liable for penalties or other actions prescribed under thereunder. A substantial portion of our loans have a tenor exceeding one year, which may expose us to risks associated with economic cycles.

36. ***We introduce new products for our customers, and there is no assurance that our new products will be profitable in the future***

We introduce new products and services in our existing lines of business. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or management focus on these new products. If we fail to develop and launch these products and services successfully, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn adversely affect our business and results of operations.

37. ***Our Company and our group companies are involved in certain legal and other proceedings and there can be no assurance that our Company and our group companies will be successful in any of these actions. In the event our Company is unsuccessful in litigating any of the disputes, its business and results of operations may be adversely affected***

We are involved in certain legal proceedings in the ordinary course of our business such as consumer disputes and debt-recovery proceedings. These proceedings are pending at different levels of adjudication before courts of various forums. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings.

Although we intend to defend or appeal any adverse order in relation to these proceedings, we will be required to devote management and financial resources in their defense or prosecution. If a significant number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be an adverse impact on our reputation, business, results of operations and financial condition. There can be no assurance that a significant portion of these disputes will not be determined against our Company or that our Company will not be required to pay all or a portion of the disputed amounts or that it will be able to recover amounts for which our Company has filed recovery proceedings. In addition, even if our Company is successful in defending such cases, it will be subject to legal and other costs relating to defending such litigation, and such costs may be substantial. Further, there can be no assurance that similar proceedings will not be initiated against our Company in the future. For further details in relation to legal proceedings, see "*Pending Proceedings and Statutory Defaults*" beginning on page 161.

38. ***The current trading of our existing listed privately placed secured, redeemable, non-convertible debentures and unsecured, redeemable, non-convertible subordinated debentures (tier II capital) may not reflect the liquidity of the NCDs being offered through this Issue.***

The outstanding position as on September 30, 2019 (All NCDs have been listed):

Instrument	Nature	Nature of Issuance	Outstanding (₹, in lakh)	Stock Exchange
NCDs	Secured and redeemable	Private	3,77,524	NSE
NCDs	Subordinated debt	Private	62,370	NSE

External risks pertaining to our business and operations

39. ***A slowdown in economic growth in India may adversely affect our business, results of operations and financial condition.***

Our financial performance and the quality and growth of our business depend significantly on the health of the overall economy in India, the gross domestic product growth rate and the economic cycle in India. A substantial portion of our assets and employees are located in different parts of the country and we intend to continue to develop and expand our presence across India.

Our performance and the growth of our business depend on the performance of the Indian economy. The Indian economy could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. National and local government policies could adversely affect businesses and economic conditions in India. Any slowdown in the Indian economy could adversely affect the ability of our customers to afford our services, which in turn would adversely affect our business, results of operation and financial condition.

Our performance may also be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is commonly referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis, which exposes us to the systemic risks faced by entities operating in the Indian financial system, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

Further, in light of the increasing linkage of the Indian economy to other global economies, the Indian economy is increasingly influenced by economic developments and volatility in securities markets in other countries. Global slowdown of the financial markets and economies has in the past contributed to weakness in the Indian financial and economic environment.

40. ***The housing finance industry is competitive and increasing competition may result in declining margins if we are unable to compete effectively.***

Historically, the housing finance industry was dominated by HFCs. We now face increasing competition from commercial banks. Interest rate deregulation and other liberalisation measures affecting the housing finance industry, together with increased demand for home finance, have increased our exposure to competition. Banks and some of the HFCs have access to low-cost funds such as deposits which enable them to enjoy higher margins and/or offer finance at lower rates. However, non-deposit accepting HFCs such as us are not permitted to accept deposits, a factor which can render us less competitive. Our ability to compete effectively with commercial banks and other HFCs will depend, to some extent, on our ability to raise low-cost funding in the future. Further, we only commenced our operations in 2009 and therefore may face competition from more established banks and HFCs. If we are unable to compete effectively with other participants in the housing finance industry, our business, results of operation and financial condition may be adversely affected.

Furthermore, as a result of increased competition in the housing finance industry, home loans are becoming increasingly standardised and terms such as floating rate interest options, lower processing fees and monthly rest periods are becoming increasingly common in the housing finance industry in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive housing finance industry. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline as the origination of new loans declines.

41. ***The growth rate of India's housing finance industry may not be sustainable.***

We expect the housing finance industry in India to continue to grow as a result of anticipated growth in India's economy, increases in household income, further social welfare reforms and demographic changes. However, it is not clear how certain trends and events, such as the pace of India's economic growth, the development of domestic capital markets and the on-going reform will affect India's housing finance industry. In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable.

42. ***If inflation were to rise significantly, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers and our profits might decline.***

The annual rate of inflation was at 3.18 % (provisional) for the month of March 2019 (over March 2018) as compared to 2.93 % (provisional) for the previous month and 2.74 % during the corresponding month of 2018. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our payers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

43. ***Changing laws, rules and regulations and legal uncertainties could adversely affect our business, prospects, financial condition and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example: the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us; and the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

The Finance Act includes the NHB Act Amendments, which have come into force on August 9, 2019. Pursuant to the NHB Act Amendments, amongst others, (i) application for registration as a HFC is required to be made to the RBI under the NHB Act, in place of NHB; (ii) HFCs are required to create reserve fund as per the provisions under the RBI Act and (iii) the RBI has the power to determine policy and issue directions in relation to housing finance institutions. The RBI, vide its notification dated August 13, 2019, has stated that it will come out with revised regulations for HFCs in due course. In the meantime, HFCs shall continue to comply with the directions and instructions issued by the NHB till the RBI issues a revised framework. NHB will continue to carry out supervision of HFCs and HFCs will continue to submit various returns to NHB as hitherto. However, any difference in interpretation of NHB Act Amendments by the RBI and NHB, may adversely impact our business.

Further, the RBI vide the notification dated November 11, 2019, has amended the 'Master Directions- Exemptions from the RBI Act, 1934' by withdrawing the existing exemptions available to HFCs under the RBI Act. This may result in a change in policy and interpretations with respect to regulations governing HFCs.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

44. ***Borrowing for the purchase or construction of property may not continue to offer borrowers the same fiscal benefits it currently offers and the housing sector may not continue to be regarded as a priority sector by the Government.***

The rapid growth in the housing finance industry in the last decade is in part due to the introduction of fiscal benefits for homeowners. Since the early 1990s, interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits and tax rebates have been available for borrowers of such capital up to specified income levels. There can be no assurance that the Government will continue to offer such tax benefits to borrowers at the current levels or at all. In addition, there can be no assurance that the Government will not introduce tax efficient investment options which are more attractive to borrowers than property investment. The demand for housing and/or housing finance may be reduced if any of these changes occur.

The RBI has also provided incentives to the housing finance industry by extending priority sector status to home loans. In addition, pursuant to Section 36(1)(viii) of the Income Tax Act, up to 20 % of profits from the provision of long-term finance for the construction or purchase of housing, may be carried to a "Special Reserve" and are not subject to income tax. There can be no assurance that the Government will continue to make this fiscal benefit available to housing finance companies. If it does not, this may result in a higher tax outflow. Under its notification no. NHB(ND)/DRS/Pol. Circular No. 65/2014-15 dated August 22, 2014 NHB stipulated that all housing finance companies are required to create a deferred tax liability ("**DTL**") on the Special Reserve, under Section 36(1)(viii) of the Income Tax Act, created from current and past profits, irrespective of whether it is intended to withdraw from such reserve or not.

45. ***Financial difficulty and other problems in certain financial institutions could adversely affect our business, results of operations and financial condition.***

As a HFC, we are exposed to the risks of the financial system which may be affected by the financial difficulties faced by certain financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Any such difficulties or instability of the financial system in general could create an adverse market perception about financial institutions and banks and adversely affect our business, results of operation and financial condition. As the financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

46. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, results of operations and, financial condition.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. There can be no assurance that the central or the state governments may not implement new regulations and policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The application of various tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

47. ***Any downgrading of India's credit rating by a domestic or an international rating agency could adversely affect our ability to raise financing and our business.***

India's sovereign credit rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. The international ratings agency Moody's Investors Service recently downgraded India's outlook to negative from stable on concerns that country's economic growth will remain materially lower than in the past. This could have an adverse effect on our business, financial performance, profits and ability to obtain financing for capital expenditures and the interest and redemption of the NCDs.

48. ***Our ability to raise foreign debt capital may be constrained by Indian law***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

49. ***We may have to comply with stricter regulations and guidelines issued by regulatory authorities in India, including the NHB.***

We are regulated principally by and have reporting obligations to the NHB. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us differs in certain material respects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's housing finance sector.

Any changes in the existing regulatory framework, including any increase in the compliance requirements, may require us to divert additional resources, including management time and costs towards such increased compliance requirements. Such an increase in costs could have an adverse effect on our business, prospects, financial condition and results of operations. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards the business, which may have an adverse effect on our future business, prospects, financial condition and results of operations.

There can be no guarantee that we will be able to comply with any increased or more stringent regulatory requirements, in part or at all. Any failure to comply with such further regulatory requirements could lead to regulatory actions, including penalties, which may have an adverse effect on our future business, prospects, financial condition and results of operations.

50. ***Natural disasters and other disruptions could adversely affect the economy and could adversely affect our business, results of operations and financial condition.***

Our operations, including our branch network, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operation and financial condition.

51. ***Political instability or changes in the Government could delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which would impact our financial results and prospects.***

Our business and customers are located in India and we currently derive all of our revenues from operations in India and all of our assets are located in India. Consequently, our performance may be affected by changes in control, government policies, taxation, social and ethnic instability, social/civil unrest and other political and economic developments affecting India. The Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Government policies could adversely affect business and economic conditions in India, as well as our ability to implement our strategy and our future financial performance. Our business is also impacted by regulations and conditions in the various states in India where we operate.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. Nevertheless, the roles of the Indian central and state governments in the Indian economy as producers, consumers and regulators remain significant as independent factors in the Indian economy. There is no guarantee that the Government will be able to enact an optimal set of reforms or that any such reforms would continue or succeed. The rate of economic liberalisation is subject to change and specific laws and policies affecting banking and finance companies, foreign investment, currency exchange and other matters affecting investment in our securities are continuously evolving as well. Any significant change in India's economic liberalisation, deregulation policies or other major economic reforms could adversely affect business and economic conditions in India generally and our business, results of operations and financial condition, in particular.

52. ***Financial instability in other countries could disrupt Indian markets and our business.***

In recent years, factors such as inflation or deflation, energy costs, geopolitical issues, the availability and cost of credit, sovereign debt of various countries, uncertainty as to the global impact of the current United States administration, the United Kingdom's impending exit from the European Union, instability within the Euro zone, and trade disputes between the United States and the People's Republic of China continue to be a cause of concern despite concerted efforts by governments and international institutions to contain the adverse effect of these events on the global economy.

The Indian financial markets and the Indian economy are influenced by global economic and market conditions. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in other financial systems may cause volatility in Indian financial markets, including with respect to the movement of exchange rates and interest rates in India, and, indirectly, in the Indian economy in general. Any such continuing or other significant financial disruption could have an adverse effect on our business, results of operation and financial condition.

In responses to the global financial crisis, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets over the years. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on its business and future financial performance.

53. ***Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.***

Civil unrest, acts of violence including terrorism or war, may negatively affect the Indian stock markets and also materially and adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately materially and adversely affect our business. Although the Government and neighbouring countries have recently been engaged in conciliatory efforts, any deterioration in relations between India and neighbouring countries might result in investor concern about stability in the region, which could materially and adversely affect our business, results of operation and financial condition.

54. ***An outbreak of an infectious disease or any other serious public health concerns in India or elsewhere could adversely affect our business, results of operations and financial condition.***

The outbreak of an infectious disease in India or elsewhere or any other serious public health concern could have a negative impact on the global economy, financial markets and business activities worldwide, which could adversely affect our business. Although, we have not been adversely affected by such outbreaks in the past, we can give you no assurance that a future outbreak of an infectious disease or any other serious public health concern will not have a material adverse effect on our business, results of operation and financial condition.

55. ***Security provided for the Secured NCDs as part of the Issue may not be enforceable if the security provided for the Secured NCDs as part of the Issue is classified as 'Assets' under the IT Act and may be void as against any claim in respect of any tax or any other sum payable by our Company.***

Under Section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, our Company is required to obtain prior consent of the assessing officer to create the security provided for the Secured NCDs as part of the Issue to the extent classified as 'Assets' under Section 281 of the IT Act. We have made an application to the relevant assessing officer seeking such prior consent on December 12, 2019. In the event that such consent is not granted, the security provided for the Issue to the extent classified as 'Assets' under Section 281 of the IT Act will be void as against any claim in respect of any tax or any other sum payable by our Company.

56. ***We have certain contingent liabilities, which, if materialized, may adversely affect our financial condition.***

As of September 30, 2019, we had no contingent liabilities which were not provided for, as determined in accordance with our accounting policies and as disclosed under our significant accounting policies and notes to the accounts. Further, the contingent liability of amounts disclosed in our Condensed Interim Financial Statements, Audited Financial Statements under Ind AS and the Reformatted Financial Information represents estimates and assumptions of our management based on advice received. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. For further information on such contingent liabilities as defined under AS 29, please see "*Financial Information*" beginning on page 195. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

Risk Factors pertaining to the NCDs and this Issue

57. *There are other lenders and debenture trustees who have pari passu charge over the Security provided.*

There are other lenders and debenture trustees of our Company who have *pari passu* charge over the Security provided for this Issue. While our Company is required to maintain 100 % asset cover for the Secured NCDs, to be issued by the relevant Tranche Prospectus and interest thereon, upon our Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees will rank *pari passu* with the NCD Holders and to that extent, may reduce the amounts recoverable by the NCD Holders.

58. *Changes in interest rate may affect the price of our NCDs. Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.*

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk and the price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

59. *There are certain risks in connection with the Unsecured NCDs.*

The Unsecured NCDs would constitute unsecured and subordinated obligations of our Company and shall rank *pari passu*, and subject to any obligations under applicable statutory and/or regulatory requirements. The Unsecured NCDs proposed to be issued under this Issue and all earlier issues of unsecured debentures outstanding in the books of our Company, if any, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the Unsecured NCD Holders shall be subordinated to those of the other creditors of our Company, subject to applicable statutory and/or regulatory requirements.

60. *Industry information included in this Draft Shelf Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*

We have availed the services of an independent third party research agency, ICRA, to prepare an industry report entitled "Indian Mortgage Finance Market" dated June 2019. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, the Lead Managers or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Shelf Prospectus.

61. *There may be a delay in making refund to Applicants.*

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of this Issue, or (iv) failure to obtain the final approval from the Stock Exchanges for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

62. *Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs. Additionally, you may be subject to taxes arising on the sale of the NCDs.*

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Secured NCDs. Sale of NCDs by any holder may give rise to tax liability, see "*Statement of Tax Benefits Available to the Debenture Holders*" beginning on page 53.

63. ***The fund requirement mentioned in the Objects of the Issue have not been appraised by any bank or financial institution***

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, financing, and for repayment /prepayment of interest and principal of existing borrowings of our Company, subject to applicable statutory and/or regulatory requirements (in particular, not more than 25 % of our net proceeds being utilized for general corporate purposes) and for further details, see "*Objects of the Issue*" beginning on page 51. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

64. ***There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.***

In accordance with applicable law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the stock exchanges, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Draft Shelf Prospectus. There is no assurance that the NCDs issued pursuant to this Issue will be listed on stock exchanges in a timely manner, or at all.

65. ***Financial instability, economic developments and volatility in securities markets in other countries may also affect the business of our Company and receivables on the NCDs.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries suffered depreciation against the US dollar owing to amongst other, the announcement by the United States government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, future financial performance and the interest payable and redemption of the NCDs.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to us by several major European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the interest payable and redemption of the NCDs.

66. ***There may be no active market for the NCDs on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.***

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors, *inter alia*, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market for listed debt securities, (iii) general economic conditions, and, (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

67. ***The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.***

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors *inter alia* including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the secured NCD Holders on the assets adequate to ensure 100 % asset cover for the Secured NCDs, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

68. ***Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise further debts.***

The NCDs proposed to be issued pursuant to this Issue have been rated "CRISIL AAA/Stable" by CRISIL for an amount of up to ₹ 5,00,000 lakh by way of its letter dated November 27, 2019 and bearing reference number TCHFL/225196/RB/27112019 and have been rated "[ICRA] AAA" by ICRA for an amount of up to ₹ 5,00,000 lakh by way of its letter dated November 27, 2019 and bearing reference number 2019-20/MUMR/1504. Any downgrade of our credit ratings would increase borrowing costs and constraint our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. There is a possibility of increase in forced sale of our NCDs by the investors resulting in sharp decline in their market price. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as Tata Capital Housing Finance Limited on October 15, 2008 at Mumbai, Maharashtra, as a public limited company, under the provisions of the Companies Act, 1956. Our Company also received a certificate for commencement of business on November 10, 2008. Our Company has obtained a certificate of registration dated April 2, 2009, bearing registration number 04.0073.09 from NHB to carry on the business of a housing finance institution without accepting public deposits in accordance with Section 29A of NHB Act. For further details regarding changes to our Registered Office, see "*History and Main Objects*" beginning on page 89.

For details of the business of our Company, see "*Our Business*" beginning on page 75.

Registered Office

Tata Capital Housing Finance Limited
11th Floor, Tower A
Peninsula Business Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai - 400 013
Tel: (91 22) 6606 9000
Fax: (91 22) 6656 2699
Website: www.tatacapital.com

For details regarding changes to our Registered Office see, "*History and Main Objects*" beginning on page 89.

Corporate Office

Our Company does not have a separate corporate office.

Corporate Identity Number, Registration Number and Legal Entity Identifier Number

Corporate Identity Number: U67190MH2008PLC187552
Registration Number: 187552
Legal Entity Identifier Number: 335800YJJGNTNX2QHR79

Certificate of registration bearing registration number 04.0073.09 issued by NHB as per Section 29A of the NHB Act dated April 2, 2009 to carry on the business of a housing finance institution without accepting public deposits.

Chief Financial Officer

Mr. S. Balakrishna Kamath
11th Floor, Tower A
Peninsula Business Park
Ganpatrao Kadam Marg
Lower Parel,
Mumbai - 400 013
Tel: (91 22) 6606 9000
Fax: (91 22) 6656 2699
Email: balakrishna.kamath@tatacapital.com

Company Secretary and Compliance Officer

Mr. Jinesh Meghani
11th Floor, Tower A
Peninsula Business Park
Ganpatrao Kadam Marg
Lower Parel,
Mumbai - 400 013
Tel: (91 22) 6606 9000
Fax: (91 22) 6656 2699
Email: tchflncdcompliance@tatacapital.com

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs or refund orders, as the case maybe.

All grievances relating to this Issue or any relevant Tranche Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on Application, Depository Participant and the collection centre of the Members of the Consortium where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Mechanism of the Stock Exchanges or through Designated Intermediaries may be addressed directly to the respective Stock Exchanges.

Lead Managers

Edelweiss Financial Services Limited
Edelweiss House
Off. C.S.T. Road
Kalina
Mumbai 400 098
Tel: (91 22) 4086 3535
Fax: (91 22) 4086 3610
E-mail: tchfl.ncd@edelweissfin.com
Website: www.edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Contact Person: Mr. Lokesh Singhi
Compliance Officer: Mr. B. Renganathan
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

A. K. Capital Services Limited
30-38, Free Press House,
3rd Floor, Free Press Journal Marg,
215, Nariman Point,
Mumbai 400 021
Tel: (91 22) 6754 6500
Fax: (91 22) 6610 0594
Email: tchfl.ncd2019@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Aaanchal Wagle/ Mr. Lokesh Shah
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411
CIN: L74899MH1993PLC274881

Consortium Members

As specified in the relevant Tranche Prospectus.

Lead Brokers

As specified in the relevant Tranche Prospectus.

Debenture Trustee

IDBI Trusteeship Services Limited

Asian Building, Ground Floor
17 R, Kamani Marg, Ballard Estate
Mumbai 400 001
Tel: (91 22) 4080 7000
Fax: (91 22) 6631 1776
Email: nikhil@idbitrustee.com Investor Grievance Email: itsl@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Nikhil Lohana
Compliance Officer: Mr. Jatin Bhat

SEBI Registration No.: IND000000460

IDBI Trusteeship Services Limited has, pursuant to Regulation 4(4) of SEBI Debt Regulations, 2008, by its letter dated November 25, 2019 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

All the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the Debenture Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the Debenture Holders. For details on the terms of the Debenture Trust Deed see, "*Issue Related Information*" beginning on page 125.

Registrar to the Issue

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Selenium Tower B, Plot 31-32
Gachibowli Financial District, Nanakramguda
Serilingampally, Hyderabad 500 032
Telagana
Tel: (91 40) 6716 2222
Fax: (91 40) 2343 1551
Email: tchfl.ncd@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Mr. M. Murali Krishna
Compliance Officer: Mr. Rakesh Santhalia
SEBI Registration No.: INR000000221

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), has by its letter dated December 17, 2019 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Draft Shelf Prospectus or the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Applicants or prospective investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit or refund orders, transfers, etc. All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant ("**DP**") and the collection centre of the relevant members of the Lead Managers, brokers appointed in relation to this Issue ("**Syndicate**") where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Designated Intermediaries of the Stock Exchanges may be addressed directly to the relevant Stock Exchange.

Statutory Auditors

B S R & Co. LLP.
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg
Mahalaxmi
Mumbai 400 011
Tel: (91 22) 4345 5300
Fax: (91 22) 4345 5399

B S R & Co. LLP. has been the statutory auditor of our Company since August 21, 2017 prior to which, Deloitte Haskins & Sells LLP, was the statutory auditor of our Company.

Credit Rating Agencies

CRISIL Limited
CRISIL House, Central Avenue
Hiranandani Business Park
Powai
Mumbai 400 076
Tel: (91 22) 3342 3000
Fax: (91 22) 3342 5800
Email: Krishnan.sitaraman@crisil.com
Website: www.crisil.com
Contact Person: Mr. Krishnan Sitaraman
SEBI Registration No.: IN/CRA/001/1999

ICRA Limited
1105, Kailash Building
11th Floor, 26 Kasturba Gandhi Marg
New Delhi – 110 001
Tel: (91 11) 2335 7940/50
Fax: NA
Email: shivakumar@icraindia.com
Website: www.icra.in
Contact Person: Mr. L Shivakumar
SEBI Registration No.: IN/CRA/008/2015

Credit Rating and Rationale

The NCDs proposed to be issued pursuant to this Issue have been rated "CRISIL AAA/Stable" by CRISIL for an amount of up to ₹ 5,00,000 lakh by way of its letter dated November 27, 2019 and bearing reference number TCHFL/225196/RB/27112019 and have been rated "[ICRA] AAA (stable)" by ICRA for an amount of up to ₹ 5,00,000 lakh by way of its letter dated November 27, 2019 and bearing reference number 2019-20/MUMR/1504. The rating of the NCDs by CRISIL and ICRA indicates highest degree of safety regarding timely servicing of financial obligations. The ratings provided by CRISIL and ICRA may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please see Annexures B to E in this Draft Shelf Prospectus for the rating letter and the rationale letters for the aforementioned ratings.

Disclaimer clause of CRISIL

"*CRISIL Limited (CRISIL) has taken due care and caution in preparing the Material based on the information provided by its client and/ or obtained by CRISIL from sources which it considers reliable (information). A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or the accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not recommended to invest/ disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers/ users/ transmitters/ distributors of the Material. Without limiting the generality of the forgoing, nothing in the Material is to be construed as CRISIL providing or intending to provide any service in jurisdictions where CRISIL does not have the necessary permission and/ or registration to carry out its business activities in this regard. Tata Capital Housing Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings rating criteria are available without charge to the public on the CRISIL website, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.*"

Disclaimer clause of ICRA

"ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with respect to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular makes no representation or warranty, express or

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Legal Counsel to the Issue

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel, Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Banker(s) to our Company

Central Bank of India
Corporate Finance Branch
1st Floor, MMO Building
M.G.Road, Fort, Mumbai-400023
Contact person: Mr. Aksh
Tel: 022 -40785858
Fax: 022 40785840
Website: www.centralbankofindia.com

ICICI Bank Limited
ICICI Bank Towers
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
Contact person: Mr. Nikhil Shetty
Tel: (91 22) 4008 6468
E-mail: nikhil.shetty@icicibank.com
Website: www.icicibank.com

Bank of Maharashtra
Apeejay House, Dr. V.B. Gandhi Marg
Fort, Mumbai – 400 001
Contact Person: Mrs. Anasuya Rai (DGM IFB Mumbai)
Tel: 91 022 – 22844882/ 09890473227
Fax: 022 2850750
E-mail: bomifb972@gmail.com
Website: www.bankofmaharashtra.in

Canara Bank
Specialised Prime Corporate Branch
7th Floor, Maker Chambers III
Nariman Point, Mumbai-400021
Contact Person: Mr. Shrikanth R Rao
Tel: 022 22875096/22871107
Fax: 022-22875094
Email: cb1903@canarabank.com
Website: www.canarabank.com

DBS Bank India Limited
19th floor, Express Towers,
Nariman Point, Mumbai 400021
Contact Person: Mr. Sameer Masand
Tel: +91 (22) 6613 1244
Fax: 022 67528430/70
Email: dbsnodalofficer@dbs.com
Website: www.dbs.com

The Federal Bank Limited
C Wing, 2nd Floor, Laxmi Towers,
BKC, Bandra East - 400051
Contact Person: Mr. Vishi Gupta
Tel: 022-61748624 / 9819360697
Fax: NIL
E-mail: vishi@federalbank.co.in
Website: www.federalbank.co.in

HDFC Bank Limited
4th Floor, Tower B, Peninsula Business Park
Lower Parel, Mumbai – 400 013
Contact Person: Mr. Mousom Mitra
Tel: (91 22) 3395 8126
Fax: 022 30788579
E-mail: mousom.mitra@hdfcbank.com
Website: www.hdfcbank.com

The Hongkong and Shanghai Banking Corporation Limited
52/60 Mahatma Gandhi, 6th Floor,
Fort, Mumbai 400 001
Contact person: Mr. Reshab Madhogaria/Mr. Ganesh Sardesai
Tel: +91 (22) 22685555/91 (33) 44142201/ +91 9831477889
Fax: 022 49146200 /022 66476200
E-mail: reshab.madhogaria@hsbc.co.in / ganeshsardesai@hsbc.co.in.
Website: www.hsbc.co.in

The Jammu and Kashmir Bank Limited
79-A,Mehta House,
Bombay Samachar Marg
Fort Mumbai-400023
Contact Person: Mr. Ajay Kohli
Tel: (91 22) 6659 5971 – 74
Fax: 022-66595975
E-mail: investorrelations@jkbmail.com
Website: www.jkbank.net

Karnataka Bank Limited
Corporate Finance Br.,
294/A Haroon House,
Perin Nariman Street,
Fort, Mumbai-400 001
Contact Person: Mr. Manoj Kumar P V
Tel: +91 (22) 22662283 / 22663256
E-mail: mum.cfb@ktkbank.com
Website: www.karnatakabank.com

Punjab National Bank
Large Corporate Branch, Ground floor
Maker tower, E - wing, Cuffe Parade
Mumbai – 400005
Contact Person: Mr. Vivek Gupta
Tel: (91 22) 2218 5977
Fax: 022 22180402
E-mail: care@pnb.co.in
Website: www.pnbindia.in

BNP Paribas
BNP Paribas House
1 North Avenue Maker Maxity
Bandra Kurla Complex, Bandra East
Mumbai – 400051
Contact Person: Mr. Arkadeep Biswas / Mr. Manish Gupta
Tel: 022-61964000
Fax: 022-61965194
E-mail: manish.gupta@asia.bnpparibas.com
Website:https://www.bnpparibas.co.in/en/

UCO Bank
FC Branch, Mafatlal Centre
1st Floor, Nariman Point
Mumbai 400021
Contact person: Mr. P M Shah
Tel: 022-40549101
Fax: 022-40549122
E-mail: mumfcc@ucobank.co.in
Website: https://www.ucobank.com

Axis Bank
Axis bank, Wadia International Centre
P. B. Marg, Worli, Mumbai – 400025
Contact person: Mr. Anuj Jain
Tel: 9769163473 / 022- 24251720
Fax: 022-37004700
E-mail: shareholders@axisbank.com
Website: www.axisbank.com

Andhra Bank
Andhra Bank, Fort Branch
Nanavati Mahalaya, 18 –Homi Modi Street,
Fort,Mumbai -400023
Contact person: Mr. P.S. Raju
Tel: 022-22026088/ 22047626
Fax: 022-22044535
E-mail: mbd@andhrabank.co.in
Website: www.andhrabank.in

CSB Bank Limited
1st Floor, Mafatlal House
H.T. Parekh Marg
Back Bay Reclamation
Churchgate, Mumbai - 400020
Contact person: CA Kishore Purimetla
Tel: 022-68395300
Fax: N.A.
E-mail: wholesalebanking@csb.co.in
Website: www.csb.co.in

Punjab & Sind Bank
Corporate Banking Branch
27/29, Ambalal Doshi Marg
Fort, Mumbai
Contact Person: Mr. Mukesh Kumar, Assistant General Manager
Tel: (91 22) 2269 3438/2265 8721
Fax: 022-22651752
E-mail: b0385@psb.co.in
Website: www.psbindia.com

Union Bank of India
Industrial Finance Branch,
Union Bank Bhavan
First Floor, 239, Vidhan Bhavan Marg
Nariman Point, Mumbai 400 021
Contact Person: Mr Ravi Shanker/ Mr. Kailash Mehetre/ Mr. Saggella Raju
Tel: 022-2289 2029/ 6724/ 2021
Fax: 022-2285 5037
E-mail: cbsifbmumbai@unionbankofindia.com
Website: www.unionbankofindia.com

Bank of India
Bank of India Building
4th Floor, 70-80
MG Road, Fort, Mumbai - 400001
Contact person: Mr. Rishabh Sisodiya
Tel: 91 022 - 61870426/ 9712935083
E-mail: Mumbai.lcbb@bankofindia.co.in
Website: http://www.bankofindia.co.in/english/home.aspx

Bank of Baroda
Corporate Financial Services Branch (FI) 8, Meghdoot
1st floor, Junction of Linking Road & Turner Road
Bandra (West), Mumbai 400050
Contact person: Shri Mohit Bhargava
Tel: 022-26409385 / 9829909000
Fax: 022-2645-3677
E-mail: midbdr@bankofbaroda.com
Website: www.bankofbaroda.com

Syndicate Bank
Large Corporate Branch, Maker Towers "E",
2nd Floor, Cuff Parade, Mumbai - 400005
Contact person: Mr. Lakhbir Singh
Tel: 022-22166649/ 22163984
Fax: 022-22185798
E-mail: br.5088@syndicatebank.co.in
Website: www.syndicatebank.in

Allahabad Bank
Large Corporate Branch, 2nd Floor
Allahabad Bank Building, 37, Mumbai Samachar Marg Fort, Mumbai 400 023
Contact person: Mr. Rupesh Kumar
Tel: 022-22702745/46/47
Fax: 022-22702733/35
E-mail: br.mumifb@allahabadbank.in, albmumifb@gmail.com
Website: www.allahabadbank.in

Banker(s) to the Issue

Public Issue Account Bank(s)

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Refund Bank(s)

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

"Any person who —

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

Minimum Subscription

In terms of the SEBI Debt Regulations for an issuer undertaking a public issue of debt securities, the minimum subscription for public issue of debt securities shall be 75 % of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, within the prescribed timelines under Companies Act, 2013 and any rules thereto, the entire subscription amount shall be unblocked in the relevant ASBA account of the Applicants within 6 days from the Issue Closing Date. In the event there is a delay by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15 % per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar to the Issue does not have the necessary information for making such refunds, our Company and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including the Debt Application Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a Member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.

For more information on such branches collecting Bid cum Application Forms from the members of the Syndicate at Specified Locations, see the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do ?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL /11/2015 dated November 10, 2015 and the ASBA Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE and NSE for CRTAs and CDPs, as updated from time to time.

For further details, please see the section titled ″*Issue Procedure*″ on page 143.

Utilization of Issue proceeds

For details on utilization of Issue proceeds see, "*Objects of the Issue*" beginning on page 51.

Issue Programme

ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board of our Company or a duly authorized committee of the Board of Directors. In the event of such an early closure of or extension of this Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or initial date of closure.

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchanges on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Members of the Syndicate are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the relevant Tranche Prospectus. In this regard, as per the SEBI circular CIR/IMD/DF/18/2013 dated October 29, 2013, the allotment in this Issue would be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges. However, in the event of oversubscription, on such date, the allotments would be made to the Applicants on proportionate basis.

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information forming part of "*General Terms of the Issue*" beginning on page 125.

Common Terms for all series of NCDs

Particulars	Details
Issuer	Tata Capital Housing Finance Limited
Lead Managers	Edelweiss Financial Services Limited and A. K. Capital Services Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar to the Issue	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Type and nature of instrument	Secured NCDs and Unsecured NCDs
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Total Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face Value (in ₹ / NCD)	1,000
Issue Price (in ₹ / NCD)	1,000
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue
In multiples of	As specified in the relevant Tranche Prospectus for each Tranche Issue
Seniority	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements).
Mode of Issue	Public Issue
Issue	Public issue by our Company of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹1,000 each and unsecured, subordinated, rated, listed, redeemable, non-convertible debentures of face value of ₹1,000 each, for an amount aggregating up to the Shelf Limit pursuant to the Shelf Prospectus and the relevant Tranche Prospectus. The unsecured, rated, listed, redeemable non-convertible debentures will be in the nature of subordinated debt and will be eligible for Tier II Capital. The NCDs will be issued in one or more Tranche(s), on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue. Our Company may opt to issue Secured NCDs or Unsecured NCDs or both Secured NCDs and Unsecured NCDs as part of any Tranche Prospectus and corresponding Tranche Issue
Listing	NSE and BSE NSE shall be the Designated Stock Exchange for this Issue The NCDs shall be listed in accordance with applicable law and within the timeframe stipulated by SEBI
Lock-in	As specified in the relevant Tranche Prospectus for each Tranche Issue
Mode of Allotment and Trading	Compulsorily in dematerialized form
Mode of settlement	Please see, "*Issue Structure*" beginning on page 131
Market / Trading Lot	One NCD
Depositories	NSDL and CDSL
Security	The Secured NCDs would constitute secured obligations of our Company and shall rank *pari passu inter se*, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall be secured by way of a first ranking *pari passu* charge by way of mortgage over our Company's specific immovable property and a first ranking *pari passu* floating charge over the movable properties of our Company, including book debts (excluding the exclusive charge created by our Company in favour of NHB as security for the due repayment for financial assistance by way of refinancing granted by NHB to our Company). Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100 % asset cover for the secured NCDs (along with the interest due thereon). No security will be created for Unsecured NCDs in the nature of Subordinated Debt. The rated, listed, redeemable Unsecured NCDs are in the nature of subordinated debt and will be eligible for

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>Tier II Capital</td></tr>
<tr><td>Who can apply/ Eligible Investors</td><td>Please see, “Issue Procedure” beginning on page 143</td></tr>
<tr><td>Credit Ratings</td><td>
<table>
<tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating letter</th><th>Amount rated (in ₹, lakh)</th><th>Rating definition</th></tr>
<tr><td>CRISIL</td><td>Non-convertible debentures and subordinated debt</td><td>CRISIL AAA/Stable</td><td>November 27, 2019</td><td>5,00,000</td><td>Stable</td></tr>
<tr><td>ICRA</td><td>Non-convertible debentures and subordinated debt</td><td>[ICRA] AAA (stable)</td><td>November 27, 2019</td><td>5,00,000</td><td>Stable</td></tr>
</table>

Please see Annexures B to E of this Draft Shelf Prospectus for the rating letters and the rationale letters for the above ratings. Please see the disclaimer clause of CRISIL and ICRA forming part of "General Information" beginning on page 35</td></tr>
<tr><td>Issue Size</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Pay-in date</td><td>Application Date. The entire Application Amount is payable on Application</td></tr>
<tr><td>Application money</td><td>The entire Application Amount is payable on submitting the Application</td></tr>
<tr><td>Record Date</td><td>The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date.

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016</td></tr>
<tr><td>Issue Schedule*</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Objects of the Issue</td><td>Please see "Objects of the Issue" beginning on page 51</td></tr>
<tr><td>Details of the utilization of Issue proceeds</td><td>Please see "Objects of the Issue" beginning on page 51</td></tr>
<tr><td>Coupon rate, coupon payment date and redemption premium/discount</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Step up/ Step down interest rates</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Interest type</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Interest reset process</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Tenor</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Coupon Payment Frequency</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Redemption date</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Redemption Amount</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Day count convention</td><td>Actual/Actual</td></tr>
<tr><td>Working Days convention/Day count convention / Effect of holidays on payment</td><td>Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in Mumbai

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.</td></tr>
</table>

Particulars	Details
	If the date of payment of interest specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) falls on a holiday, the interest/redemption payments shall be made only on the next Working Day, along with interest accrued on the NCDs until such date, however, excluding the date of such payment
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Put/Call Option Date/Price/notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call Notification Time / Put Notification Time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Deemed Date of Allotment	The date on which the Board of Directors or a duly authorized committee of the Board of Directors approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board/ committee. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment
Transaction Documents	Transaction documents shall mean the Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Consortium Agreement, Lead Broker Agreement and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee. For further details see, "*Material Contracts and Documents for Inspection*" beginning on page 192
Conditions precedent and subsequent to the Issue	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed
Events of default	Please see "*Issue Structure*" beginning on page 131
Roles and responsibilities of the Debenture Trustee	Please see "*General Terms of the Issue*" beginning on page 125
Governing law and jurisdiction	This Issue shall be governed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai

* *This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board or a duly authorized committee of the Board of Directors. In the event of such an early closure of or extension of this Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or initial date of closure. Applications Forms for this Issue will be accepted only from 10:00 a.m. till 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges.*

The specific terms of each instrument to be issued pursuant to a Tranche Issue shall be as set out in the relevant Tranche Prospectus.

For details of category wise eligibility and allotment in this Issue, see "*Issue Procedure*" beginning on page 143.

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as of the date of this Draft Shelf Prospectus is set forth below:

S. No.	Particulars	Amount in ₹
A	**AUTHORISED SHARE CAPITAL**	
	2,50,00,00,000 Equity Shares of face value of ₹ 10 each	25,00,00,00,000
	2,00,00,00,000 CCCPS of face value of ₹ 10 each	20,00,00,00,000
	TOTAL	**45,00,00,00,000**
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**	
	30,97,10,300 Equity Shares of face value of ₹ 10 each	3,09,71,03,000
	1,57,20,00,000 CCCPS of face value of ₹ 10 each	15,72,00,00,000
	TOTAL	**18,81,71,03,000**
C	**Securities premium account**	3,74,28,97,000

Note: All Equity Shares and CCCPS are held in demat form.

This Issue will not result in any change of the paid up share capital and securities premium account of our Company.

Changes in the Authorised Capital

Details of increase in authorised share capital since incorporation

S. No.	Particulars of increase	Date of Shareholders' meeting	AGM/EGM
1.	Increase in authorised share capital from ₹ 1,00,00,00,000 to ₹ 1,50,00,00,000 divided into 15,00,00,000 Equity Shares of ₹ 10 each	January 24, 2011	EGM
2.	Increase in authorised share capital from ₹ 1,50,00,00,000 to ₹ 5,00,00,00,000 divided into 50,00,00,000 Equity Shares of ₹ 10 each	August 30, 2011	AGM
3.	Increase in authorised share capital from ₹ 5,00,00,00,000 to ₹ 6,00,00,00,000 divided into 55,00,00,000 Equity Shares of ₹ 10 each and 5,00,00,000 CCCPS of ₹ 10 each	October 19, 2012	EGM
4.	Increase in authorised share capital from ₹ 6,00,00,00,000 to ₹ 9,00,00,00,000 divided into 60,00,00,000 Equity Shares of ₹ 10 each and 30,00,00,000 CCCPS of ₹ 10 each	December 14, 2012	EGM
5.	Increase in authorised share capital from ₹ 9,00,00,00,000 to ₹ 12,50,00,00,000 divided into 75,00,00,000 Equity Shares of ₹ 10 each and 50,00,00,000 CCCPS of ₹ 10 each	March 5, 2014	EGM
6.	Increase in authorised share capital from ₹ 12,50,00,00,000 to ₹ 25,00,00,00,000 divided into 1,40,00,00,000 Equity Shares of ₹ 10 each and 1,10,00,00,000 CCCPS of ₹ 10 each	March 30, 2015	EGM
7.	Increase in authorised share capital from ₹ 25,00,00,00,000 to ₹ 45,00,00,00,000 divided into 2,50,00,00,000 Equity Shares of ₹ 10 each and 2,00,00,00,000 CCCPS of ₹ 10 each	May 23, 2016	AGM

Notes to capital structure

1. **Share capital history of our Company**

Equity Share capital history of our Company for the last five years and as on the last quarter end before this Draft Shelf Prospectus

Date of allotment	Number of Equity Shares	Face value (₹)	Premium per Equity Share	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative		
							Number of Equity Shares	Equity Share Capital(₹)	Equity Share Premium(₹)
February 1, 2019	5,63,76,968	10	62.37	-	-	Conversion of	30,97,10,300	3,09,71,03,000	3,51,62,30,320

Date of allotment	Number of Equity Shares	Face value (₹)	Premium per Equity Share	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative		
							Number of Equity Shares	Equity Share Capital(₹)	Equity Share Premium(₹)
						CCCPS into Equity Shares[1]			

1. Allotment of 5,63,76,968 Equity Shares upon voluntary conversion of 40,80,00,000 CCCPS held by TCL.

Our Company has not issued any Equity Shares whether for cash or for consideration other than cash in the last five years and as on the last quarter end before this Draft Shelf Prospectus.

Compulsorily Convertible Cumulative Preference Share capital history of our Company for the last five years and as on the last quarter end before this Draft Shelf Prospectus.

Date of allotment	No. of CCCPS	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative no. of CCCPS	Cumulative paid-up preference share capital (₹)	CCCPS Premium (in ₹)
May 28, 2014	3,00,00,000	10	10	Cash	Rights issue*	28,40,00,000	284,00,00,000	-
June 27, 2014	2,00,00,000	10	10	Cash	Rights issue*	30,40,00,000	304,00,00,000	-
August 28, 2014	1,50,00,000	10	10	Cash	Rights issue*	31,90,00,000	319,00,00,000	-
September 29, 2014	1,00,00,000	10	10	Cash	Rights issue*	32,90,00,000	329,00,00,000	-
November 28, 2014	3,50,00,000	10	10	Cash	Rights issue*	36,40,00,000	364,00,00,000	-
January 30, 2015	3,00,00,000	10	10	Cash	Rights issue*	39,40,00,000	394,00,00,000	-
March 31, 2015	2,00,00,000	10	10	Cash	Rights issue*	41,40,00,000	414,00,00,000	-
April 30, 2015	1,00,00,000	10	10	Cash	Rights issue*	42,40,00,000	424,00,00,000	-
May 25, 2015	7,80,00,000	10	10	Cash	Rights issue*	50,20,00,000	502,00,00,000	-
November 30, 2015	5,70,00,000	10	10	Cash	Rights issue*	55,90,00,000	559,00,00,000	-
March 23, 2016	10,00,00,000	10	10	Cash	Rights issue*	65,90,00,000	659,00,00,000	-
June 30, 2016	3,00,00,000	10	10	Cash	Rights issue*	68,90,00,000	689,00,00,000	-
September 30, 2016	3,50,00,000	10	10	Cash	Rights issue*	72,40,00,000	724,00,00,000	-
November 22, 2016	10,00,00,000	10	10	Cash	Rights issue*	82,40,00,000	824,00,00,000	-
July 31, 2017	11,10,00,000	10	10	Cash	Rights issue*	93,50,00,000	935,00,00,000	-
March 21, 2018	19,00,00,000	10	10	Cash	Rights issue*	1,12,50,00,000	11,25,00,00,000	-
August 1, 2018	8,50,00,000	10	10	Cash	Rights issue*	1,21,00,00,000	12,10,00,00,000	-
September 5, 2018	5,00,00,000	10	10	Cash	Rights issue*	1,26,00,00,000	12,60,00,00,000	-
December 28, 2018	15,00,00,000	10	10	Cash	Rights issue*	1,41,00,00,000	14,10,00,00,000	-
March 26, 2019	27,00,00,000	10	10	Cash	Rights issue*	1,27,20,00,000	12,72,00,00,000	-
April 30, 2019	30,00,00,000	10	10	Cash	Rights issue*	1,57,20,00,000	15,72,00,00,000	-

** Allotment of CCCPS pursuant to rights issue to TCL.*

2. **Share holding pattern of our Company as on the last quarter end**

The following is the shareholding pattern of our Company as at September 30, 2019:

***Summary Statement Holding of Equity Shareholders*:**

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity	Class eg:y	Total								
(A)	**Promoter and Promoter Group**	7*	30,97,10,300	-	-	30,97,10,300	100	30,97,10,300	-	30,97,10,300	100	-	100	-	-	-	-	30,97,10,300
(B)	**Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	**Non Promoter-Non Public**	Not applicable																
(C1)	**Shares underlying DRs**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Shares held by Employee Trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

****** *Six Equity Shares are jointly held by Tata Capital Limited, with Mr. Rajiv Sabharwal, Mr. Puneet Sharma, Mr. Anil Kaul, Mr. Kiran Joshi, Mr. Avijit Bhattacharya, and Ms. Avan K. Doomasia, respectively***

***Our top ten shareholders and the number of Equity Shares held by them as on September 30, 2019 is as follows*:**

S. No.	Name	No. of Equity Shares (face value of ₹ 10 each)	No. of Equity Shares in dematerialized form	Total shareholding as % of total number of equity shares
1.	Tata Capital Limited	30,97,10,294	30,97,10,294	100
2.	Tata Capital Limited jointly with Mr. Rajiv Sabharwal	1	1	
3.	Tata Capital Limited jointly with Mr. Puneet Sharma	1	1	
4.	Tata Capital Limited jointly with Mr. Anil Kaul	1	1	
5.	Tata Capital Limited jointly with Mr. Kiran Joshi	1	1	
6.	Tata Capital Limited jointly with Mr. Avijit Bhattacharya	1	1	
7.	Tata Capital Limited jointly with Ms. Avan Doomasia	1	1	
	TOTAL	30,97,10,300	30,97,10,300	100

The list of top ten debenture holders as on September 30, 2019 is as follows:

Sr. No.	Name of the Holder	Aggregate amount in ₹ lakh*
1.	HDFC Bank Limited	65,000
2.	Wipro Limited	61,500
3.	International Finance Corporation	40,800
4.	Kotak Savings Fund	40,500
5.	ICICI Prudential Savings Fund	35,600
6.	SBI Magnum Ultra Short Duration Fund	29,100
7.	NPS Trust- A/C SBI Pension Fund Scheme C - Tier II	25,900
8.	SBI Life Insurance Co. Ltd	20,000
9.	Postal Life Insurance Fund A/C UTI AMC	18,500
10.	DSP Low Duration Fund	17,500

* *The aggregate amount represents the holdings of the Debenture holders across all outstanding NCDs issued by our Company as of September 30, 2019.*

Debt to equity ratio

The debt to equity ratio prior to this Issue is based on a total outstanding debt of ₹ 24,73,989 lakh (includes accrued interest but not due on borrowings) and shareholder funds amounting to ₹ 2,49,250 lakh as on September 30, 2019. The debt to equity ratio post to this Issue would be 11.93 times, based on a total outstanding debt of ₹ 29,73,989 lakh and shareholders' funds of ₹ 2,49,250 lakh as on September 30, 2019.

(in ₹ lakh)

Particulars	Prior to this Issue (as of September 30, 2019)	Post this Issue
Secured Loan*	20,35,864	25,35,864
Unsecured Loan*	4,38,125	4,38,125
Total Debt	24,73,989	29,73,989
Share Capital	1,88,171	1,88,171
Reserves	69,799	69,799
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	8,720	8,720
Shareholders' Funds (Net) / Net Worth@	2,49,250	2,49,250
Debt Equity Ratio (No. of Times)# @	9.93	11.93

* *Includes Accrued interest but not due on borrowings.*

\# *The debt-equity ratio post this Issue is indicative and is on account of assumed inflow of ₹ 5,00,000 lakh as Secured Loan from this Issue as on September 30, 2019. The actual debt-equity ratio post this Issue would depend upon the actual position of debt and equity on the date of allotment.*

@ *Net worth has been calculated as per Section 2(57) of Companies Act, 2013 and includes Compulsorily Convertible Cumulative Preference Share (CCCPS) held entirely by the Holding Company of ₹ 1,57,200 lakh. Debt Equity Ratio has been calculated as:*

(Outstanding Debt - CCCPS and dividend accrued thereon) / (Net worth). Under Ind AS 32 Financial Instruments: Presentation, the CCCPS and dividend accrued thereon of ₹ 1,64,114 lakh have been classified under borrowings and other financial liabilities in the financial statements

For details on the total outstanding debt of our Company see, "*Disclosures on Financial Indebtedness*" beginning on page 103.

Details of shareholding of Directors in our Company, as of the date of this Draft Shelf Prospectus

S. No.	Name of Director	Number of Equity Shares
	Nil	

Details of shareholding of Directors in subsidiaries, associates and joint ventures as of the date of this Draft Shelf Prospectus

Our Company does not have any subsidiaries, associates and joint ventures as of the date of this Draft Shelf Prospectus.

Statement of the aggregate number of securities of our Company purchased or sold by our Promoter, the Directors of our Company and their relatives within six months immediately preceding the date of filing of this Draft Shelf Prospectus

Particulars	Number of securities	Amount
Number of CCCPS purchased	30,00,00,000	300,00,00,000
Number of securities sold	Nil	Nil

It is clarified that except as disclosed above, no securities including shares of our Company were either purchased or sold by the Promoters, members of the Promoter Group, Directors of our Company and their relatives within six months immediately preceding the date of this Draft Shelf Prospectus. For further details, please see section titled "*Other Regulatory and Statutory Disclosures*" on page 167.

Details of shareholding of our Promoter in our Company as of September 30, 2019

For details of Promoter's Shareholding in our Company, please see the section "*Our Promoter*" on page 100.

Details of shareholding of our Promoter in our Company's subsidiaries

Our Company does not have any subsidiaries as of the date of this Draft Shelf Prospectus.

Details of any acquisition or amalgamation in the last one year

Our Company has not made any acquisition or amalgamation in the last one year prior to filing of the Draft Shelf Prospectus.

Details of any reorganization or reconstruction in the last one year

Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of the Draft Shelf Prospectus.

Details of change in the promoter holding in our Company during the last financial year beyond 26 % (as prescribed by RBI)

There has been no change in the promoter holding in our Company during the last financial year beyond 26 %.

OBJECTS OF THE ISSUE

Issue proceeds

Public issue by our Company of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each and Unsecured Subordinated, Rated, Listed, Redeemable, Non-Convertible Debentures of face value ₹ 1,000 each, for an amount aggregating up to the Shelf Limit. The Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures will be in the nature of subordinated debt and will be eligible for Tier II Capital. The NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus. This Issue is being made pursuant to the provisions of the SEBI Debt Regulations and the Companies Act, 2013.

The details of the proceeds of this Issue are summarized below:

Particulars	Estimated amount (in ₹ lakh)
Gross proceeds to be raised through each Tranche Issue	As mentioned in the relevant Tranche Prospectus
Less: - Tranche Issue related expenses*	As mentioned in the relevant Tranche Prospectus
Net proceeds of the Tranche Issue after deducting the Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus

* *The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.*

Requirement of funds and Utilization of Net Proceeds

The following table details the objects of this Issue and the amount proposed to be financed from the Net Proceeds:

S. No.	Objects of this Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment /prepayment of interest and principal of existing borrowings of our Company#	At least 75 %
2.	General Corporate Purposes*	Maximum of up to 25 %
Total		**100 %**

Our Company shall not utilize the proceeds of this Issue towards payment of prepayment penalty, if any.

* *The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25 % of the amount raised in this Issue, in compliance with the SEBI Debt Regulations.*

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Issue.

The Unsecured NCDs will be in the nature of Subordinated Debt and will be eligible for Tier II Capital and accordingly will be utilized in accordance with statutory and regulatory requirements including requirements of the NHB.

Purpose for which there is a requirement of funds

As stated in this section.

Monitoring of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Audit Committee of our Company shall monitor the utilization of the proceeds of this Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2020, the utilization of the proceeds of this Issue under a separate head along with details, if any, in relation to all such proceeds of this Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of this Issue. Our Company shall utilize the proceeds of this Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchanges.

Interim use of proceeds

The management of our Company, in accordance with the policies formulated by it from time to time, will have the flexibility in deploying the proceeds received from this Issue. Pending utilization of the proceeds out of this Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board / Committee of Directors of our Company, as the case may be. Such investment would be in accordance with the investment policy of our Company approved by the Board or any committee thereof from time to time.

Other confirmations

In accordance with the SEBI Debt Regulations, our Company will not utilize the proceeds of this Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company.

Proceeds from this Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from this Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company.

Our Company confirms that for the purposes of this Issue a funding plan, summary of the project appraisal report and schedule of implementation of the project will not be applicable.

Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds from this Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50 % thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

Variation in terms of contract or objects in this Draft Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Draft Shelf Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013.

Benefit / interest accruing to Promoter/Directors out of the object of this Issue

Neither our Promoter nor the Directors of our Company are interested in the objects of this Issue.

STATEMENT OF TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

To
The Board of Directors
Tata Capital Housing Finance Limited

Mumbai - 400013

Dear Sirs,

Statement of Possible Tax Benefits available to the debenture holders of Tata Capital Housing Finance Limited in connection with the proposed public issue of redeemable secured non-convertible debentures and/or redeemable unsecured subordinated non-convertible debentures of face value of Rs. 1,000/- each (the "Debentures" or the "NCDS") for an amount aggregating upto Rs. 5,000 crore (Rupees Five Thousand Crore) (hereinafter referred to as the "Issue")

We, B S R & Co. LLP, Chartered Accountants, hereby report that the enclosed statement states the possible tax benefits available to the debenture holders of Tata Capital Housing Finance Limited (the "**Company**") under the Income-tax Act, 1961 (amended by The Finance (No. 2) Act, 2019 and the Taxation Laws (Amendment) Ordinance, 2019 published on 20 September 2019), presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives it faces in the future, it may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or its own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We do not express any opinion or provide any assurance as to whether:

i) the debenture holders will continue to obtain these benefits in future; or

ii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Yours faithfully,

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sagar Lakhani
Partner
Membership Number: 111855
UDIN: 19111855AAAABK1868

Place: Mumbai

Date: December 17, 2019

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

ANNEXURE: STATEMENT OF TAX BENEFITS

i) <u>STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)</u>

Under the existing provisions of law, the following tax benefits, inter alia, will be available to the Debenture Holder(s). The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian company in which public are substantially interested[1], in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the debenture.

The Debenture Holder is advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. <u>IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')</u>

I. <u>To the Resident Debenture Holder</u>

Interest on NCD

1. Interest received by Debenture Holder(s) would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the rate of 10 % at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:

   (a) On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under. (w.e.f. 01.06.2008).

   (b) In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF'), Debenture Holder does not or is not likely to exceed Rs 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.

   (c) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.

   (d) (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of Section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under Section 197A(1B) of the I.T. Act, "Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the nature of income referred in Section 197A(1) or Section 197A(1A) such as dividend income referred to in Section 194, interest on securities, interest, withdrawal from NSS etc. as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax".

      To illustrate, as on 01.04.2019 -

      - the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs. 2,50,000;
      - in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is Rs. 3,00,000; and

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[1] *Refer Section 2(18)(b)(B) of the I.T. Act.*

- in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is Rs. 5,00,000 for Financial Year 2019-20.

Further, Section 87A provides a rebate of 100 percent of income-tax or an amount of Rs. 12,500 whichever is less to a resident individual whose total income does not exceed Rs. 500,000.

(ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of Section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.

Classification of gains on transfer

3. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be depending whether the same is held as Stock in trade or investment. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterization (especially considering the provisions explained in Para X below) and hold such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

Capital gains and other general provisions

4. As per the provisions of Section 2(29A) of the IT Act, read with Section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer. In all other cases, it is 36 months immediately preceding the date of its transfer.

As per Section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20 % (plus applicable surcharge and cess) of capital gains calculated after reducing indexed cost of acquisition or 10 % (plus applicable surcharge and cess) of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration. However as per the fourth proviso to Section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of Section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds or sovereign gold bonds. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10 %, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

5. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax would also apply to such short term capital gains.

6. As per Section 74 of the I.T. Act, short-term capital loss on debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term

capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

II. ***To Mutual Funds***

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein. Further, as per the provisions of Section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

III. To the Foreign Institutional Investors (FIIs/FPIs)

1. As per Section 2(14) of the I.T. Act, any securities held by FIIs/FPIs[2] which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs/FPIs as capital gains.

2. In accordance with and subject to the provisions of Section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs/FPIs are taxable at 10 % (plus applicable surcharge and cess) and short-term capital gains are taxable at 30 % (plus applicable surcharge and cess). The benefit of cost of indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the I.T. Act will not apply.

3. The Finance Act, 2013 (by way of insertion of a new Section 194LD in the I.T. Act) provides for lower rate of withholding tax at the rate of 5 % on payment by way of interest paid by any person to FIIs/FPIs and Qualified Foreign Investor in respect of rupee denominated bonds of an Indian company or government securities between June 1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified[3] by the Government. In the regular course, interest is subject to tax at the rate of 20 %.

4. In accordance with and subject to the provisions of Section 196D (2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs/FPIs.

IV. To the Non-resident Indian Debenture Holder – Special provisions

1. A non-resident Indian has ***an option*** to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

Interest on NCD and capital gains on transfer

(a) Under Section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20 %, whereas, long term capital gains on transfer of such Debentures will be taxable at 10 % of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

Exemption from long-term capital gains

(b) Under Section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset as defined under Section 115C of the I.T. Act or in any saving certificates referred to in Section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein.

Other relaxations

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[2] *The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.*

[3] *Refer Notification No. 56/2013 [F.No.149/81/2013-TPL]/SO 2311(E), dated 29-7-2013. As per the said Notification, in case of bonds issued on or after the 1st day of July, 2010, the rate of interest shall not exceed500 basis points (bps) over the Base Rate of State Bank of India applicable on the date of issue of the said bonds.*

(c) Under Section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under Section 115C of the I.T. Act and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

(d) Under Section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under Section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of Section 115-I of the I.T. Act, a Non-Resident Indian ***may opt not to be governed*** by the provisions of Chapter XII-A of the I.T. Act. In that case, the general provisions applicable to non-residents would apply.

V. To Non-resident Debenture Holder –General

1. Under the general provisions applicable to non-resident investors, the applicable tax rates are as under:

(a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10 % computed without indexation.

(b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

2. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20 % on investment income and 10 % on any long-term capital gains as per Section 115E, and 30 % for Short Term Capital Gains if the payee Debenture Holder is a Non-Resident Indian.

3. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

4. As per Section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the I.T. Act or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. Further, such non-resident investor would also be required to furnish Form 10F along with TRC, if such TRC does not contain information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013.

5. Alternatively, to ensure lower deduction or non deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 195(2) / 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

6. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterization (especially considering the provisions explained in Para X below) and hold the such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

7. Section 9 of the Act seeks to charge tax in various cases where income may be deemed to accrue or arise in India. Included in the list is the case of indirect transfer of capital assets in India through transfer of any share or interest in any company or entity outside India. However, indirect transfer provisions shall not apply to investment held by

any non-resident, directly or indirectly, in FII and registered as Category-I or Category-II FPI under the SEBI Act, 1992.

VI. ***Exemption under Sections 54EE and 54F of the I.T. Act***

Exemptions may be claimed from taxation of LTCG if investments in certain specified securities/assets is made subject to fulfillment of certain conditions. The following exemptions may be available to the debenture holders:

(a) Section 54EE of the Act exempts capital gains on transfer of long term capital assets if the gains upto Rs.50 lacs are invested in "long term specified assets" (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

(b) Section 54F of the Act exempts capital gains on transfer of long-term capital asset, not being a residential house, held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within specified timelines.

VII. ***Minimum Alternate Tax and Alternate Minimum Tax***

(a) MAT may apply where the income-tax payable by a company under the regular tax provisions is less than 18.5 percent of the "book profit" (calculated as per the provisions of Section 115JB). In such cases, there would be an obligation to pay MAT at the rate of 18.5 percent of such book profit in lieu of regular income tax. Provisions allow the credit for such MAT against taxes payable in subsequent 15 years.

(b) As per Taxation Laws (Amendment) Ordinance 2019, with effect from 1 April 2020 (Financial Year 2019-20), MAT rate has been reduced from 18.5 percent to 15 percent.

(c) Also, with effect from 1 April 2020 (Financial Year 2019-20), MAT provisions will not apply to a domestic company which has exercised the option to avail the concessional tax rate of 22 per cent under Section 115BAA or concessional tax rate of 1 percent to new manufacturing companies under Section 115BAB.

Further, as per the CBDT circular No. 29/2019 dated 2 October 2019, MAT credit will not be available to such domestic company which has opted the concessional rate under Section 115BAA.

(d) AMT may apply where the income-tax payable by a person (other than companies) under the regular tax provisions is less than 18.5 percent of the "adjusted total income" (being the total income before giving effect to certain deductions to be calculated under Section 115JC). In such cases, there would be an obligation to pay AMT at the rate of 18.5 percent of such adjusted total income in lieu of regular income tax. Provisions allow the credit for such AMT against taxes payable in subsequent 15 years.

VIII. ***Requirement to furnish PAN under the I.T. Act***

1. *Section 139A(5A)*

Section 139A(5A) requires every person from whose income tax is to be deducted at source to furnish his PAN to the person responsible for deduction of tax at source.

2. *Sec.206AA*

(a) Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates: /

(i) at the rate in force specified in the relevant provision of the I.T. Act; or

(ii) at the rates in force; or

(iii) at the rate of **twenty per cent**

However, new rule 37BC of the Income Tax Rules provides that the provisions of Section 206AA of the I.T Act shall not apply on payments made to non-resident deductees who do not have PAN in India. The non-resident deductee in this regard, shall be required to furnish few prescribed details inter alia name, email-ID, contact number, certificate of his being resident in that country and Tax Identification Number (TIN).

(b) A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.

(c) Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply apart from any penal consequences.

IX. Taxability of Gifts received for nil or inadequate consideration

As per Section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after 1st April 2017:

(i) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

(ii) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated in Section 56(2)(x) of the Act.

X. General Anti-Avoidance Rule (‘GAAR)

In terms of Chapter X-A of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be inter alia denial of tax benefit, applicable w.e.f financial year 2017-18. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

XI. *General Tax Rates (relevant for computing tax on short term capital gains)*

Rates applicable to different categories of assesses:

a) The slab rates applicable to individuals/HUF/Association of Persons (AOP)/Body of Individuals (BOI)/ Artificial Juridical Person are as under:

Slabs	% of Income Tax
Up to Rs. 2.5 lacs (Basic exemption limit)	Nil
From Rs. 2.5 lacs to Rs. 5 lacs	5 % of the amount by which the total income exceeds Rs. 2.5 lacs
From Rs. 5 lacs to Rs. 10 lacs	Rs. 12,500 plus 20 % of the amount by which the total income exceeds Rs. 5 lacs
Above Rs. 10 lacs	Rs. 1,12,500 plus 30 % of the amount by which the total income exceeds Rs. 10 lacs.

Basic exemption limit for resident senior citizens of 60 years but below 80 years of age is Rs. 3 lacs and for resident senior citizens of 80 years of age or more is Rs. 5 lacs.

An individual resident, whose total income does not exceed Rs. 5,00,000 (w.e.f. 1 April 2019) shall be eligible for a rebate of amount of income-tax payable on the total income for any assessment year or Rs 12,500, whichever is less.

b) Tax Rates applicable to other categories of assesses:

Note: tax rates are exclusive of surcharge and cess. Please refer note ‘c’ below.

Assessee	% of Income Tax
Partnership Firms	30 %
Domestic Companies	30 %
	25 % ***(Refer note 1)***
	22 % ***(Refer note 2)***
	15 % ***(Refer note 3)***
Foreign Company	40 %

Notes:

1. The Finance Act, 2019, provides that where the total turnover or the gross receipt of the domestic company does not exceed Rs. 400 crore in the previous year 2017-18, the rate of income tax is 25 %.

2. The Taxation Laws (Amendment) Ordinance, 2019 has introduced Section 115BAA wherein a domestic company can opt for paying tax at a lower rate of 22 % (plus applicable surcharge & health and education cess) subject to prescribed conditions especially such that certain deductions and exemptions need to be foregone. The option has to be exercised before the due date of filing the income-tax return. Once the option is exercised, it cannot be withdrawn subsequently.

Further, the Ordinance has introduced Section 115BAB as well wherein the new domestic manufacturing companies, which have been set up and registered on or after 1 October 2019 and commenced manufacturing on or before 31 March 2023, can opt for a lower tax rate of 15 % (plus applicable surcharge & health and education cess) subject to prescribed conditions especially such that certain deductions and exemptions need to be foregone. The option has to be exercised before the due date of filing the income-tax return. Once the option is exercised, it cannot be withdrawn subsequently.

c) Surcharge and cess

The rates of surcharge applicable to various assessees are provided as under:

- **<u>For Individuals/HUF/ AOP/ BOI/ Artificial Juridical Person</u>**

Nature of Income	If total income does not exceed Rs. 50 lakh	If total income exceeds Rs. 50 lakh but doesn't exceed Rs. 1 crore	If total income exceeds Rs. 1 crore but doesn't exceed Rs. 2 crore	If total income exceeds Rs. 2 crore but doesn't exceed Rs. 5 crore	If total income exceeds Rs. 5 crore
Short-term capital gain under Section 111A	Nil	10 %	15 %	15 %	15 %
Long-term capital gain under Section 112A	Nil	10 %	15 %	15 %	15 %
Short term or Long term capital gains under Section 115AD(1)(b)	Nil	10 %	15 %	15 %	15 %
Any other income	Nil	10 %	15 %	25 %	37 %

- **<u>For Companies</u>**

Particulars	If total income does not exceed Rs. 1 crore	If total income exceeds Rs. 1 crore but doesn't exceed Rs. 10 crore	If total income exceeds Rs. 10 crore
Domestic Company	Nil	7 %	12 %
Domestic Company opting for Sections 115BAA and 115BAB (on income other than capital gains under Sections 111A, 112 and 112A)	10 %	10 %	10 %
Domestic Company	Nil	7%	12%

Particulars	If total income does not exceed Rs. 1 crore	If total income exceeds Rs. 1 crore but doesn’t exceed Rs. 10 crore	If total income exceeds Rs. 10 crore
opting for Sections 115BAA and 115BAB (on capital gains under Sections 111A, 112 and 112A)			
Foreign Companies	Nil	2 %	5 %

- **For Firms and LLPs**

  12 % where total income exceeds Rs. 1 crore.

  Over and above the surcharge, ‘Health and Education Cess’ at the rate of 4 % on tax including surcharge is payable by all taxpayers persons.

B. IMPLICATIONS UNDER THE WEALTH TAX ACT, 1957

The Finance Act, 2015 has abolished Wealth Tax Act, 1957 with effect from 1 April 2016 which shall then apply in relation to FY 2015-16 and subsequent years. There is, therefore, no wealth tax obligation arising out of the investment in debentures.

1. Notes

1. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and Wealth Tax Act, 1957(collectively referred to as ‘direct tax laws’) and does not cover benefits under any other law.

2. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds. Further, several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2020-21 (considering the amendments made by Finance Act, 2019).

4. This statement is intended only to provide general information to the Debenture Holder(s) and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.

5. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile. For taxes paid in India, the same could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.

7. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A/195 of the I.T. Act.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV: ABOUT THE COMPANY AND INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Managers, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and Government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Draft Shelf Prospectus. This section contains copies of certain tables and charts from the ICRA industry report titled "Indian Mortgage Finance Market" dated June 2019.

Overview

In line with ICRA's estimates, the on-book housing loan portfolio growth for housing finance companies (HFCs) and non-banking finance companies (NBFCs) reduced to 3 % YoY for the year ended June 2019 owing to lower disbursements in the first quarter and higher portfolio sell-downs. Banks continue to increase their retail home loan portfolios and their growth increased to 19 % YoY (16 % for the same period last year), leading to overall market growth of 13 % (17 % for the same period last year). ICRA estimates that the total housing credit outstanding stood at Rs. 19.2 lakh crore as on June 30, 2019. A modest shift in the market share was also seen since FY2019 between the key lender segments with the share of banks increasing to 65% as on June 30, 2019 from 62 % as on March 31, 2018. This trend could continue for a couple of quarters.

The Government of India (GoI) continues to support the sector with announcements such as the Liquidity Infusion Facility (LIFT) Scheme, funding support to affordable housing projects, partial guarantees to NBFCs/HFCs, etc, which should be a positive. ICRA expects the LIFT scheme to be beneficial to smaller HFCs as the amount of finance per lender has been capped at Rs. 500 crore per HFC. Nevertheless, lenders continue to follow a wait and watch approach, especially for newer HFCs, and continue to prefer to purchase pools as against direct lending. The share of commercial paper (CP) came down further to 5 % as on June 30, 2019 (6 % as on March 31, 2019 and 10 % as on September 30, 2018). The Reserve Bank of India (RBI), through its circular released on May 29, 2019, extended the dispensation on the relaxed minimum holding period (MHP) requirement for which the asset needs to reside on the books of the seller before it becomes eligible for securitisation.

The period was extended to December 31, 2019 vis-à-vis May 2019 earlier (originally relaxed on November 29, 2018 for a period of six months). In ICRA's view, this would benefit HFCs and NBFCs offering mortgage loans where the loan tenure is typically more than five years. A greater proportion of their loan books would now become eligible for securitisation. Accordingly, these entities can raise more funds through the securitisation route, which will provide them with an additional funding source in a tight liquidity scenario. As per ICRA's estimates, based on the portfolios of HFCs and NBFCs as of March 2019, an additional Rs. 40,000 crore would have become eligible for sell-down due to this change.

Consequently, the liquidity profile of the HFCs in the short-term buckets improved from Q3 FY2019 with gaps in the up to 1-year bucket reducing to around 4 % as on March 31, 2019 from around 6 % as on December 31, 2018. Further, most of the HFCs continued to maintain on-balance sheet liquidity buffers for meeting near-term debt obligations and overcoming any sudden market disruptions.

The overall profitability indicators for HFCs moderated in Q1 FY2020 owing to some squeeze in the interest spreads because of the additional liquidity buffer maintained by many entities and the repricing of debt. Going forward, as most of the HFCs have increased their lending rates by 20-30 bps, the overall impact on net interest margins (NIMs) could be lower by around 15-25 bps. Further, a slowdown in growth is likely to impact the operating expense ratios.

Outlook

Given the tough operating environment, ICRA expects housing credit growth to be 12-14 % in FY2020 (lower than the last three years' CAGR of 17%). Banks are expected to grow at a faster pace than HFCs. As some HFCs aim to go slow on construction finance to conserve liquidity, given the lumpy nature of these loans, the growth in non-housing loans is expected to be even lower. However, given the low mortgage penetration levels in the country, the long-term growth outlook for the sector remains good and ICRA expects housing credit growth to recover as the operating environment improves.

The overall gross non-performing assets (GNPAs; stage 3 assets as per revised Ind-AS June 2018 onwards) increased to 1.8 % as on June 30, 2019 (1.6 % as on March 31, 2019) owing to a deterioration across HFCs in the construction finance segment and a general increase in NPAs during the first quarter. Slippages were also seen in the housing loan segment for some HFCs.

The asset quality could be under some pressure due to the challenging operating environment and the risk factors discussed above. Further, under-construction properties sold by builders under subvention or buyback/assured return schemes could be more vulnerable as some of the builders are facing a liquidity crunch and their ability to honour these obligations may be limited. Certain geographies like Surat and Pune in the affordable segment could show higher slippages owing to delays in construction and challenges being faced by some projects. In ICRA's opinion, GNPAs in the HFC home loan segment are likely to increase to around 1.2-1.5 % over the medium term from the current level of 1.2 %. Moreover, given the tight liquidity faced by some developers with delayed projects, reduced fund availability to the developers could lead to some stress on the construction finance portfolio of the HFCs, leading to an increase in the overall GNPAs for HFCs to around 1.8-2.2 % over the medium term.

As for FY 2020, ICRA expects the HFCs to report similar profitability indicators unless a prolonged slowdown in growth impacts the operating expense ratios and asset quality, which could impact the profitability indicators. The profitability indicators for FY 2020 are likely to remain at 13-15 %, with upfront income booked on direct assignments supporting the same.

Industry Trends

Key updates

Steps taken at systemic level to support HFCs

LIFT Scheme

To infuse liquidity into HFCs and to cater to the demand of HFCs and the affordable housing segment, a new scheme, viz the Liquidity Infusion Scheme was launched in August 2019. The objective of the Scheme is to support HFCs in creating individual housing loan portfolios that fall under the priority sector as defined by the RBI.

EXHIBIT 1: Key Features of LIFT Scheme

Parameters	Features
Eligible institutions	All HFCs with minimum internal rating of B from National Housing Bank (NHB)
Purpose	To create individual housing loan portfolio for HFCs within the next three months. HFCs will be utilising the facility for financing individual housing loans only, which fall under the priority sector as defined by the RBI
Eligible amount for refinance	Total amount allocated under the scheme would be Rs. 10,000 crore. Maximum of 15% of net owned funds (NOF) of the HFC or 50% of the individual housing loan portfolio of the HFC, whichever is lower. Maximum amount that can be drawn cannot exceed Rs. 500 crore per HFC
Period of loan	Maximum period will be 60 months from the date of drawdown

Source: NHB, ICRA research

The overall amount of refinancing by NHB has been further increased to Rs. 30,000 crore. In ICRA's opinion, this is likely to support the funding requirements of the smaller HFCs, especially those operating in the affordable housing segment. However, the cap of Rs. 500 crore per HFC may not be sufficient to meet the needs of larger HFCs.

GoI scheme for incomplete housing projects should be a positive for HFCs

The GoI has announced a special window worth Rs. 10,000 crore for the last-mile funding of non-NPA and non-National Company Law Tribunal (NCLT) housing projects. This is expected to provide some relief to HFCs and homebuyers stuck in incomplete projects totalling nearly 3.5 lakh units across the country.

GoI's PCG Scheme a positive step to enhance liquidity in NBFC sector

The guidelines issued by the Ministry of Finance for the Partial Credit Guarantee (PCG) Scheme offered by the GoI to public sector banks (PSBs) for purchasing high-rated pooled assets from financially sound NBFCs and HFCs are meant to provide additional liquidity to the NBFC/HFC sector. ICRA notes that the introduction of this Scheme displays the positive intent of the GoI to support NBFCs/HFCs to overcome any temporary cash flow mismatches and to give the PSBs a push to extend support to such NBFCs/HFCs. It recognises the role of NBFCs and HFCs in taking forward the Government's agenda of financial inclusion as these entities have a farther reach than most banks and also cater to customers of varied credit profiles who otherwise may have been unable to get credit from banks. Over the past few years, PSBs have become increasingly comfortable with the direct buyout of retail loan pools (from NBFCs/HFCs) as a strategy to maintain/build their loan books, at a time when corporate credit growth is muted[4]. The GoI's PCG Scheme can provide further comfort to the PSBs in this regard.

[4] *For transactions evaluated by ICRA, PSBs had 38 % participation in securitisation/direct assignment (DA) in FY 2018-19.*

Key aspects of the scheme

- GoI will provide a one-time guarantee on a pool of assets purchased by banks from NBFCs and HFCs
- The GoI guarantee would be available for the first loss up to a cap of 10 % and would be valid for the first 24 months from the date of purchase
- The Scheme would be available for a period of six months from its date of issuance or till such date the Scheme covers Rs. 1 lakh crore of purchases by banks
- The Scheme also sets forth guidelines for eligibility of NBFCs and HFCs as well as eligibility of the assets that are being pooled
- Claims can be raised once any account has unpaid dues for a period of more than 90 days. All claims will be settled by the GoI within 5 working days and all subsequent recoveries from the assets would be passed on to the GoI to the extent of the guarantee drawn
- The underlying seller would have to bear an annual fee of 0.25 % of the fair value of the initial purchase which would be paid to the GoI

Eligibility criteria for NBFCs and HFCs

1. NBFCs registered with RBI under the Reserve Bank of India Act, excluding those registered as microfinance institutions (MFIs) and core investment companies (CICs)
2. HFCs registered with NHB under the National Housing Bank Act
3. CRAR of NBFCs/CAR of HFCs should not be below the regulatory minimum (i.e. 15 % for NBFCs and 12 % for HFCs) as on March 31, 2019
4. Net NPAs should not exceed 6 % as on March 31, 2019
5. They should have made a net profit in at least one of the last two preceding financial years (i.e. FY2017-18 and FY2018-19)
6. NBFCs/HFCs should not have been reported under special mentions account (SMA) category by any bank for their borrowings during the last one year prior to 1.8.2018
7. MFIs and CICs are not covered under the Scheme

Eligibility criteria for pool of assets

1. Only assets originated up to March 31, 2019 will be eligible under this Scheme
2. Assets should be standard in the books of NBFCs/HFCs on the date of sale
3. The pool of assets should have minimum rating of AA or equivalent at fair value prior to the partial credit guarantee by GoI
4. Each account under the pooled assets should have been fully disbursed and security charge should have been created in favour of the originating NBFCs/HFCs
5. NBFCs/HFCs can sell up to a maximum of 20 % of their standard assets as on March 31, 2019 subject to a cap of Rs. 5,000 crore at fair value. Any additional amount above the cap of Rs. 5,000 crore will be considered on a pro rata basis, subject to the availability of headroom
6. The underlying assets should represent the debt obligations of a homogeneous pool of obligors and individual asset size in the pool is capped at Rs. 5 crore (i.e. asset pool should be sufficiently granular)
7. Originating NBFCs/HFCs cannot assign the following assets under this Scheme:
    a. Revolving credit facilities
    b. Assets purchased from other entities
    c. Assets with bullet repayment of both principal and interest

More clarity may be required before the Scheme picks up

In India, financial institutions are allowed to securitise their receivables and down-sell them through two routes, viz. i) rated transactions where the assets are assigned to a trust that issues pass-through certificates (PTCs) or ii) unrated bilateral loan direct assignments where the assets are directly purchased by the buyer. The securitisation of assets has to be in compliance with the guidelines issued by the RBI, initially in February 2006 and later in May 2012 (for banks) and August 2012 (for NBFCs) as well as subsequent amendments/notifications. This raises the question as to whether the PCG Scheme is meant for direct assignments or securitisation or a separate product altogether. Notwithstanding its positive intent, the GoI's Scheme is also ambiguous in certain areas, as highlighted in Exhibit 2.

EXHIBIT 2: ICRA's Observation on Certain Sections of the Scheme

As per the Scheme	ICRA's observation
Pool of assets being assigned should have a minimum rating of AA prior to the partial credit enhancement by the GoI	Credit ratings are assigned only in case of securitisation transactions. Direct assignment transactions are unrated as there is no credit enhancement permissible for such transactions. This would effectively mean that such a transaction can achieve the said rating requirement only if all the underlying assets are rated at a similar level (which is highly unlikely). Thus, the issuer would be required to furnish a first loss support to enhance the rating to at least AA, which would be contrary to the RBI's guidelines on securitisation through direct assignment
NBFCs/HFCs have the option to buy back their assets after a period of 12 months	The option introduced by the GoI would allow NBFCs/HFCs to use the securitisation route for raising funds for a relatively shorter period to tide over the current liquidity crunch in the market, and subsequently repurchase their assets if the liquidity situation improves. Nonetheless, the said option is contrary to the RBI's guidelines on the securitisation of assets for NBFCs introduced in August 2012, which do not allow the issuer to re-purchase the already sold securitised pool
Guarantee would be available for the first loss up to 10%	The Scheme document does not specify whether the first loss up to 10% means the first 10% loss on each defaulting loan or 'all the loss' on defaulting loans subject to a cap of 10% of the loan pool. Additionally, it is unclear whether the claim would cover only the unpaid dues for each contract or if it would be made on aggregate amount basis i.e. past dues as well as future unamortised principal. Assuming the presence of other credit enhancement (as discussed above) that enhances the 'pre-PCG rating' to AA, the question arises whether such credit enhancement will be the first loss-absorbing piece or will the first loss be absorbed by the GoI's PCG
The purchasing bank can invoke the GoI guarantee if the interest and/or instalment of principal remains overdue for a period of more than 90 days (i.e. when liability is crystallised for the underlying borrower)	The meaning of the term 'when liability is crystallised for the underlying borrower' is not clear. It might mean the declaration of event of default (EoD) by the lender against the underlying borrower and a demand to pay the entire amount outstanding (acceleration); however, this is not inherently clear from the text of the guidelines, which might potentially cause a conflict at the claims stage

Limited tenure coverage could be another constraint

The GoI guarantee would be available for the first 24 months from the date of purchase of the assets. As the underlying loans typically tend to have a tenure anywhere between 3-5 years (car loans, truck loans, business loans) and 15-20 years (home loans, home equity loans), the contracts may slip into delinquency even after 2 years, which is not covered by the PCG. Also, even within 2 years, if the intent is to cover only the overdue portion (and not the entire unbilled amount outstanding on a 90+ delinquent loan), the utility of the PCG would be considerably reduced.

Budget proposals a positive for HFCs

The Union Budget proposals are an overall positive for HFCs. The regulatory powers of NHB are proposed to be transferred to the RBI. Further, a one-time six-month partial guarantee for first loss up to 10 % will be provided to PSBs for the purchase of high-rated pool assets of financially sound NBFC/HFCs. Moreover, the requirement of creating a debenture redemption reserve (DRR) has been done away with. The GoI has also proposed an additional deduction of up to Rs. 1,50,000 for the interest paid on loans borrowed up to March 31, 2020 for the purchase of affordable housing valued up to Rs. 45 lakh.

Overall, ICRA expects a positive impact on HFCs. The regulatory supervision of NBFCs is expected to increase. Also, with regulatory authority over HFCs shifting to the RBI from NHB, there would be greater parity in regulations for NBFCs and HFCs. The partial credit guarantee from the GoI would help NBFCs/HFCs raise funds from PSBs thus providing funding support to NBFC/HFCs. However, with the guarantee being available for only six months, the preference could be for relatively shorter-term retail assets. The negative carry for NBFCs/HFCs raising money through retail issuances is expected to reduce following the removal of DRR requirements. The focus on Housing for All continues with sizeable allocation (Rs. 25,853 crore in FY2020 against Rs. 26,405 crore for FY2019) under the Pradhan Mantri Awas Yojana (PMAY) and extra budgetary allocation of Rs. 20,000 crore for PMAY-Urban. This, coupled with the higher tax incentives for self-occupied properties worth up to Rs. 45 lakh, could push housing demand and augurs well for banks and HFCs. Also, measures to promote rental housing could support overall housing demand.

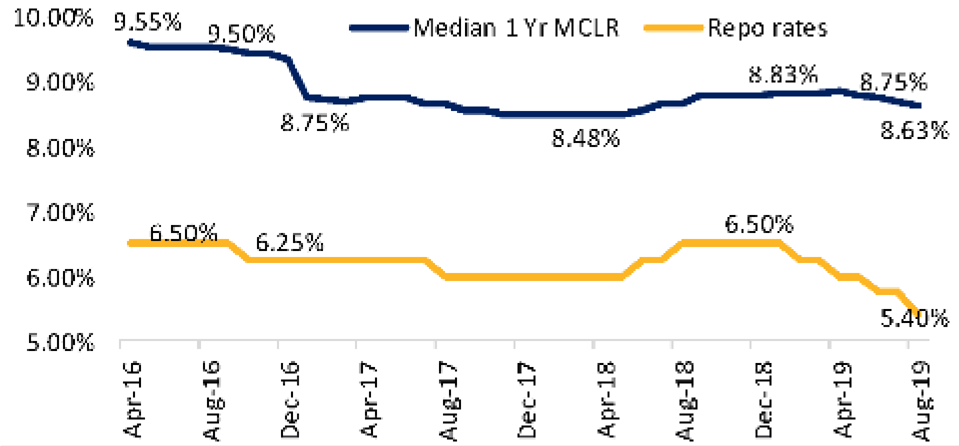
Floating rate linked home loans

The RBI, through its notification dated September 4, 2019, directed banks that all new floating rate personal or retail loans (housing, auto, etc) and floating rate loans to micro and small enterprises (MSEs) extended by banks from October 1, 2019 shall be benchmarked to one of the following:

- RBI policy repo rate

- GoI 3-months treasury bill yield published by Financial Benchmarks India Private Ltd (FBIL)
- GoI 6-months treasury bill yield published by the FBIL
- Any other benchmark market interest rate published by the FBIL

EXHIBIT 3: Movement in Repo Rate Vs 1-Yr MCLR since April 2016



Source: RBI, ICRA research

As can be seen in Exhibit 3, repo rates of 5.40 % are the lowest since February 2010. In ICRA's view, this change is likely to bring more volatility to the equated monthly instalments (EMIs) of the borrower in case the instalments are changed on every reset of the repo rate. If the instalments remain unchanged, as is the case usually, interest rate volatility is expected to be high for borrowers.

HFCs' on-balance sheet portfolios shrink marginally; overall housing credit growth declines to 13 %

EXHIBIT 4: Growth in Housing Credit

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
HFCs and NBFCs	2.6	3.1	3.8	4.4	5.2	5.4	5.6	6.0	6.3	6.5	6.7	6.7	6.9	6.7
Scheduled Commercial Banks	4.8	5.7	6.6	7.9	9.1	9.1	9.6	9.9	10.3	10.5	11.1	11.5	12.2	12.5
Total Housing Credit	7.4	8.8	10.4	12.3	14.2	14.5	15.2	15.8	16.6	17.0	17.8	18.2	19.1	19.2
Growth														
Credit Growth - HFCs and NBFCs	26%	20%	21%	17%	17%	20%	19%	19%	22%	20%	19%	13%	9%	3%
Credit Growth – SCBs	15%	18%	17%	18%	15%	11%	13%	14%	13%	16%	16%	17%	19%	19%
Overall Housing Credit Growth	19%	19%	18%	18%	16%	15%	15%	16%	17%	17%	17%	16%	15%	13%
% Share														
HFCs and NBFCs	35%	35%	36%	36%	36%	37%	37%	38%	38%	38%	38%	37%	36%	35%
Banks	65%	65%	64%	64%	64%	63%	63%	62%	62%	62%	62%	63%	64%	65%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Amounts in Rs. lakh crore; Source: RBI, ICRA research; Note: Total home loan portfolio calculation in Exhibit 4 considers a larger set of entities than the calculation presented in Exhibit 5

In line with the estimates as per ICRA's last research report, the overall on-book housing loan portfolio growth of HFCs and NBFCs reduced significantly to 3 % YoY for the period ended June 2019. However, on a sequential basis, the on-book portfolio shrunk from March 2019 levels primarily because of two key reasons - the first being lower disbursements in the first quarter, coupled with the liquidity crisis faced by HFCs since September 2018, and the second being portfolio sales made by HFCs through securitisation. Banks continue to increase their retail home loan portfolios and their growth increased to 19 % YoY (16 % for the same period last year), leading to overall market growth of 13 % (17 % for the same period last year). ICRA estimates that the total housing credit outstanding stood at Rs. 19.2 lakh crore as on June 30, 2019. While ICRA expects the long-term prospects of the segment to remain good, disbursements in Q2 FY2020 are also expected to be muted with housing credit growth likely to be 12-14 % in FY2020. A modest shift in the market share was also seen in FY2019 between the key lender segments with the share of banks increasing to 65 % as on June 30, 2019 from 62 % as on March 31, 2018. This trend could continue for a couple of quarters.

Share of on-book housing loan book continues to decline owing to higher securitization

EXHIBIT 7: Trends in On-book Portfolio Mix of HFCs

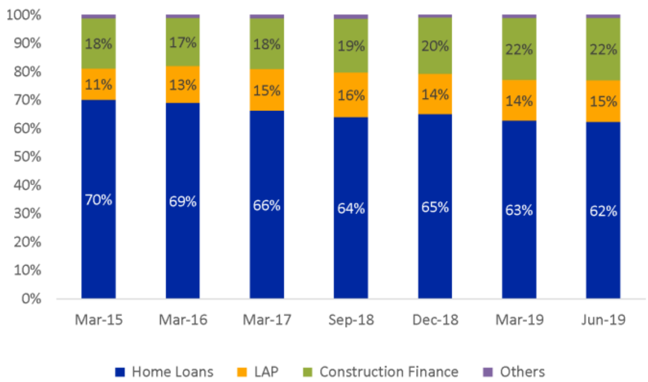
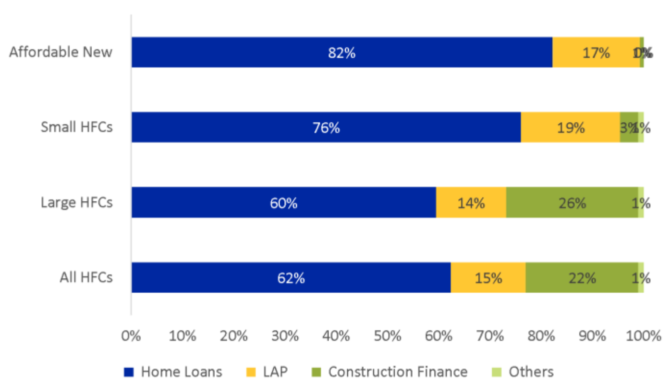


EXHIBIT 8: Comparison of On-book Portfolio Mix across HFC Groups as on June 30, 2019



Source: Financials/investor presentations of various HFCs, ICRA research
Note: The data in Exhibit 7 and 8 is for a smaller set of HFCs than that used for Exhibit 5 as a detailed portfolio composition was not available for all the entities

- Owing to the higher securitisation of retail loan portfolios (mostly seasoned home loans), the share of on-book home loans for HFCs declined to 62 % for the period ended June 2019. Large HFCs had the maximum share of construction finance (including the lease rental discounting (LRD) portfolio among the HFC groups).

- Unlike their larger counterparts, the non-housing loan book of small HFCs mainly consists of LAP. LAP constituted 19 % of the total loan book of small HFCs as on June 30, 2019. Further, in terms of the borrower mix, small HFCs have a larger proportion of self-employed customers who tend to borrow against property for their business or personal needs, thus providing small HFCs with better opportunities for originating LAP.

- However, as can be seen from Exhibit 8, new HFCs operating in the affordable segment have a negligible share in construction finance and remain focussed on the home loan segment, given the good growth potential and expectations of higher yields from this segment.

Asset Quality

Asset quality deteriorates due to deterioration in wholesale segment

EXHIBIT 10: Trends in Asset Quality Indicators

	Mar-16	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19	Jun-19
Overall Gross NPA% - HFCs							
All	0.7%	0.8%	1.2%	1.1%	1.3%	1.6%	1.8%
Large	0.7%	0.7%	1.0%	0.9%	1.0%	1.5%	1.6%
Small	1.0%	1.5%	2.3%	2.1%	2.9%	2.5%	3.1%
Affordable Housing - New Players	2.6%	3.1%	4.4%	4.0%	5.3%	4.7%	5.3%
Housing Loan Segment Gross NPA% - HFCs							
All	0.5%	0.6%	0.8%	0.7%	1.0%	1.0%	1.2%
Large	0.4%	0.4%	0.5%	0.5%	0.6%	0.7%	0.8%
Small	1.2%	1.5%	2.1%	1.9%	2.5%	2.2%	2.6%
Affordable Housing - New Players	2.4%	3.2%	4.5%	4.0%	6.0%	4.6%	5.6%
Affordable Housing - New Players (Excluding 1 Player)	0.8%	1.3%	1.8%	2.2%	2.6%	2.2%	2.0%
LAP Segment Gross NPA% - HFCs							
All	1.0%	1.1%	1.3%	1.0%	1.1%	1.1%	1.3%
Large	0.5%	0.6%	0.7%	0.6%	0.8%	1.0%	1.3%
Small	2.2%	2.6%	3.2%	2.6%	2.5%	1.3%	1.2%
Affordable Housing - New Players	0.7%	2.2%	2.5%	2.8%	2.6%	1.7%	1.9%
Affordable Housing - New Players (Excluding 1 Player)	0.7%	2.2%	2.5%	2.8%	2.6%	1.7%	2.1%
Construction Finance/ Corporate Loans Segment Gross NPA% - HFCs							
All	1.7%	1.6%	2.3%	2.2%	2.2%	2.4%	3.5%
Large	1.8%	1.7%	2.3%	2.2%	2.2%	2.3%	3.6%
Small	0.2%	1.3%	2.1%	2.2%	2.1%	3.1%	2.6%

Source: Financials/investor presentations of various HFCs, ICRA research

Asset quality outlook

The asset quality could be under some pressure due to the challenging operating environment and the risk factors discussed above. Further, under-construction properties sold by builders under subvention or buyback/assured return schemes could be more vulnerable as some of the builders are facing a liquidity crunch and their ability to honour these obligations may be limited. Certain geographies like Surat and Pune, in the affordable segment, could show higher slippages owing to delays in construction and challenges being faced by some projects in these areas. In ICRA's opinion, GNPAs in the HFC home loan segment are likely to increase to around 1.2-1.5 % over the medium term from the current level of 1.2 %. Moreover, given the tight liquidity faced by some developers with delayed projects, reduced fund availability to the developers could lead to some stress in the construction finance portfolio of the HFCs, leading to an increase in the overall GNPAs for HFCs to around 1.8-2.2 % over the medium term.

Emerging risk factors

Segment	Emerging Risk Factors
Home Loans – Salaried	• Significant delays in construction by various developers. So far, homebuyers are continuing to service the EMIs, even for delayed projects, though this could change if the delays continue for an extended period • Properties sold by builders under subvention schemes or buyback/assured return schemes could be vulnerable as some of the builders are facing a liquidity crunch and their ability to honour these obligations may be limited • Owing to likely higher volumes of securitisation, the overall on-book portfolio mix could change in favour of a higher share of the less-seasoned portfolio, which could deteriorate as the portfolio matures
Home Loans – Self-employed and LAP	• As market liquidity remains tight, the self-employed segment could face longer working capital cycles and increased borrowing costs. Thus, delays in fresh financing/refinancing are expected to impact the business performance of these borrowers and the asset quality of the lenders, which could be more visible in FY2020
Construction Finance Book	• Given the tight liquidity faced by some developers with delayed projects, reduced fund availability for the developers could lead to some stress on the construction finance portfolio of the HFCs • Further, the treatment of homebuyers as financial creditors under the Insolvency and Bankruptcy Code (IBC) framework has increased the default risk for real estate developers, especially those with legacy projects that have been delayed for long periods. As the amounts paid by homebuyers now constitute a financial debt, any delay in the handover of the property as per the commitments in the sale agreement can be grounds for initiating corporate insolvency resolution proceedings under the IBC • If admitted, the management of the company will pass on to a resolution professional and this can lead to a standstill in debt servicing, even if liquidity is available for the same. In recent months, there have been various instances of aggrieved homebuyers initiating corporate insolvency proceedings against developers who have delayed project execution • The time-bound nature of the insolvency process provides a limited window for developers to reach settlements with the claimants, failing which the resolution professional takes over the management. Even a single buyer in a single project pursuing such a remedy could put the company at risk of defaulting on loan obligations, irrespective of its liquidity position • Managing such risks will be a challenge for the developers, especially those who have legacy projects where completion has been affected by factors such as weak sales, declining prices or inadequate funds. Initially, homebuyers were treated neither as financial nor operational creditors under the IBC. As a

result, they were unable to initiate corporate insolvency proceedings and did not have a say in the committee of creditors. Moreover, there was a lack of clarity on their relative standing vis-à-vis the financial and operational creditors

- To address the concerns of homebuyers, considering the increasing instances of project delays, the IBC was amended in June 2018 to classify homebuyers as financial creditors by treating the amounts paid by them under the sale agreements as financial debt. With this amendment, homebuyers can initiate insolvency proceedings against developers who have not completed projects within the dates specified in the sale agreements
- In some of these cases, the company was subsequently able to reach settlements with the claimants, resulting in the closure of the insolvency proceedings. In another case, the company was able to obtain a stay on the proceedings from the Supreme Court. However, if such remedies are not in place before the insolvency resolution professional (IRP) takes over the management, the debt servicing could be at risk as the IRP may decide to enforce moratorium on any such payments while the resolution proceedings are ongoing
- As per ICRA, new projects launched after the implementation of the Real Estate (Development and Regulation) Act (RERA) may not face similar issues as the developers are taking abundant caution in committing completion dates. However, the risk of insolvency proceedings will continue to be an overhang for developers with delayed projects that were launched before the implementation of RERA

Funding & Liquidity

Share of CP borrowings continues to decline

EXHIBIT 12: Borrowing Profile of all HFCs as of June 30, 2019

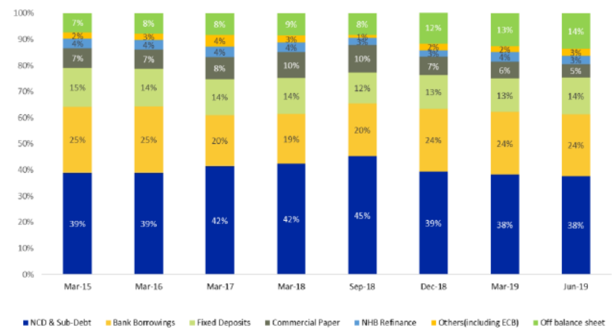
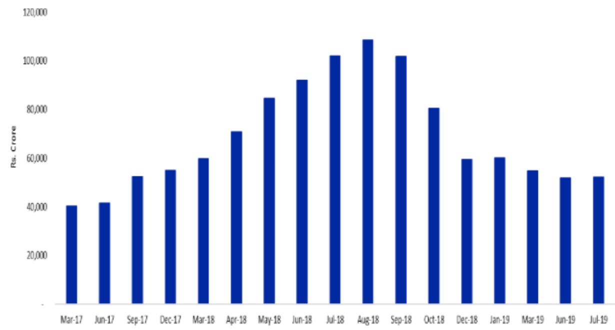


EXHIBIT 13: Trends in CP Outstanding for HFCs



Source: Financials/investor presentations of various HFCs, ICRA research; Note: The borrowing profile calculation is for a limited set of entities and DHFL numbers have not been included in Jun-19 estimates

The share of CP borrowings reduced to 5 % of overall borrowings for HFCs as on June 30, 2019 (6 % of the overall funding as on March 31, 2019 from 10 % as on September 30, 2018). The CP borrowings have largely been refinanced by raising long-term bank funding as well as securitisation. While the share of long-term bank funding remained at 24 % as on June 30, 2019 (24 % as on March 31, 2019 and 21% as on September 30, 2018,) the share of securitisation increased to 14 % from 9 % during this period. Some of the larger HFCs also resorted to external commercial borrowing (ECB) issuances in Q4 FY2019 with ECBs accounting for 2.2 % of the borrowings as on March 31, 2019. In ICRA's estimates, HFCs would require around Rs. 4-4.5 lakh crore in FY2020 to meet the growth requirement of 10-14 %. Part of this requirement could also be met through the securitisation of portfolios.

Tight credit flow keeps cost of funds elevated

Liquidity gaps reduce with reduction in share of CP borrowings

EXHIBIT 15: Liquidity Profile as on December 31, 2018

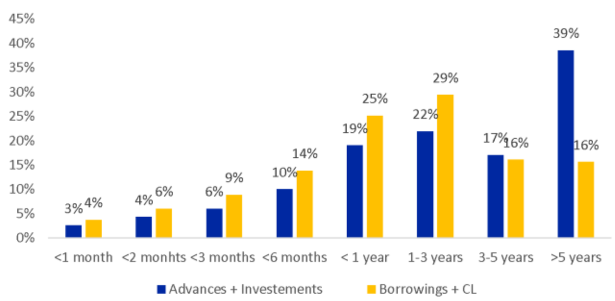
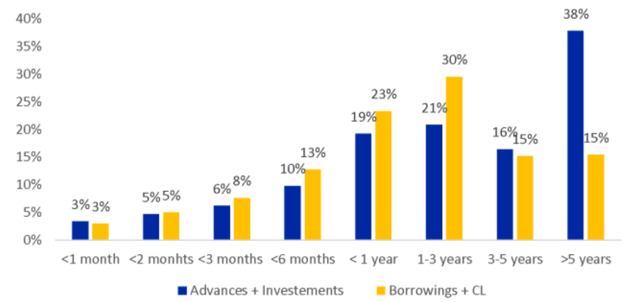


EXHIBIT 16: Liquidity Profile as on March 31, 2019



Source: Structural liquidity statements of ICRA rated HFCs, ICRA research; For Exhibit 16, liquidity position as on December 31, 2018 has been taken for Dewan Housing and Reliance Home Finance

ICRA had analysed the structural liquidity statements of 17 entities as on December 31, 2018 and 27 entities as on March 31, 2019 accounting for over 85 % of the HFC portfolio. With the decline in the share of CP borrowings in the overall funding mix, the liquidity profile of HFCs in the short-term buckets improved in Q4 FY2019 and the gaps in the up to 1-year bucket reduced to 4 % as on March 31, 2019 from around 6 % as on December 31, 2018 (6 % as on March 31, 2018). Further, as most of the HFCs started building on-balance sheet liquidity buffers for meeting debt obligations, the gaps in the up to 3-month buckets have also reduced. However, the HFCs would require additional funds for making incremental disbursements.

Note: The liquidity profile is based on the structural liquidity statements of various entities. These may include behavioural assumptions such as prepayment trends, rollover of bank lines, fixed deposits by some HFCs

Capitalisation & Profitability

Adequate capitalisation indicators; NHB's proposed guidelines a positive from risk perspective

EXHIBIT 17: Gearing for HFCs

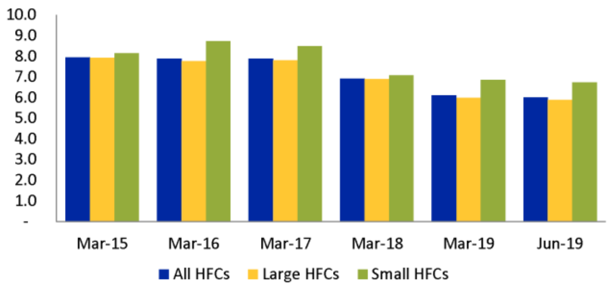


EXHIBIT 18: Capitalisation Indicators for HFCs

	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Jun-19
Net Worth/ On-balance Sheet Advances						
All HFCs	11.8%	11.6%	11.8%	12.7%	15.2%	15.6%
Small HFCs	12.3%	10.9%	11.5%	10.8%	13.3%	13.6%
Large HFCs	11.7%	11.8%	11.3%	13.0%	15.6%	16.0%
Median CRAR						
All HFCs	18.4%	19.2%	17.3%	18.9%	18.7%	18.3%
Small HFCs	15.4%	19.3%	19.7%	18.9%	19.6%	20.3%
Large HFCs	18.4%	19.2%	19.3%	17.6%	22.8%	19.0%

Source: Quarterly financials of HFCs, ICRA research; Calculation excludes data for DHFL and Reliance Home Finance

Source: Quarterly financials of HFCs, ICRA research; Calculation excludes data for DHFL and Reliance Home Finance

- Aggregate on-balance sheet gearing remained at a similar level of 6.0 times as on June 30, 2019 (6.1 times as on March 31, 2019)
- Despite the high leverage of many HFCs, the reported capital adequacy remained good with a median CRAR of 18.3 % as on June 30, 2019, supported by the relatively lower risk weights for home loans and commercial real estate loans for residential projects
- While the overall capitalisation indicators are comfortable for the sector, the economic capitalisation indicators for some HFCs weakened due to the increased vulnerability of the wholesale book leading to higher capital requirements. Further, some HFCs in the affordable segment would need additional capital to meet their growth plans. In ICRA's opinion, the overall capital requirement for FY2020 remains at Rs. 8,000-Rs. 10,000 crore

EXHIBIT 19: Key Changes Proposed by NHB; Comparison with Existing Norms and Expected Impact

	Present Guidelines Applicable	Proposed Guidelines	RBI Norms for NBFCs	Expected Impact on HFCs
Present Norm (CRAR)	CRAR - 12% Tier I - 6% Tier II - 6%	13% by March 31, 2020 14% by March 31, 2021 15% by March 31, 2022	CRAR of 15% (Tier 1 of 10%)	Few HFCs would be at a CRAR level of ~14%; however, in most cases, enough headroom is available to raise Tier II capital
Leverage	Maximum of 16 times	14 times of NOF by March 31, 2020 13 times of NOF by March 31, 2021 12 times of NOF by March 31, 2022	No ceiling; however, risk weights are 100%	None of the HFCs had leverage levels of 16 times; however, six are close to the leverage level of 10-12 times and may need to build a cushion and hence raise capital
Public Deposits	No ceiling	3 times of NOF	1.5 times of NOF	None of the HFCs had deposits more than 2 times of NOF as on March 31, 2019

Source: NHB, ICRA research; NOF – Net owned funds

The NHB's proposed amendments for capital adequacy, deposit mobilization and leverage norms for HFCs are a positive from a risk perspective. In ICRA's opinion, most of the HFCs would be able to meet the revised norms on CRAR as most of them are nearing a CRAR of 15-16 % and would have adequate cushion to raise Tier II capital and shore up the CRAR, if required. Also, the capital adequacy of HFCs is supported by the lower risk weights on smaller ticket size home loans, which are a growth area for most HFCs. It is also proposed to bring down the maximum permissible leverage for HFCs to 12 times by March 2022 from 16 times currently. While this is below the proposed ceiling limit, well-rated HFCs are expected to maintain a cushion over and above the regulatory limits and may need additional capital. As for the ceiling on deposits, none of the deposit-taking HFCs had deposits more than 2 times the NOF as on March 31, 2019. Thus, the proposed guidelines may not impact the HFCs on this count.

Some moderation in profitability indicators; however, non-interest income supported by upfront income booking on assignment of loans

EXHIBIT 20: Trends in Return on Equity for HFCs

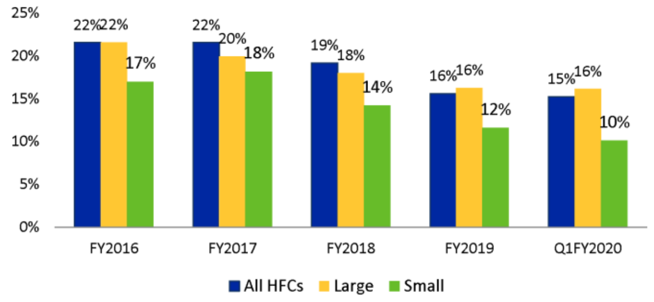


EXHIBIT 21: Trends in Income Break-up for HFCs

	FY2017	FY2018	FY2019	Q1 FY2020
Net Operating Income	3.5%	3.3%	3.0%	2.9%
Non-interest Income	0.5%	0.4%	0.6%	0.9%
Operating Expenses	0.9%	0.8%	0.6%	0.6%
One-time Income[2]	NA	0.45%	0.1%	0.3%
PBT/ATA	3.1%	2.9%	3.0%	2.7%
PAT	2.1%	2.1%	2.0%	2.1%
RoE	22%	19%	16%	15%

Source: Quarterly financials of HFCs, ICRA research; Calculation excludes data for DHFL and Reliance Home Finance

The overall profitability indicators for HFCs moderated in Q1 FY2020 owing to some squeeze in the interest spreads because of the additional liquidity buffer maintained by many entities and the repricing of debt. Going forward, as most of the HFCs have increased their lending rates by 20-30 bps, the overall impact on net interest margins (NIMs) could be lower by around 15-25 bps. Further, a slowdown in growth is likely to impact the operating expense ratios.

Further, a slowdown in growth is likely to impact the operating expense ratios. While the profitability indicators for FY2020 are likely to remain with RoEs estimated at 13-15 %, (partly supported by the upfront income booking on assignments), a prolonged slowdown in growth could impact the operating expense ratios and the quality of some asset classes, which could lead to a moderation in the profitability indicators over the medium term.

Market Dynamics

Mortgage penetration levels remain stagnant

EXHIBIT 25: Trends in Mortgage Penetration in India

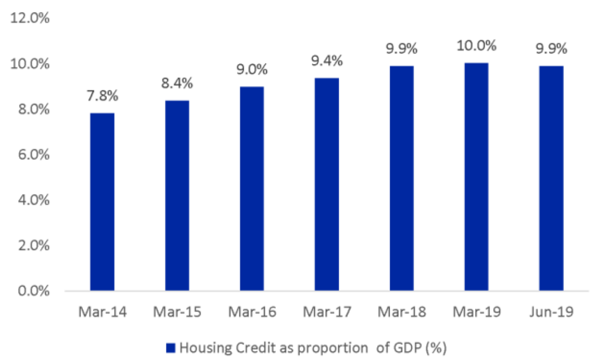
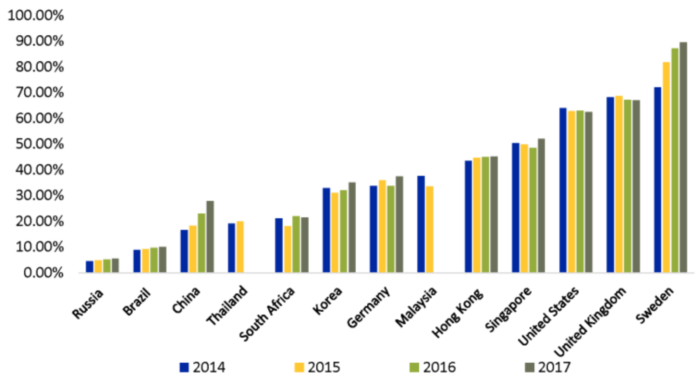


EXHIBIT 26: Housing Credit as % of GDP for Various Countries



Source: ICRA research, HOFINET; Exhibits 25 and 26 show the total amount of home mortgage loans outstanding at the end of the year as a percentage of GDP (current)

PMAY Progress

Pradhan Mantri Awas Yojana

The GoI launched the Housing for All Mission under the Pradhan Mantri Awas Yojana (PMAY) in June 2015. The Mission attempts to address the demand and supply-side constraints that had affected the sector's growth in the past. On the demand side, the GoI proposed a credit-linked subsidy capital, which could be as high as 44 % (Rs. 2,67,000) for a loan of up to Rs. 6,00,000. On December 31, 2016, the Prime Minister introduced two new middle-income categories under the scheme – loans of up to Rs. 9,00,000 and Rs. 12,00,000 with subvention of 4 % and 3 %, respectively. The income eligibility criteria for these two categories are overall household income of Rs. 12,00,000 and Rs. 18,00,000, respectively. These categories are likely to improve affordability for a wider set of borrowers, leading to increased growth potential in the affordable housing segment. However, the success of this action would hinge on the availability of supply of such houses. Initiatives taken by state governments and urban local bodies to provide land to keep the prices affordable, while ensuring adequate returns for the developers, would be critical for ensuring the adequate supply of low-cost housing.

The Union Budget has maintained its focus on Housing for All by 2022. Although the allocation is marginally lower compared to the last fiscal, it remains sizeable, which is likely to support the growth momentum in the affordable housing sector. On the supply side, the extension of tax benefits for affordable housing projects is likely to ensure adequate developer interest in the segment. On the demand side, the disposable income for low to middle income segment borrowers is expected to improve through tax exemptions. This could have a positive impact on HFCs, especially those operating in the affordable housing segment where typically the median income level of the borrower is between Rs. 3 lakh and Rs. 6 lakh. The allocation for PMAY was Rs. 25,853 crore for FY2020 vs Rs. 26,405 crore for FY2019.

EXHIBIT 28: Highlights of Additions to CLSS

	CLSS FOR EWS/LIG	CLSS FOR MIG (2018) (Additions)	
Loan Amount	Up to Rs. 6,00,000	Up to Rs. 9,00,000	Up to Rs. 12,00,000
Eligibility Criteria	EWS (income of up to Rs. 3,00,000) and LIG (income of up to Rs. 6,00,000) Women to be co-owners along with beneficiaries	MIG - I households are defined as households with an annual income between Rs. 6,00,001 and Rs. 12,00,000	MIG - II households are defined as households with an annual income between Rs. 12,00,001 and Rs. 18,00,000
Subsidy Calculation Rate Interest subsidy for a tenure of 20 years or during tenure of loan, whichever is lower; net present value (NPV) of interest subsidy to be calculated at a discount rate of 9%	6.5%	4%	3%
Subsidy Amount	Up to Rs. 2,67,000 (for a Rs. 6,00,000 loan) for 20-year tenure	Up to Rs. 2,35,000 (for a Rs. 9,00,000 loan) for 20-year tenure	Up to Rs. 2,30,000 (for a Rs. 12,00,000 loan) for 20-year tenure
Dwelling Unit Carpet Area	60 sq metre	160 sq metre (increased from 120 sq metre in June 2018)	200 sq metre (increased from 150 sq metre in June 2018)
Discount Rate for NPV Calculation	9%	9%	9%

Source: Ministry of Housing and Urban Poverty Alleviation, press releases

Progress of PMAY-Urban

EXHIBIT 29: Trends in Progress on No. of Houses Involved

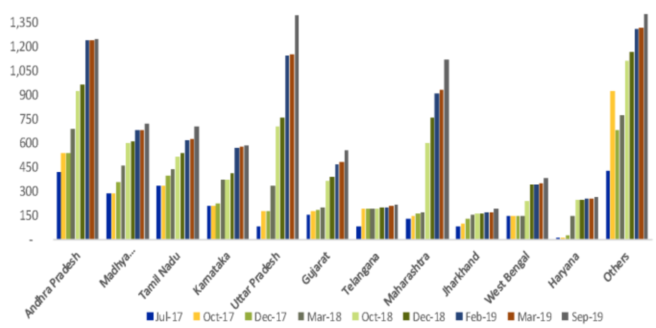
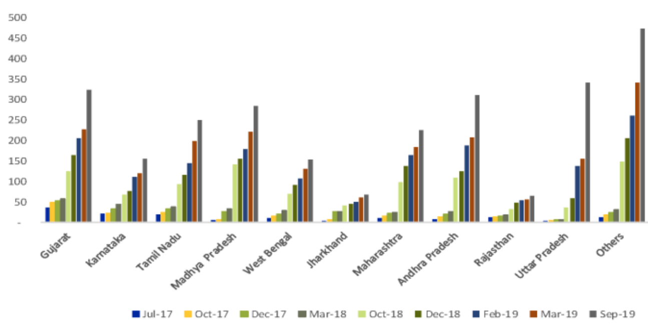


EXHIBIT 30: Trends in Progress on No. of Houses Completed



Source: Progress under PMAY, Ministry of Housing and Urban Affairs

Though the progress in implementing the Scheme has been limited so far, the pace has started to pick up with around 80 lakh houses being sanctioned across various states. In addition, an amount of Rs. 52,367 crore was released under the PMAY Urban Scheme up to September 16, 2019. The Scheme is picking pace with an increase in the number of houses sanctioned as well as the number of beneficiaries of the subsidy. The top-performing states in the Credit Linked Subsidy Scheme (CLSS), as per the number of houses completed as on September 16, 2019, are Uttar Pradesh, Gujarat, Madhya Pradesh, Andhra Pradesh, Tamil Nadu and Maharashtra.

The number of houses completed as a proportion of the number of houses involved, though relatively low, has improved consistently to 30 % as on September 2019 from 24 % as of March 2019 and 6 % as of July 2017. However, the occupancy of the completed houses remained good at 95 % as of March 2019. As per ICRA's outlook, the affordable housing segment would continue to benefit from the Government's focus on the Housing for All initiative.

Key regulatory changes

Steps taken at systemic level to support HFCs

LIFT Scheme

To infuse liquidity into HFCs and also cater to the demand of HFCs that the demands of the affordable housing segment should be addressed, a new scheme, viz the Liquidity Infusion Facility Scheme for HFCs was launched in August 2019. The objective of the Scheme is to support HFCs in creating individual housing loan portfolios that fall under the priority sector, as defined by the RBI.

EXHIBIT 36: Key features of LIFT Scheme

Parameters	Features
Eligible institutions	All HFCs with minimum internal rating of B from NHB
Purpose	To create individual housing loan portfolio for HFCs within the next three months; HFCs will be utilising the facility for financing only those individual housing loans that fall under the priority sector as defined by RBI
Eligible amount for refinance	Total amount allocated under the scheme would be Rs. 10,000 crore; Maximum of 15% of NOF of the HFC or 50% of the individual housing loan portfolio of the HFC, whichever is lower; Maximum amount that can be drawn cannot exceed Rs. 500 crore per HFC
Period of loan	Maximum period will be 60 months from date of drawdown

Overall amount of refinancing by NHB has been further increased to Rs. 30,000 crore. In ICRA's opinion, this is likely to support the funding requirements for the smaller HFCs, especially those operating in the affordable housing segment. However, the cap of Rs. 500 crore per HFC may not be sufficient to meet the needs of larger HFCs.

Budget proposals of July 2019 a positive for HFCs

The Union Budget proposals of July 2019 are an overall positive for HFCs. The regulatory powers of NHB are proposed to be transferred to the RBI. Further, a one-time six months partial guarantee for first loss up to 10 % will be provided to PSBs for the purchase of high-rated pool assets of financially sound NBFCs/HFCs. Moreover, the requirement of creating DRRs for public debt issues has been done away with. The GoI has also proposed an additional deduction of up to Rs. 1,50,000 for the interest paid on loans borrowed up to March 31, 2020 for the purchase of affordable housing valued up to Rs. 45 lakh.

Overall, ICRA expects a positive impact on HFCs. The regulatory supervision of NBFCs is expected to increase. Also, with regulatory authority over HFCs shifting to the RBI from NHB, there would be greater parity of regulations for NBFCs and HFCs. The partial credit guarantee from the GoI would help NBFCs/HFCs raise funds from PSBs thus providing them with funding support. However, with the guarantee being available for only six months, the preference could be for relatively shorter-term retail assets. The negative carry for NBFCs/HFCs raising money through retail issuances is expected to reduce following the removal of the DRR requirements. The focus on Housing for All continues with sizeable allocation (Rs. 25,853 crore in FY2019-20 against Rs. 26,405 crore for FY2018-19) under PMAY and extra budgetary allocation of Rs. 20,000 crore for PMAY-Urban. This, coupled with higher tax incentives on self-occupied properties up to Rs. 45 lakh, could push housing demand and augurs well for banks and HFCs. Also, measures to promote rental housing could support overall housing demand.

Relaxation in ECB norms

In April 2018, the RBI eased the norms for ECBs and allowed HFCs to raise ECBs under Track 1, i.e. without prior approval, provided the exposure is completely hedged. This is likely to enable HFCs to diversify their funding mix and expand the investor base to meet large funding requirements. However, the proportion of funds raised through the ECB route will depend on the competitiveness of the overall landed cost of these ECBs compared to domestic borrowing rates. Between April 2018 and August 2019, HFCs have raised north of Rs. 520 crore via the ECB route with the weighted average tenor of the loans being around five years.

Temporary relaxation of MHP criteria this was extended in May 2019

The RBI, through its circular released on November 29, 2018, has temporarily relaxed the MHP, which is the period for which the asset needs to reside on the books of the seller before it becomes eligible for securitisation. As per the revised criteria, loans with an original maturity of more than five years now become eligible for securitisation once the underlying borrower has been billed six monthly instalments (against the earlier requirement of 12 monthly instalments). In ICRA's view, this would benefit HFCs as a greater proportion of their loan books would now become eligible for securitisation. Accordingly, these entities can raise more funds through the securitisation route, thereby providing them with additional liquidity. For mortgage financiers, the maximum benefit would accrue to entities that are either very active in the securitisation market (therefore, have a dearth of assets on their books that can incrementally be securitised) or entities that have a limited track record in the business (therefore, a large portion of the book is not highly seasoned). As per ICRA's estimates, the retail housing loan portfolio amounting to ~Rs. 75,000 crore and retail non-housing loan portfolio amounting to ~Rs. 40,000 crore for NBFCs and HFCs taken together would now additionally qualify for securitisation under the dispensation provided by the RBI. However, not all of this would move to the securitisation market. Additional funds raised by HFCs through portfolio sell-downs would depend on the appetite of the buyers, and the ability of these entities to raise money directly on their books through other funding avenues available to them.

NHB proposes changes in CRAR, leverage and ceiling on public deposits

As per its circular dated March 04, 2019, the NHB's proposed amendments for the capital adequacy and leverage norms for HFCs are a positive from a risk perspective. In ICRA's opinion, most HFCs would be able to meet the revised norms for CRAR as most of them are nearing a CRAR of 15-16 % and would have adequate cushion to raise Tier II capital and shore up the CRAR, if required. Also, the capital adequacy for HFCs is supported by the lower risk weights on smaller ticket size home loans.

EXHIBIT 37: Key Changes in Guidelines Proposed by NHB as per March 04, 2019 circular

Parameters	Present Guidelines Applicable	Proposed Guidelines	RBI Norms for NBFCs	Expected Impact on HFCs
Present Norm (CRAR)	CRAR - 12% Tier I - 6% Tier II - 6%	13% by March 31, 2020 14% by March 31, 2021 15% by March 31, 2022	CRAR of 15%	Few HFCs would be at 15-16% CRAR levels; however, in most cases, enough headroom is available to raise Tier II capital
Leverage	Maximum of 16 times	14 times of NOF by March 31,2020 13 times of NOF by March 31, 2021 12 times of NOF by March 31, 2022	No ceiling; however, risk weights are 100%	None of the HFCs had leverage levels of 16 times; however, six are nearing the leverage level of 10-12 times and may need to build a cushion and hence raise capital
Public Deposits	No ceiling	3 times of NOF	1.5 times NOF	None of the HFCs had deposits more than 2 times NOF as on March 31, 2019

Source: NHB, ICRA research

OUR BUSINESS

Overview

We are one of India's leading non-deposit taking housing finance companies registered with the NHB. We were incorporated in 2008 as a wholly-owned subsidiary of TCL and accordingly are part of the Tata Capital Group which is part of the larger Tata group. Our promoter, TCL is majority-owned by Tata Sons Private Limited (formerly known as Tata Sons Limited), the holding company of Tata group. We focus primarily on providing affordable home loans, home equity and construction finance. For Fiscal 2019, we made total loan disbursements of ₹ 11,10,111 lakh. As of September 30, 2019, our gross Non-Performing Assets ("**NPAs**") in terms of value and as a percentage of our outstanding loans were ₹ 40,059 lakh or 1.45 %, respectively and our net NPAs in terms of value and as a percentage of our net outstanding loans were ₹ 14,506 lakh or 0.53 %, respectively.

Since 2009, we have grown to become one of the key HFC in India based on our loans and advances from financing activity of ₹ 27,83,875 lakh as of September 30, 2019. We have a strong marketing and distribution network in 88 branches throughout India as of September 30, 2019. Our network provides us with a pan-India presence across Tier I, Tier II and Tier III cities in India. Credit decisions are taken in accordance with the defined internal parameters and procedures. We believe that we have an adequate sized direct sales team of employees located across the geographies where we operate. We also rely on external channels such as direct sales agents for referring potential customers to us.

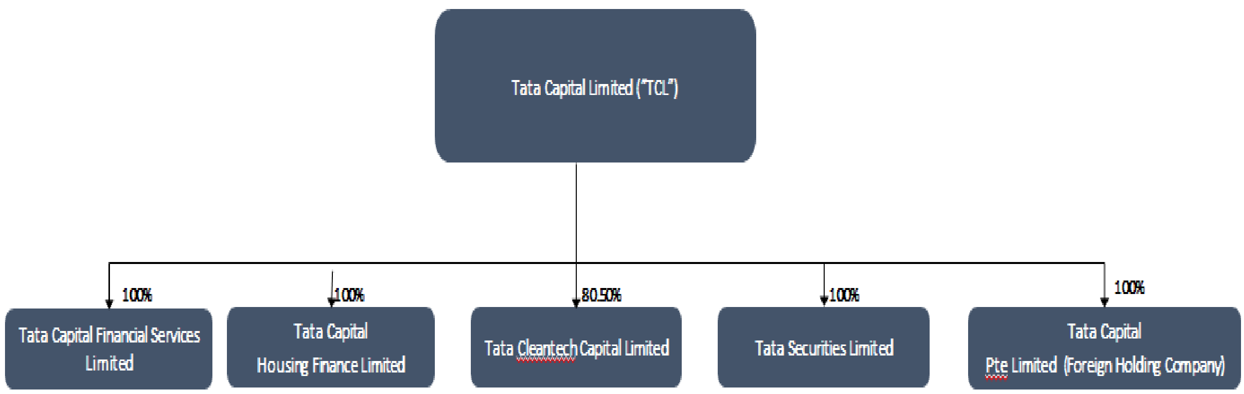
Our focus growth areas for the business are (i) affordable housing through increasing our reach into Tier II and Tier III cities, (ii) developing partnerships with property developers, (iii) leveraging the "Tata" brand and (iv) increasing our utilization of alternate business channels, including digital platforms.

The majority of our AUM comprises home loans, including in the affordable housing segment. As of March 31, 2017, March, 31, 2018, March 31, 2019 and September 30, 2019 mortgage loans (comprising home loans and home equity) constituted 88.03 %, 89.54 %, 88.77 % and 87.79 % respectively, of our AUM and construction finance loans constituted 11.97 %, 10.46 %, 11.23 % and 12.21 % respectively, of our AUM. As of March 31, 2017, March 31, 2018, March 31, 2019 and September 30, 2019, our Gross NPAs as a percentage of our outstanding loans were 0.91 %, 1.22 %, 0.90 % and 1.45 % respectively.

Our borrowings as of September 30, 2019 were ₹ 26,12,017 lakh. We rely on long-term and medium-term borrowings from banks and other financial institutions, refinance assistance from the NHB and issuances of non-convertible debentures and commercial papers in capital markets. We believe we have a diversified and stable lender base, comprising banks in the public and private sectors, mutual funds, insurance companies, provident funds, pension funds, multilateral agencies and other financial institutions including NHB.

Organisational structure

The following diagram sets out an overview of our shareholding structure as of this Draft Shelf Prospectus*:



* *The above structure excludes 'Trusts' which are subsidiaries of TCL, as they are not body corporates under the provisions of the Companies Act, 2013.*

Our Strengths

We believe that the following are our key strengths:

Respected “Tata” brand

We believe our success as a provider of financial services is built upon the reputation and client trust of the “Tata” brand. The “Tata” brand was recognised as one of the most valuable brands in the world in a brand survey undertaken by Brand Finance Plc, which was released in January 2019. We believe that the “Tata” name is associated with trust, knowledge, leadership and high quality services and solutions for our customers and stakeholders. The reputation of the “Tata” brand is pivotal to our ability to reach out to our customers and to access capital for our business. We believe that we have been able to build and strengthen our own brand and increase our brand awareness through quality customer service and various marketing and advertising campaigns in print and digital media. As of September 30, 2019, our current customer base was approximately 1,02,093 customers.

Unified financial services platform across Tata group and customer potential

We believe, our customers benefit from Tata group’s integrated financial services platform, which offers a cross section of financial services and products including home loans, home equity and construction finance. Our management structure enables us to leverage relationships across all lines of our businesses within Tata group. We believe our product knowledge derived from the multi-channel platform within Tata Capital Group, enhances our ability to cross-sell our financial services to a wide group of customers.

In addition, Tata group has approximately, 7,00,000 employees worldwide, a significant proportion of which reside within India. As part of the Tata Capital Group which is part of the Tata group, we believe we are in a prime position to market our financial products to the Tata group employees and family members who reside in India, and to encourage tie-ups and promotions with Tata group companies in order to capture a larger share of customers. We believe that we will be able to attract additional customers within Tata group as we implement our marketing strategies tailored to target such customers. Such strategies may include offering loan products with interest rates at or more competitive than market rates.

Strong internal controls and risk management systems

We believe that we have strong internal controls and risk management systems that allow us to assess and monitor risks across our business lines. Our Board has constituted various committees, including the Audit Committee, Asset Liability Committee, Risk Management Committee and Lending Committee, to monitor and manage risks at various levels. We place an emphasis on risk management measures to ensure an appropriate balance between risk and return and have taken steps to implement robust and comprehensive policies and procedures to identify, measure, monitor and manage risks. All new lines of business and product launches follow a rigorous internal approval process that requires assessing of risk and client suitability, understanding regulations and ensuring compliance with regulatory and internal policy prior to launch. We believe that we have effective procedures for evaluating and managing the market, credit and other relevant risks.

We are currently required to make provisions in respect of NPAs. We have implemented the provisions of the SARFAESI Act for our recovery process of NPAs. Our branch managers, sales/ credit teams and staff interact closely with customers at the time of loan disbursal. Their involvement extends to the collection process, thus ensuring both higher collection efficiency and stronger relationships. Our strict adherence to regulatory and supervisory norms, our systems-driven framework of supervisory committees and our Board are a few examples of how our corporate culture and policies contribute to our strong corporate governance and management of our NPAs.

Prudent credit and information technology policies and processes

Our credit policies specify the types of loans to be offered, the documentary requirements and limits on loan amounts, all aimed at ensuring underwriting of low risk, good quality and profitable loans. We have also established protocols and procedures to be followed when engaging with customers, as well as to determine the authority and levels to which credit decisions can be taken at our various offices. Over the past ten years, we have developed expertise in mortgage loan underwriting and this expertise forms the cornerstone of our business.

We believe our experienced credit team, with the support of our legal team, enable us to maintain effective mortgage loan underwriting through economic cycles. The credit policies are in place to help mitigate risks, formalise procedures for determining acceptable risks and monitoring and handling credit relationships. We believe that credit policies are of equal importance to our sales and customer services functions. Credit policies serve as a frontier when we engage in new business opportunities and allow us to capitalise from such business opportunities. Our credit policies are not designed to be necessarily restrictive but are built to ensure that our credit departments are well-structured and operate with efficiency. Additionally, through the adoption of various information security measures, we believe we are able to maintain our competitiveness, customer confidence and brand value. For further details on our Company’s information security measures, see “– *Liability Management – Operational Risk Management*” at page 86.

Strong management team

Our senior management team consists of professionals with experience in the banking and housing finance industries. The management team members share the common vision of excellence in execution and the team promotes a result-oriented culture that rewards our employees on the basis of merit. Our management team is supported by employees from a diverse set of backgrounds who bring significant expertise in our respective lines of business. Our management team has a continued and strong focus on identifying opportunities in the housing finance business that are capable of providing steady returns. We believe that the substantial experience and financial acumen of our management and employees provides us with a distinct competitive advantage across our large, diverse and branch network. For further details, see "*Our Management*" beginning on page 91.

Diversified funding mix and access to capital

We use a variety of funding sources to optimise funding costs, protect interest margins and maintain a diverse funding portfolio that enables us to further achieve funding stability and liquidity.

As of September 30, 2019, our sources of funding were primarily from banks and financial institutions (42 %), debt securities (non-convertible debentures and other debt instruments) (15 %), refinancing from NHB (21 %), commercial papers (11 %), and subordinated debt (2 %), borrowings outside India (ECBs) (2 %), inter corporate deposits (1 %) and CCCPS (6 %). We diversify our resources profile by accessing various sources of funds as permitted by the NHB and the RBI from time to time.

We are subject to the capital adequacy requirements prescribed by the NHB. We are required to maintain a minimum Capital Adequacy Ratio ("**CAR**") of 13 % on or before March 31, 2020. Our CAR as of March 31, 2019 and as of September 30, 2019 stood at 16.23 % and at 16.97 % respectively. We are adequately capitalised to cater to our business growth plans. As of this Draft Shelf Prospectus, we have received rating for our short-term instruments and long-term instruments as set forth:

Rating Agency	Rating	Nature of Securities
CRISIL	CRISIL A1+	Commercial Paper
CRISIL	CRISIL PP-MLD AAAr/ Stable	Market Linked Debentures
CRISIL	CRISIL AAA/ Stable	Secured NCDs, Subordinated Debt and Bank facilities
India Ratings	IND AAA	Non-convertible debentures and subordinated debt
ICRA	[ICRA] AAA (stable)	Subordinated Debt and Secured NCDs
ICRA	[ICRA] A1+	Commercial Paper

Such aforementioned ratings indicate strong degree of confidence in our Company's ability to timely service our financial obligations and allow us to access debt financing at competitive rates of interest. We believe that our strong financial performance, credit rating, risk containment measures and brand help us to access capital at competitive rates.

Strong growth opportunity supported by the Government's housing policy agenda

We believe that the rapidly growing housing finance industry in India provide us with a strong growth opportunity to service people in diverse geographical regions and across income spreads, in particular the low income segment. The growth in demand for housing construction and houses has resulted and is expected to lead to an increase in demand for mortgages. The Government has announced its plans to provide housing for all by 2022. The Governments focus on affordable housing and extending benefits of economic growth to the broader population are expected to lead to its support in providing low mortgage rates to the lower income segment of the Indian population on which we focus. We believe that being able to assess the credit quality of the lower income segment, including customers in Tier I, Tier II and Tier III cities and towns, and those private salaried persons, public servants, entrepreneurs, traders and other professionals, provides us with a significant competitive advantage and we believe will assist in our future growth.

Strong network and pan-India presence

Our geographical reach within India across Tier I, Tier II and Tier III cities allows us to target and grow our customer base. We offer loans to our target customer base of salaried and self-employed individuals across India. Our presence in 88 branches throughout India as of September 30, 2019, allows us to undertake loan processing, appraisal and management of customer relationships in an efficient and cost effective manner. We believe that we have an adequate sized direct sales team of employees located across the locations where we operate, and such sales team is responsible for sourcing the majority of our mortgage loans. We also rely on external channels, such as direct sales agents and connectors, for referring potential customers.

Our Strategies

Continue our expansion by focusing on home loans and the affordable housing segment

According to the ICRA, demand for housing in India is expected to grow at the rate of approximately, 12 % to 14 % in FY 2020 due to increasing population, income levels, urbanisation and a growing trend towards nuclear families. We intend to continue to grow as a home loan provider, with a focus on the affordable housing segment. We believe that there is a significant potential for growth in the housing finance industry in light of favourable government policies in the affordable housing segment.

We believe that a continued focus on home loans and the affordable housing segment, with an emphasis on growing our customer base across Tier I, Tier II and Tier III cities, will allow us to maintain a steady rate of growth and robust profitability, while maintaining our cautious approach to credit underwriting.

Leverage our technology capabilities

We believe that continuous investments and improvements in our platform will continue to enable us to increase customer satisfaction and reduce costs and overheads.

We will aim to use our technological capabilities to reduce our operational costs and improve productivity of our employees.

Leverage our financial strength and improved ratings to increase our competitiveness, diversify our funding mix and reduce our funding costs

Our cost of borrowings is driven by our credit ratings, financial discipline and business performance. As of this Draft Shelf Prospectus, we have received rating for our short-term instruments and long-term instruments as set forth:

Rating Agency	Rating	Nature of Securities
CRISIL	CRISIL A1+	Commercial Paper
CRISIL	CRISIL PP-MLD AAAr/ Stable	Market Linked Debentures
CRISIL	CRISIL AAA/ Stable	Secured NCDs, Subordinated Debt and Bank facilities
India Ratings	IND AAA	Non-convertible debentures and subordinated debt
ICRA	[ICRA] AAA (stable)	Subordinated Debt and Secured NCDs
ICRA	[ICRA] A1+	Commercial Paper

Such ratings indicate a highest degree of safety with regard to timely payment of interest and principal on the instrument. We therefore are able to source funds at competitive rates. Any reduction in our cost of borrowing will in turn allow us to reduce our cost of lending and competitively price our products to our customers. We believe that this competitive pricing combined with our loan service levels, will allow us to attract more customers with good credit records, to grow our portfolio and attain a higher market share. We also seek to continue to use a variety of funding sources to optimise our funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to further achieve funding stability and liquidity.

Our funding mix is as follows:

Source of Funding	As of March 31			As of September 30
	2017	2018	2019	2019
	(in ₹ lakh)			
Loans from banks and financial institutions	2,91,672	4,61,428	10,60,098	11,01, 609
Debt Securities (Non-convertible debentures and other debt instruments)	5,05,260	4,27,420	4,01,921	3,77, 648
Borrowings outside India (External Commercial Borrowing)	-	-	51,048	51,940
Commercial papers	3,00,691	3,03,373	2,50,572	2,90, 601
Subordinated debt	64,870	64,870	62,283	62,289
Inter-corporate deposit	10,000	-	20,118	17,800
Refinancing from NHB	3,48,285	5,67,375	5,84,659	5,51,969
Compulsorily convertible cumulative preference shares	-	-	1,27,200	1,57,200
Lease liability	-	-	-	961
Total	**15,20,778**	**18,24,466**	**25,57,899**	**26,12,017**

Continue to maintain prudent risk management policies for our AUM

We believe that the success of our business is dependent on our ability to consistently implement and streamline our risk management policies. As we focus on building a large AUM with low credit risk, we will continue to maintain strict risk management standards to reduce credit risks and promote a robust recovery process. We also intend to further develop and strengthen our technology platform to support our growth and improve the quality of our risk management. We plan to continue to update our systems and use the latest available technology to streamline our credit approval, administration and monitoring processes, in order to meet customer requirements on a real-time basis. We believe that improvements in technology will also reduce our operational and processing time, thereby improving our efficiency and allowing us to provide better service to our customers.

Expand our network and leverage digital media

We believe that there are opportunities to grow our network and expand our reach within India. We believe that our low income group customers in Tier II and Tier III cities are presently under-served by existing financial institutions, which presents us with significant opportunities for growth. In addition, we intend to significantly increase our online and digital presence.

We believe that our target customer base is increasingly relying on online platforms to make financial decisions. Furthermore, with more users using social networking sites, we aim to use such digital platforms in the future to provide relevant information to our customers at all times, instantaneously.

Continue to leverage our business relationships with Tata companies and alternative distribution channels to build our existing customer base

We intend to increase our credit portfolio in the retail and corporate segments by strengthening and expanding our relationship with retail and corporate clients, and leveraging our connection to the wider Tata group's network of vendors, dealers and customers. We believe we can incorporate this wider business network into our existing customer base through the launch of new products and services, and developing new distribution channels that cater to our customers' specific needs. Tata group has approximately 7,00,000 employees worldwide, a significant proportion of which reside within India. We believe that we will be able to attract additional customers within Tata group as we implement our marketing strategies tailored to target such customers.

Products

We are an HFC with a focus on providing housing finance and related products for our eligible customers, primarily through affordable home loans, home equity and construction finance. As of March 31, 2017, 2018 and 2019 and September 30, 2019, mortgage loans (comprising home loans and home equity) constituted 88.03 %, 89.54 %, 88.77 % and 87.79 % respectively, of our AUM and construction finance loans constituted 11.97%, 10.46%, 11.23 % and 12.21 % respectively, of our AUM.

Generally, we determine the actual loan amount for each loan by taking into account various factors including the property value, repayment capacity, age, educational qualifications, stability and continuity of income, number of dependents, co-applicant's income, assets, liabilities and historical savings habits. Loans are generally repaid in equated monthly instalments. The size of EMIs depends on the quantum of loan, interest rate and tenure of the loan. Prepayment of the loan, ahead of the contracted schedule in part or full, is permitted. Our retail prime lending rate as of September 30, 2019 was 17.45 %.

Home Loans

We offer secured mortgage-backed home loans to salaried and self-employed individuals. We provide home loans for:

- the purchase of flats, houses and bungalows from real estate developers and existing freehold properties or a lease hold property;
- the purchase of properties in an existing co-operative housing society or apartment owner's association;
- the construction of residential dwelling units on any plots already owned;
- the purchase of residential plots and/or construction thereon;
- the extension of existing residential properties such as adding floors or new rooms; and
- the renovation of existing residential properties.

We offer customised home loan plans to suit our customers' needs. We engage with our customers on an on-going basis to ensure a high degree of customer satisfaction.

Home loans can be applied for either by individual owners or by co-owners. Proposed owners of the property will have to be co-applicants. Approval for loans may be granted even if the property is yet to be selected by the customer, as the final approval will only be granted once the collateral is finalised and the collateral satisfies our allowed loan-to-value ratios.

For loans up to ₹ 30.00 lakh, the NHB allows a loan-to-value ratio of up to 90.00 %, of the value of the property. For loans of ₹ 30.00 lakh to ₹ 75.00 lakh, the NHB allows a loan-to-value ratio of up to 80.00 % and for loans of greater than ₹ 75.00 lakh, a maximum loan-to-value ratio of 75.00 % applies. As of September 30, 2019, the majority of our home loans were granted on floating rates of interest.

Home Equity

In addition to our home loans, we also provide home equity (residential and commercial), primarily to self-employed individuals, proprietorships and small businesses for working capital or business expansion needs, which are secured by mortgages against, among others, the self-occupied residential properties owned by our customers.

Construction finance to developers

We also provide construction finance by way of working capital assistance and term loans to housing developers to finance the construction of residential and commercial complexes which are disbursed in instalments benchmarked against a schedule of construction progress or completed inventory. The primary security is a registered or equitable mortgage on the project land or construction thereon and hypothecation of receivables from the project. Other security may include personal guarantees from the promoters, partners or directors of the borrower and a mortgage of other land or buildings or a pledge of shares in a developer.

Sales, marketing and distribution offices

Sales and marketing

Our marketing strategy revolves around the following:

- Positioning ourselves as one of the leading housing finance companies, especially in the affordable housing segment, offering home loans with fast processing and quick turn around times;
- Building high levels of awareness and consideration for our brand across all customer segments;
- Ensuring sustained visibility through television, print, social and digital media targeted at our relevant customer segments;
- Ensuring sustained presence on-ground through activities at events, exhibitions, corporate offices and other venues;
- Creating digital assets and digitising existing processes to reach out to newer customer segments; and
- Strengthening visibility at point-of-sale with builders through maintaining an optimum presence in and around our pre-approved residential projects.

Our Company carries out various marketing and branding activities, implements our marketing strategy in order to ensure that our brand objectives are met. At certain instances, we may also engage third party agencies to support the marketing and branding team in achieving our objectives.

We adopt a comprehensive marketing approach across various media platforms to achieve sustained and strategic visibility and effective and efficient communication with potential customers. Our communication channels generally include the following:

- above-the-line communication: advertise through television, national and vernacular dailies, radio and outdoor advertising structures;
- below-the-line communication: conduct and/or participate in sponsored events, property exhibitions, customer awareness events and co-branded builder site events promotions; and
- digitalisation and digitisation: digitalisation and digitisation are key areas of emphasis for us. We intend to utilize advances in technology and data analytics to further our strategic objectives. We believe that we can increase our growth and efficiency while reducing costs through the adoption of advanced digital technology to provide new products and services to consumers.

Our sales efforts primarily involve loans provided to customers purchasing (i) homes in under-construction projects or (ii) homes being resold. We enter into tie-ups with real estate developers, pursuant to which we can pre-approve their projects. We also enter into tie-ups with other corporate houses for the referral of our products to their employees. Our direct sales team employees operating at the project sites service the customers intending to purchase homes from pre-approved construction projects. We also have a dedicated call-centre to address enquiries generated from various media and to resolve customer complaints.

Direct Sales Team

Our customers are sourced through our in-house direct sales team and branch walk-ins. Our direct sales team covers and penetrates the urban and semi-urban customer segments. We believe that we have an adequate sized direct sales team of employees located across the locations where we operate. For Fiscal 2019 and for the period ended September 30, 2019, 49 % and 39 % of our mortgage loans were respectively sourced in-house through our direct sales team and walk-in customers.

The direct sales team employees supervise approved and under-construction residential projects across India. They engage with customers at the time that the customers are selecting housing units for purchase. Often the direct sales team employees show various developments to the customers and help the customers with the purchase decision. Once the sale is ready to close, the direct sales team employees also assist the customers in obtaining a home loan.

We also rely on external direct sales agents for referring potential customers. Business sourced by a direct sales agent is appraised by us in accordance with our underwriting standards and requirements. Our employees undertake the loan processing, appraisal and management of customer relationships after the disbursement of the loan. The direct sales agents pass on leads of any loan requirements to us. These direct sales agents do not work exclusively with us, and may also work with other lenders, including our competitors. For Fiscal 2019 and for the period ended September 30, 2019, direct sales agents sourced 51 % and 61 % of our mortgage loans respectively.

Distribution

Our distribution network, which includes our branches and third party direct selling associates, plays an important role in sourcing home loans. We also have distribution tie-ups with alternate channels such as co-operative banks and digital aggregators.

Our distribution network across Tier I, Tier II and Tier III cities is designed to reach out to the low and moderate income segment and tap the growing potential customer base throughout India. We maintain a pan-India marketing and distribution network with a presence in 88 branches throughout India as of September 30, 2019.Our distribution network in India is spread over Tier I, Tier II and Tier III cities and towns. We believe our business model allows us to deliver improved turnover time and to improve customer satisfaction while maintaining asset quality.

Lending Policies and Procedures

Overview

We are an HFC, registered with the NHB. The NHB stipulates prudential guidelines, directions and circulars in relation to HFCs. For further details, see "*Regulation and Policies*" beginning on page 176. Within the NHB guidelines, directions and circulars, HFCs can establish their own credit approval processes. As such, once a company has obtained an HFC licence, the terms, credit levels, and interest rates of loans and any credit approvals would be based upon the HFCs established internal credit approval processes framed in accordance with applicable regulations by the NHB. Each HFC undergoes annual inspections by the NHB. The inspections are exhaustive and can last for a period of three to four weeks, during which the regulators review the HFCs adherence to regulatory guidelines, scrutinise the loan book and individual loan files (including security documents), review the functioning of the Board and its committees and our adherence to minutes of various internal meetings, review the NPAs and delinquent cases, review and evaluate the credit approval policies and credit assessment standards, review implementation of decisions and policies of the Board and review adherence to prescribed formats in the filing of regulatory reports.

We believe, we have a strong team of experienced officers in our credit appraisal and risk management teams to develop and implement our credit approval policies. Our credit approval policies focus on credit structure, credit approval authority, customer selection and documentation provided by the customer. Our risk management and appraisal systems are regularly reviewed and upgraded to address changes in the external environment.

Our customers are required to submit a duly signed application form, a processing fee cheque, and required KYC documents, including proof of name, date of birth, address and signature, as well as documents relating to the property to be purchased. To be eligible for a retail mortgage loan, each prospective customer must either be presently employed and receiving a salary from a corporation or be self-employed with an established business track record and sufficient earnings. Each such prospective customer is also required to provide requisite documentation for income verification purposes. If salaried, prospective customers are required to submit salary slips, bank statements and Form 16, a certificate issued to salaried personnel in India by their respective employers certifying the TDS from salary disbursements for such employees. If they are self-employed, prospective customers are required to submit income tax returns along with financial statements and bank statements. Borrowers that are proprietorships or companies are also required to submit certain approvals maintained by them in respect of their business and operations.

Once a prospective customer has submitted a completed application, credit officers in the branch office verify various details, and empanelled third-party agencies conduct various on-site checks to verify the prospective customer's work and home addresses, as well as telephone numbers. We check the credit history and creditworthiness of the customer with various credit bureaus to ascertain the financial obligations of the customer and to ensure that the customer has a clean repayment track record. We obtain documents such as consumer credit reports from Credit Bureaus for delays/defaults by the borrower. We also carry out various reference checks with the customer's bankers, debtors and creditors, as well as with the customer's neighbours. Internally, we check databases for any information and feedback on the customer. We carry out title and legal checks on the collateral to ensure that we have the first and sole charge on it. Additionally, we conduct property valuations internally and also engage external property valuers to assess the property. The lower of the two valuations is reviewed by the credit officer. Additional checks are also undertaken by our fraud control unit to ensure that the customer is genuine.

Once the application review process is completed, the loan is sanctioned by the mandated approval authority. A credit decision is then communicated to the customer.

Before disbursing the loan, we must receive either electronic clearance instructions from the customer for EMI payments. We also receive an additional cheque for the principal amount of the loan, which we can present if the loan becomes pre-payable for any reason.

Once the direct debit authorisations and/or cheques have been received, the funds are disbursed to the customer.

Portfolio Monitoring

Our risk and collection departments review and monitor our loan portfolio. This department monitors debt repayment levels of particular loan exposures on a monthly basis. This allows us to identify potentially problematic loans at an early stage and prepare for immediate actions if any principal or accrued interest repayment problems arise. The portfolio is monitored by way of various analyses consisting of:

- Reviewing of banking and repayment of EMIs;
- bucket-wise ageing analysis (i.e. number of days past due) of the outstanding portfolio;
- concentration risk monitoring in segments of the portfolio;
- early warning delinquency analysis; and
- historical case review on a periodical basis, including review of credit risks and operational risks.

The NHB Directions, 2010 stipulate requirements for HFCs for assessing the quality of their assets including preparation of financial statements. We follow applicable accounting guidelines and the NHB Directions, 2010 for preparation of our financial statements and prudential norms prescribed by the NHB for the purpose of asset classifications.

Provisions for contingencies have been made on non-performing loans and other assets as per the prudential norms prescribed by the NHB for the financial year ended March 31, 2018 and for the financial year ended March 31, 2019, the Company has made provision for expected credit loss for loan portfolios as per Ind AS 109 and as per prudential norms prescribed by the NHB.

Asset Recovery and Non-Performing Assets

We believe that we have a defined, fair and systematic process for the collection of delinquent dues. When a customer initially misses the payment of any instalment on its due date, we contact the customer via telephone to ascertain the reason for non-payment and to determine the likelihood of the collection of the overdue instalment from the borrower. If the default remains outstanding for a period of 30 days or longer, we send a written demand notice setting out the amount in arrears and simultaneously send our in-house collection team to the borrower to collect the arrears in person. If a borrower defaults on two consecutive instalments, we typically send a further demand notice indicating the legal consequences of failing to make two consecutive instalment payments while ensuring that our in-house collection team continues to follow-up with the borrower in person. Once, the account of customer is classified as NPA, the Company initiates legal actions, including action under SARFAESI Act, 2002.

The following table sets out details of our NPAs (in absolute terms and also as a percentage of our AUM) and our provision as of March 31, 2017, 2018 and 2019 and the period ended September 30, 2019:

Particulars	**As of March 31**			**As of September 30**
	2017	**2018**	**2019**	**2019**
	(in ₹ lakh, except percentages)			
Gross NPAs	15,553	24,851	23,904	40,059
Provisions*	7,732	15,182	13,871	25,553

Particulars	As of March 31			As of September 30
	2017	2018	2019	2019
	(in ₹ lakh, except percentages)			
Percentage of gross NPAs to AUM	0.91 %	1.22 %	0.90 %	1.45 %
Net NPAs	7,821	9,669	10,033	14,506
Percentage of net NPAs to AUM	0.46 %	0.48 %	0.38 %	0.53 %
NPA Coverage ratio	49.71 %	61.09 %	58.03 %	63.79 %
Total cumulative provision – loans and other assets (Standard asset + NPA provision)	16,732	25,144	32,528	44,199

* *Impairment loss allowance in respect of assets under Stage 3*

Provisioning Policy

Under Indian GAAP, the provisioning for standard loan assets (assets with days past due less than or equal to 89 days) is provided at rates ranging from 0.25 % to 1 % as on March 31, 2018 (0.4 % to 1 % as on March 31, 2017) as prescribed by NHB norms. For NPA assets (assets with days past due equal to 90 days or more as on March 31, 2018 and March 31, 2017 respectively), the minimum provisioning is made as per the NHB norms and additional provisioning is made as per management judgement and estimates.

As per Ind AS 109, the company is required to apply expected credit loss model for stage 1 assets (days past due less than or equal to 29 days), stage 2 assets (days past due equal to 30 days and less than or equal to 89 days) and stage 3 assets (days past due equal to 90 days or more) based on assessment of level of credit risk and recognise the impairment allowance on loans.

As of September 30, 2019, our Gross NPAs were ₹ 40,059 lakh, representing 1.45 % of our AUM. As of September 30, 2019, we made provisions for NPAs of ₹ 25,553 lakh, representing 63.79 % of our gross NPAs.

The following table is a summary of the risk classification of our gross NPAs (in absolute terms and as a percentage of our gross NPA) and our provision for probable losses as of March 31, 2017, 2018 and 2019 and for the period ended September 30, 2019:

NPAs	As of March 31						As of September 30	
	2017		2018		2019		2019	
	Amount (in ₹ lakh)	% of total NPAs	Amount (in ₹ lakh)	% of total NPAs	Amount (in ₹ lakh)	% of total NPAs	Amount (in ₹ lakh)	% of total NPAs
Home Loans								
Substandard assets	6,443	41.43 %	14,041	56.50 %	17,619	73.71 %	30,046	75.00 %
Doubtful assets	2,956	19.01 %	4,621	18.59 %	471	1.97 %	532	1.33 %
Loss asset	1,850	11.89 %	327	1.32 %	543	2.27 %	59	0.15 %
Total home loans (A)	11,249	72.33 %	18,989	76.41 %	18,633	77.95 %	30,637	76.48 %
Non-housing Loans								
Substandard assets	3,279	21.08 %	4,033	16.23 %	4,975	20.81 %	8,553	21.35 %
Doubtful assets	615	3.95 %	1,829	7.36 %	296	1.24 %	869	2.17 %
Loss asset	410	2.64 %	-	0.00 %	-	0.00 %	-	0.00 %
Total non-housing loans (B)	4,304	27.67 %	5,862	23.59 %	5,271	22.05 %	9,422	23.52 %
Total NPA (A+B)	15,553	100.00 %	24,851	100.00 %	23,904	100.00 %	40,059	100.00 %
Total	7,732	49.71 %	15,182	61.09 %	13,871	58.03 %	25,553	63.79 %

NPAs	As of March 31						As of September 30	
Provisions								

Further, historically, we have maintained a higher provisioning for NPAs than the norms prescribed by the NHB.

Loan operations

Loan sanctions during Fiscal 2019 were ₹ 17,30,411 lakh as against ₹14,38,897 lakh in the previous Fiscal, representing a growth of 20.26 %. Loan disbursements during Fiscal 2019 were ₹ 11,10,111 lakh as against ₹ 9,37,783 lakh in the previous Fiscal, representing a growth of 18.38 %.

The following table sets out the value of loan sanctions and disbursements as of March 31, 2017, 2018 and 2019:

	As of March 31			
	2017	**2018**	**2019**	**CAGR %**
	(in ₹ lakh, except percentages)			
Loan Disbursements	8,23,558	9,37,783	11,10,111	16.10 %
Loan Sanctions	11,80,379	14,38,897	17,30,411	21.08 %

In value terms, our loan sanctions have grown at a CAGR of 21.08 % and disbursements have witnessed a CAGR of 16.10 % over Fiscals 2017, 2018 and 2019.

Sources of funding

We strive to maintain diverse sources of funds in order to reduce our funding costs, maintain adequate interest margins and achieve liquidity goals. For details of our sources of funding see, "*Disclosures on Financial Indebtedness*" beginning on page 103.

Liability management

As a lending entity, we are exposed to various risks such as credit risk, market risk, liquidity risk, legal risks, interest rate risk, and operational risk. We are conscious of these factors and place an emphasis on risk management practices to ensure an appropriate balance between risks and returns. We have put in place a comprehensive risk management policy to identify, assess and monitor various risks. Risk management is driven by the Board of Directors with the overall responsibility of risk management assigned to the Risk Management Committee and Asset Liability Committee of the Board of Directors. At an operational level, the risk management function is led by the Chief Risk Officer.

We believe we have a robust liability management programme that leads to stable borrowings at reasonable costs. We have lending relationships with Indian public sector banks, private banks, mutual funds, provident funds, pension funds, insurance companies and other financial institutions.

Our borrowing is mainly in the form of term loans from banks, non-convertible debentures and commercial paper, issued on a private placement basis and refinance loans from the NHB.

Risk and Asset-Liability Management

Our Board has formed the Risk Management Committee and the Asset Liability Committee to help prudently manage major risks within our company.

The Risk Management Committee is composed of five members who are responsible for, among other things:

- To assist the Board in its oversight of various risks viz., credit risk, liquidity and interest rate risk, operational risk (process, human resource, technology and fraud), strategic risks (including emerging and external risks) and compliance and reputation risk;
- To approve and review compliance with risk policies, monitor breaches/triggers of risk tolerance limits and direct action;
- To review and analyse risk exposure related to specific issues and provides oversight of risk across organisation;
- To review reports of significant issues prepared by internal risk oversight functional groups, including risk exposure related to specific issues, concentrations and limits excesses;
- To nurture a healthy and independent risk management function in our Company;
- To inculcate risk culture within the organization; and

- To approve the Enterprise wide Risk Management (ERM) framework.
- The Asset Liability Committee is composed of four members who are responsible for, among other things:
- Compliance with NHB prudential norms/directions/guidelines for asset liability management;
- Debt composition and fund raising plan of our Company;
- Resource Raising Policy of our Company;
- Pricing of loans; and
- Interest rate risk/liquidity risk analysis.

Our Board has established various other committees, namely the Audit Committee, Nomination and Remuneration Committee, Working Committee, Corporate Social Responsibility Committee, Information Technology Strategy Committee and Lending Committee, which act in accordance with the terms of reference determined by the Board. These committees comprise Independent Directors on our Board, along with experienced members of our senior management team who have put in place preventative measures to mitigate various risks. We have a robust mechanism to ensure the on-going review of systems, policies, processes and procedures to mitigate risks that arise from time to time. The key principles we apply to address and mitigate interest rate risk, liquidity risk, credit risk and operational risk are summarised below.

Interest Rate Risk

We are in the business of lending. We borrow funds at floating and fixed rates of interest, while primarily extending credit at floating rates of interest. Our profitability is linked to interest rates, which exposes us to an interest rate risk. Consequently, exposure to interest rate fluctuations, particularly any increases, needs to be managed in order to mitigate the risk.

Our business is impacted by a change in interest rates, although the floating rate loans only re-price on a periodic basis. Our balance sheet consists of Indian Rupee-denominated assets and liabilities. Consequently, movements in domestic interest rates constitute the primary source of interest rate risk.

This risk is managed on the balance sheet by the management team, with the guidance of our Asset Liability Committee. The committee actively reviews our assets and liabilities positions, and gives directions to the finance and treasury teams in managing the same.

Liquidity Risk

Liquidity risk arises when there is an asset-liability mismatch caused by the difference in the maturity profile of our assets and liabilities, resulting in inability to liquidate a position in a timely manner at a reasonable price. This risk may lead to unexpected increases in the cost of funding. HFCs in particular are exposed to liquidity risk in view of the fact that the assets generated by HFCs are of an average tenor of seven to eight years while the liabilities contracted are of an average tenor of less than five years. We actively monitor our liquidity position to ensure that we can meet all requirements of our borrowers, while also meeting the requirements of our lenders and to be able to consider investment opportunities as they arise. As average loan tenors change due to market conditions, we may be exposed to more liquidity risk during certain market conditions as opposed to others.

We seek diverse sources of liquidity to facilitate flexibility in meeting funding requirements. Our operations are principally funded by borrowings from banks and financial institutions, while we also obtain funding from NHB, and the domestic debt markets. In addition, due to our stable short-term and long-term credit ratings, we have access to fundraising opportunities in the capital markets.

We classify our assets and liabilities as current and non-current based on our contracted maturities. However, our classification of assets and liabilities into various maturity profiles reflects various adjustments for prepayments and renewals in accordance with the guidelines issued by the NHB. We manage our balance sheet while drawing new debts and extending credits so as to minimise potential asset-liability mismatches. Please see Annexure A, "*Financial Information*" beginning on page 195.

Capital Adequacy

HFCs are required to maintain a minimum CRAR norm of 13.00 % of the risk-weighted assets and risk-adjusted value of off-balance sheet items before declaring any dividends on or before March 31, 2020. In addition, the NHB also requires HFCs to transfer a minimum of 20.00 % of their annual profits to a reserve fund. The table below sets forth our standalone CRAR As of March 31, 2017, 2018 and 2019 and the period ended September 30, 2019:

Particulars	March 31			September 30
	2017	2018	2019	2019
	(in percentages)			
CRAR[1]	16.01	17.22	16.23	16.97
CRAR – Tier I Capital	10.19	12.10	11.94	13.06
CRAR – Tier II Capital	5.82	5.12	4.30	3.91

[1] *CRAR is defined as a capital ratio consisting of Tier I and Tier II Capital to our aggregated risk weighted assets (as per the NHB Regulations) and risk adjusted value of off-balance sheet items.*

Credit Risk

Credit risk is the risk of loss that may result from a borrower's or counterparty's failure to meet the contractual obligation of repaying debt as per the agreed terms. Credit risk is actively monitored and controlled by our Risk Management Committee. The committee reviews and updates the credit policy, which is strictly adhered to by our underwriting teams. We also employ advanced credit assessment procedures, which include verifying the identity and checking references of prospective customers thoroughly at the generation stage. Our extensive local presence also enables us to maintain regular direct contact with our customers. The underwriting team works closely with our fraud control unit, which uses internal and external sources to identify all possible fraudulent loan applications.

The Risk Management Committee is composed of five members, including members of our senior management team with significant experience in the industry. The Risk Management Committee meets once in each quarter and reviews our Company's risk profile.

Operational Risk Management

Operational risk is the risk of loss resulting from (i) inadequate or failed internal processes, (ii) people and systems, or (iii) external events. Operational risk is associated with human errors, system failures, and inadequate procedures and controls. We follow the operational risk management framework that our Board has approved. We have also put in place key risk indicators to monitor and identify key risks on an ongoing basis and corrective actions are implemented accordingly.

We have identified certain types of operational risk events that are more likely to result in substantial losses to our business. These include (i) credit risk, (ii) technology risk, (iii) employee risk, (iv) regulatory risk, and (v) the risks arising from fraud and anti-money laundering transactions.

The operational risk management committee is composed of six members, including members of our senior management team. The operational risk management committee meets once in each quarter and reviews our company's risk profile.

Key Performance Indicators

The following tables set forth certain information relating to the financial performance and key performance indicators of our lending business as carried out by us.

The summary for March 31, 2018 and March 31, 2017 under Indian GAAP is, as under:

Parameters	Fiscal 2017	Fiscal 2018
	(₹ lakh, except number of accounts / groups)	
Net worth	1,28,121	1,69,878
Total debt	15,20,778	18,24,466
i) Non-current long term borrowings	8,65,745	10,41,115
ii) Short term borrowings	3,57,918	5,40,745
iii) Current maturities of long term borrowings	2,97,115	2,42,606
Net fixed assets	1,860	2,796
Non-current assets*	2,445	4,662
Cash and cash equivalents	8,303	6,931
Current investments	-	-
Current assets**	310	1,158
Current liabilities	48,440	40,973
AUM	17,00,322	20,43,939
Off-balance sheet assets	-	-
Interest income from funding activities	1,70,696	1,94,690
Interest expense	1,13,743	1,24,664
Provisioning and write – offs	7,040	12,832
PAT	17,817	21,420
Gross NPA (%)	0.91 %	1.22 %
Net NPA (%)	0.46 %	0.48 %

Parameters	Fiscal 2017	Fiscal 2018
	(₹ lakh, except number of accounts / groups)	
Tier I Capital Adequacy Ratio (%)	10.19 %	12.10 %
Tier II Capital Adequacy Ratio (%)	5.82 %	5.12 %
Yield	10.76 %	10.28 %
Cost Of Borrowing	8.50 %	7.79 %
Net Interest Margin	3.36 %	3.50 %
Cost to Net Total Income	40.60 %	36.92 %
ROA	1.15 %	1.16 %
ROE	14.27 %	13.99 %

* *Non-current asset is calculated after deferred revenue and unamortised loan sourcing costs, which are considered in net worth.*

** *Current assets is calculated after deducting prepaid expenses, deferred revenue and unamortised loan sourcing costs considered in net worth.*

The summary for September 30, 2019, March 31, 2019 and March 31, 2018 under Ind AS is, as under:

Parameters	Fiscal 2018	Fiscal 2019	Half year ended Sep 30, 2019
	(₹ lakh, except number of accounts / groups)		
Net worth*	1,59,300	2,17,077	2,49,250
Total borrowings of which			
i) Debt Securities	4,27,420	4,02,157	3,77,859
ii) Borrowings (other than debt securities)	13,32,175	19,67,636	20,16,036
iii) Subordinated liabilities	64,870	62,370	62,370
Property, plant and equipment	1,481	1,827	2,768
Investment Property	416	397	387
Capital work in progress	174	66	129
Intangible assets under development	725	9	-
Other intangible assets	-	714	659
Loans	20,32,904	26,34,805	27,54,588
Other Financial assets	566	1,147	3,204
Other Non-financial assets	11,546	12,882	14,135
Cash and cash equivalents	6,952	13,276	2,925
Bank balance other than above	26	51,708	10,051
Investments	281	369	381
Other Financial liabilities	33,068	30,705	37,271
Non-Financial liabilities	38,238	37,255	46,442
Total income	1,92,701	2,44,001	1,49,489
Revenue from operations	1,89,229	2,38,761	1,47,540
Finance cost	1,35,165	1,77,451	1,10,632
Impairment on financial instruments	13,915	20,210	17,190
Profit for the year from continuing operations	8,761	5,049	2,370
Total Comprehensive Income	8,794	5,000	2,828
Gross NPA (%)	1.22 %	0.90 %	1.45 %
Net NPA (%)	0.41 %	0.38 %	0.53 %
Tier I Capital Adequacy Ratio (%)	10.82 %	11.94 %	13.06 %
Tier II Capital Adequacy Ratio (%)	5.65 %	4.30 %	3.91 %
Yield	10.28 %	10.19 %	10.56 %
Cost Of Borrowing	7.95 %	8.20 %	8.31 %
Net Interest Margin	2.97 %	2.66 %	2.66 %
Cost to Net Total Income	45.92 %	51.84 %	44.57 %
ROA	1.00 %	0.60 %	0.63 %
ROE	13.65 %	7.68%	6.79 %

* *Networth has been calculated as per Section 2(57) of Companies Act, 2013 and includes Compulsorily Convertible Cumulative Preference Share (CCCPS) held entirely by the Holding Company of ₹ 1,57,200 lakh as on September 30, 2019, of ₹ 1,27,200 lakh as on March 31, 2019 and ₹ 1,12,500 lakh as on March 31, 2018.*

In addition, our Loan Book also increased at a CAGR of 24.52 % from Fiscal 2017 to Fiscal 2019.

Competition

We face competition in all of our lines of business. Our primary competitors are commercial banks and other HFCs. Local public and private sector banks with a large deposit base, technological sophistication and extensive branch network may have greater reach to the retail clients. Foreign banks, although having small market penetration, have significant presence among non-resident Indians. As personnel is the prime asset of any service-orientated business such as is, there is also a competition in recruitment and retention of skilled and professional human resources.

We compete in the market with fast turnaround time, service quality, diversified product lines, clear focus on the identified markets and good human resource practices to attract and retain talents.

Information technology

We recognise the importance of information technology and use both internally developed and externally subscribed tools to improve our overall productivity. Data is processed and analysed using various tools, enabling us to manage our nationwide network of branches efficiently and cost-effectively and monitor various risks appropriately.

Our IT systems have the capability of end-to-end customer data capture, computation of income, collateral data capture and repayment management. Loan approval is controlled by the loan application system and the monthly analytics reports, including through-the-door and credit information tracking to ensure risk management control and compliance. For our employees, day-to-day activities and collection workflow processes are accessible through hand-held devices and mobile applications.

We believe we have also implemented security tools to ensure data security for our scale of operations.

Insurance

We currently maintain a money insurance coverage for cash that is maintained in our offices and cash in transit. We also maintain a directors' and officers' liability policy covering the Directors, officers and employees against claims arising out of legal and regulatory proceedings and monetary demands for damages.

Intellectual property

We conduct our operations under the "Tata" brand name which is registered in the name of the ultimate holding company of our Promoter, Tata Sons Private Limited (formerly known as Tata Sons Limited), with a certificate of registration of trademark dated November 3, 2009. Our Company has also subscribed to the Tata Brand Equity and Business Promotion Agreement executed between Tata Sons Private Limited (formerly known as Tata Sons Limited) and Tata Capital Limited ("**BEBP Agreement**"). For further details see, "*History and Main Objects*" on page 89.

Property

Our Registered Office is situated at 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. Our Promoter has issued a no objection certificate dated March 30, 2018 allowing our Company to use the premises as our registered office from April 1, 2018. Further, as on September 30, 2019, we have 88 branches located throughout India which have been mostly leased by us.

Employees

TCHFL recognizes people as its most valuable asset. As on September 30, 2019, we had 1,575 permanent employees on the rolls of TCHFL. We consider talent management as the key tool that provides an integrated means of identifying, selecting, developing and retaining top talent within the organization. TCHFL continuous endeavor is on creating a high performance culture that has been further strengthened through areas like building a capability model. Focus on behavioural and leadership traits through learning and development interventions and job rotations are planned for the employees who constitute our talent pool. Our learning and development initiatives include executive development programs, e-learning and various classroom based training programs.

Corporate social responsibility

We believe, we are firmly committed to taking corporate social responsibility ("**CSR**") initiatives. As per Section 135 of the Companies Act, 2013, we have constituted a Corporate Social Responsibility Committee. Our CSR policy outlines four areas for development, namely the livelihood of people, employability, health, education and environment. During Fiscal 2019 we spent approximately ₹ 641.60 lakh in our CSR initiatives, which constituted 2.00 % of our average net profit in the three immediately preceding Fiscals calculated as per Section 198 of the Companies Act, 2013 in projects covered under Schedule VII of the Companies Act, 2013.

HISTORY AND MAIN OBJECTS

Brief background of our Company

Our Company was incorporated as Tata Capital Housing Finance Limited on October 15, 2008 at Mumbai, Maharashtra, as a public limited company, under the provisions of the Companies Act, 1956 with corporate identity number U67190MH2008PLC187552. Our Company also received a certificate for commencement of business on November 10, 2008. Our Company has obtained a certificate of registration dated April 2, 2009, bearing registration number 04.0073.09 by the NHB to carry on the business of a housing finance institution without accepting public deposits in accordance with Section 29A of NHB Act.

Registered Office and changes to Registered Office of our Company

The Registered Office of our Company is situated at 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The Board of Directors of our Company at its meeting held on October 26, 2017 had, *inter alia*, approved shifting of the Registered Office of our Company from One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai 400 001, Maharashtra, India, to the present address, with effect from April 1, 2018.

Amalgamation, acquisition, re-organisation or reconstruction undertaken by our Company in the last one year

There have been no amalgamations, acquisitions, re-organisations or re-constructions undertaken by our Company in the last one year, preceding the date of this Draft Shelf Prospectus.

Key events, milestones and achievements

The table below sets forth the key events in the history of our Company:

Year	Particulars
2008	Our Company was incorporated as Tata Capital Housing Finance Limited
2017	Our Company received the award for 'Best Housing Finance Company' as part of the 'National Awards For Best Housing Finance Companies' endorsed by CMO Asia and World Federation of Marketing
2018	Our Company received the award for 'Best Housing Finance Company' as part of the BFSI Awards presented by ET Now
	Our Company's management system for, *inter alia*, providing loans for home purchase (home loans) and loans to real estate developers for funding project construction (construction finance), was certified to conform to the Quality Management System standard: ISO 9001:2015

Key terms of material agreements

Tata Brand Equity and Business Promotion Agreement executed between Tata Sons Private Limited (formerly known as Tata Sons Limited) and Tata Capital Limited

Tata Sons Private Limited (formerly known as Tata Sons Limited) and TCL (herein defined to include TCL as a party and its existing subsidiaries, including our Company as a subscriber) entered into a Brand Equity and Business Promotion Agreement on October 4, 2013 ("**BEBP Agreement**"), setting out the terms and conditions in relation to the subscription of the 'Tata Brand Equity and Business Promotion Scheme' and usage and association with the mark "TATA" by TCL (herein defined to include TCL as a party and its existing subsidiaries, including our Company as a subscriber). The BEBP Agreement also contains certain key provisions which, *inter alia*, provides for the grant and use of marks, business name subscription, term, termination and confidentiality.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

To carry on the business of providing long term finance to any person or persons, company or corporation, society or association of persons with or without interest and with or without any security for the purpose of enabling such borrower to construct / purchase any house or any part or portions thereof in India for residential purposes on such terms and conditions as our Company may deem fit.

To provide finance for enlargement or repairs of any house or any part or portions thereof on such terms and conditions as our Company may deem fit.

To negotiate loans of every description and to finance or assist in financing on long term basis, the sale or purchase of houses, buildings, flats, either furnished or otherwise by way of hire purchase or deferred payment or similar transactions and to institute, enter into, carry on, subsidise, finance or assist in subsidizing, financing the sale or maintenance of any such houses, buildings, flats, furnished or otherwise, upon any terms whatsoever.

To render services as brokers, commission agents and to carry on the business of retail and institutional distribution/referral of the schemes, membership, units of the mutual funds, insurance policies or any other products of/issued by banks, mutual funds, insurance companies, financial institutions or any other Company or body corporates, such as may be lawfully permissible, on the basis of a commission, remuneration, fee or any other consideration or to provide for and furnish or secure to any member or customer of our Company, any convenience, advantage, benefit or special privilege, as may be legally permissible, either gratuitously or otherwise.

Subsidiaries or associate companies

As on the date of this Draft Shelf Prospectus, our Company has no subsidiary or associate company.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors.

As of the date of this Draft Shelf Prospectus, we have five Directors on the Board, of which two Directors are Independent Directors and one Managing Director.

Details relating to Directors

Name, Designation, DIN, Term, Nationality, Date of appointment and Address	Age (years)	Other Directorships
Mr. Rajiv Sabharwal Non-Executive Director and Chairman DIN: 00057333 Nationality: Indian Term: Liable to retire by rotation Date of appointment: January 11, 2018 Address: C-183, Kalpataru Sparkle N. Dharmadhikari Road Gandhinagar, Bandra East, Mumbai - 400 051	54	1. Tata Asset Management Limited 2. Tata Capital Advisors Pte. Limited 3. Tata Capital Financial Services Limited 4. Tata Capital Limited 5. Tata Capital Pte. Limited 6. Tata Cleantech Capital Limited 7. Tata Realty and Infrastructure Limited 8. Tata Securities Limited
Mr. Mehernosh B. Kapadia Independent Director DIN: 00046612 Nationality: Indian Term: Five years commencing from October 24, 2017 up to October 23, 2022 Date of appointment: October 24, 2017 Address: F/8, Godrej Baug, Off Napean Sea Road, Mumbai - 400 026	65	1. HDFC ERGO General Insurance Company Limited 2. HDFC Trustee Company Limited 3. Tata Capital Limited 4. Siemens Limited
Ms. Anuradha E. Thakur Independent Director DIN: 06702919 Nationality: Indian Term: Five years commencing from February 16, 2015 up to February 15, 2020 Date of appointment: February 16, 2015 Address: B-7, 3rd Floor, Bageshree Co-operative Housing Society, Shankar Ghanekar Marg, Prabhadevi, Mumbai – 400 025	71	1. Tata Asset Management Limited 2. Tata Capital Financial Services Limited 3. Patnaik Steels and Alloys Limited 4. Privi Organics India Limited 5. Privi Organics Limited
Mr. Ankur Verma Non-Executive Director	43	1. Tata AIA Life Insurance Company Limited 2. Tata AutoComp Systems Limited

Name, Designation, DIN, Term, Nationality, Date of appointment and Address	Age (years)	Other Directorships
DIN: 07972892 Nationality: Indian Term: Liable to retire by rotation Date of appointment: April 12, 2018 Address: A-501, Attria, Akruti Housing Society, Saiwadi Andheri East, Mumbai – 400 069		3. Tata Elxsi Limited 4. Tata Sky Limited 5. Tata Teleservices Limited 6. Tata Teleservices (Maharashtra) Limited
Mr. Anil Kaul Managing Director DIN: 00644761 Nationality: Indian Term: Five years commencing from July 18, 2018 Date of appointment: July 18, 2018 Address: B – 305, Ashok Towers, Dr. Babasaheb Ambedkar Road, Parel, Mumbai – 400 012	54	-

Profile of Directors

Mr. Rajiv Sabharwal is a Non-Executive Director and Chairman of our Company. Mr. Sabharwal holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Delhi and has a post graduate diploma in management from the Indian Institute of Management, Lucknow. Mr. Sabharwal has over 27 years of experience in the banking and financial services industry. Currently, he is the managing director and chief executive officer of our Promoter. Prior to joining Tata Capital Limited, he was the partner in True North Managers LLP which was mainly involved in investing and managing businesses with a focus on certain sectors including the financial service sector. He has also served as an executive director on the board of directors of ICICI Bank Limited where he was responsible for several businesses including retail banking, business banking, rural banking, financial inclusion business, digital banking and technology.

Mr. Mehernosh B. Kapadia is an Independent Director of our Company and has over 35 years of experience. Mr. Kapadia holds a master's degree in commerce from the University of Bombay and is a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has served as the senior executive director, finance director and company secretary of GlaxoSmithKline Pharmaceuticals Limited ("**GSK**"). During his tenure of over 27 years with GSK, in addition to his finance and accounting responsibilities, he has also held management responsibility for other functions including company secretarial matters, legal, compliance, corporate communications, administration and information technology.

Ms. Anuradha E. Thakur is an Independent Director of our Company. Ms. Thakur holds a bachelor's degree in Arts in English Literature from the Pune University and is a certified associate from the Indian Institute of Bankers. Ms. Thakur has over 34 years of experience in loan syndications, international banking, project financing and liquidity management in various sectors such as petrochemicals, engineering goods and equipment, non-conventional energy, textiles and pharmaceuticals. She started her career as a probationary officer with State Bank of India in 1973 and retired in 2007, as the chief general manager, corporate accounts group of State Bank of India. She is currently associated with the National School of Banking.

Mr. Ankur Verma is a Non-Executive Director of our Company. Mr. Verma holds a bachelor's degree in mechanical engineering from the Delhi College of Engineering and holds a post-graduate diploma in management from the Indian Institute of Management, Calcutta. Mr. Verma has over 16 years of experience in investment banking, capital markets and corporate strategy. Currently, Mr. Verma is the senior vice president, chairman's office at Tata Sons Private Limited (formerly known as Tata Sons Limited), prior to which, Mr. Verma was the managing director (investment banking division) at Bank of America Merrill Lynch.

Mr. Anil Kaul is the Managing Director of our Company. Mr. Kaul holds a bachelor's degree in physics from Punjab University and holds a post-graduate diploma in management from the University of Lucknow. Mr. Kaul has over of 30 years of experience in banking and financial services industry. Prior to joining our Company Mr. Kaul was the senior general manager at ICICI Bank Limited. Over the years, he has been responsible for an extensive range of functions such as institutional banking, sales, credit, collections and operations.

Relationship between the Directors

None of the Directors are related to each other.

Remuneration of the Non-Executive and Independent Directors

Pursuant to a resolution passed by the Board of Directors at their meeting held on March 30, 2015, sitting fees payable to Non-Executive Directors and Independent Directors for attending the meetings of the Board and Committees are, as under:

a. Sitting fees payable to Independent Directors, Woman Directors and Non-Executive Directors who are not employees of Tata companies*: ₹ 30,000;

b. Sitting fees payable to Non-Executive Directors who are employees of other Tata companies*: ₹ 20,000;

c. Sitting fees payable to Independent Directors for their Independent Director meetings: ₹ 30,000.

* *Tata companies, in this context, includes employees of Tata Sons Private Limited (formerly known as Tata Sons Limited), our Promoter and other subsidiaries of our Promoter.*

The Shareholders at the AGM held on August 21, 2017, have approved the payment of Commission of upto 1 % of the Net Profits calculated under Sections 197 and 198 of the Companies Act, 2013 to the Non-Executive Directors and Independent Directors of our Company, as may be approved by the Board of Directors each year. The distribution of Commission is to be decided by taking into account, our Company's performance, profits, returns to investors, as also the criteria combining attendance at Meetings, contribution thereat and contribution other than at Meetings. The remuneration paid to the current Non-Executive and Independent Directors for the past financial year is set forth:

(Amount in ₹)

Name of Directors	Financial Year 2019	
	Commission	Sitting Fees
Mr. Mehernosh B. Kapadia	15,00,000	15,00,000
Ms. Anuradha E. Thakur	15,00,000	11,40,000
Mr. Ankur Verma	-	4,60,000

Remuneration of the Managing Director

The Board of Directors had, at their meetings held on February 28, 2018 and June 26, 2018, approved the appointment of and payment of remuneration to Mr. Anil Kaul as the Managing Director of our Company, with effect from July 18, 2018 and also approved a basic salary of ₹7,76,770 per month upto to maximum limit of such basic salary of ₹ 20,00,000 per month. The annual increments will be effected on April 1 of each year, to be decided by the Board of Directors or a Committee thereof and will be merit based and will take into account our Company's performance as well. Pursuant to the aforesaid resolution, Mr. Kaul is entitled to perquisites, allowances, commission, incentive remuneration, long term incentive pay and other benefits mutually agreed with our Company, from time to time.

Other understandings and confirmations

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the MCA, Wilful Defaulter list maintained by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

Borrowing powers of the Board

Pursuant to a resolution passed by the Shareholders at their EGM held on March 27, 2019 and in accordance with Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, our Board has been authorised to borrow from time to time, as the Board may think fit, any sum or sums of money, notwithstanding that the moneys to be so borrowed together with the moneys already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of our Company and its free reserves. The aggregate of the moneys that may be thus borrowed by our Company together with the moneys already borrowed and remaining outstanding shall not at any time exceed ₹ 40,00,000 lakh.

Interest of the Directors

Our Non-Executive Directors and Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof, to the extent of commission, other remuneration and reimbursement of expenses payable to them. The Managing Director may be deemed to be interested to the extent of remuneration paid to him for services rendered as an "Officer" of our Company. The Directors may also be deemed to be interested to the extent of Equity Shares, if any, held jointly by them with our Promoter in our Company.

All of the Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

Our Directors may also be deemed to be interested to the extent of Equity Shares, if any, held by them, and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, excluding independent directors, may also be regarded as interested in the Equity Shares, if any, held by the companies, firms and trusts, in which they are interested as directors, members, partners or trustees and promoters.

In addition to disclosures in the "Related Party Transactions" segment of the Financial Statements of our Company, available at Annexure A, beginning on page 195, our Company has entered into certain contracts, agreements or arrangements during the two years immediately preceding the date of this Draft Shelf Prospectus in which the Directors are interested directly or indirectly to the extent of any related party transactions between the entities in which they are directors. However, no payments have been made to them in respect of these contracts, agreements or arrangements and none of the Directors have taken any loans from the Company.

Some of the Directors may be deemed to be interested to the extent, of any loans or advances provided to or received from anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

Except as disclosed in this Draft Shelf Prospectus, and except to the extent of shareholding in our Company, the Directors do not have any economic interest in our Company. As of September 30, 2019, there were no outstanding transactions other than in the ordinary course of business undertaken by our Company in which the Directors were interested parties.

Except as stated in Annexure A, "*Financial Information*" beginning on page 195 and to the extent of compensation and commission if any, and their shareholding in our Company, the Directors do not have any other interest in our business. Additionally, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

None of the Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

The Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years of filing this Draft Shelf Prospectus with the Stock Exchanges nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company. No benefit/interest will accrue to our Promoter/Directors out of the objects of this issue. Further, the Directors may deem to have no interest in the formation or promotion of our Company.

Debentures/Subordinated Debt holding of Directors

The Directors do not hold any debentures/subordinated debt in our Company.

Changes in the Directors of our Company during the last three years

The changes in the Board of Directors in the three years preceding the date of this Draft Shelf Prospectus are, as follows:

Name	Designation	DIN	Date of appointment	Date of resignation/ cessation/ retirement	Remarks
Mr. Janki Ballabh	Independent Director	00011206	March 25, 2011	October 23, 2017	Retirement
Mr. Mehernosh B. Kapadia	Independent Director	00046612	October 24, 2017	NA	Appointment
Mr. Shailesh H. Rajadhyaksha	Non-Executive Director	00020465	October 15, 2008	December 1, 2017	Resignation
Mr. Rajiv Sabharwal	Director and Chairman	00057333	January 11, 2018	NA	Appointment
Mr. Praveen P. Kadle	Non-Executive Director	00016814	October 15, 2008	March 31, 2018	Resignation
Mr. Ankur Verma	Non-Executive Director	07972892	April 12, 2018	NA	Appointment

Name	Designation	DIN	Date of appointment	Date of resignation/ cessation/ retirement	Remarks
Mr. R. Vaithianathan	Managing Director	05267804	June 1, 2012	May 21, 2018	Retirement
Mr. Anil Kaul	Managing Director	00644761	July 18, 2018	NA	Appointment
Mr. Govind Sankaranarayanan	Non-Executive Director	01951880	October 15, 2008	August 24, 2018	Resignation

Holding of Securities by the Directors

Apart from Mr. Rajiv Sabharwal and Mr. Anil Kaul who hold one Equity Share jointly with our Promoter, respectively, none of the Directors hold any securities in our Company as on the date of this Draft Shelf Prospectus.

Relatives of directors

No persons, who are relatives of directors, hold office or place of profit in our Company.

Key Managerial Personnel

Following are the Key Managerial Personnel:

Mr. Anil Kaul is the Managing Director of our Company since July 18, 2018. He holds a bachelor's degree in physics from Punjab University and a post graduate diploma in management from the University of Lucknow.

Mr. S. Balakrishna Kamath is the Chief Financial Officer of our Company since August 8, 2013. He is a member of the Institute of Chartered Accountants of India and is a member of the Institute of Company Secretaries of India.

Mr. Jinesh Meghani is the Company Secretary of our Company since June 1, 2018. He holds a bachelor's degree in commerce and law and is a member of the Institute of Company Secretaries of India.

Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value.

Our Company has in place, processes and systems whereby it complies with the requirements of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016. Our Company is in compliance with the requirements in relation to the composition of the Board of Directors and constitution of committees such as Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, as mandated in the Companies Act, 2013.

Currently, our Board has constituted the following Committees

(a) Audit Committee;

(b) Asset Liability Committee;

(c) Risk Management Committee;

(d) Nomination and Remuneration Committee;

(e) Corporate Social Responsibility Committee;

(f) Working Committee;

(g) Information Technology Strategy Committee; and

(h) Lending Committee.

Audit Committee

The Audit Committee of our Board was constituted by way of a resolution passed by the Board at its meeting held on March 23, 2009. Further, the Audit Committee was last reconstituted by way of a Board circular resolution passed on April 17, 2018 and as on the date of this Draft Shelf Prospectus, it comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Mehernosh B. Kapadia	Chairman	Independent Director
Ms. Anuradha E. Thakur	Member	Independent Director
Mr. Ankur Verma	Member	Non-Executive Director

Terms of reference of the Audit Committee are in compliance with applicable law and *inter alia* include:

- To recommend the appointment and removal of the auditors and their remuneration, nature and scope of audit;
- To ensure adequacy of internal controls and compliances and recommend remedial measures;
- To review adequacy of the internal audit function;
- To review and monitor the auditors' independence and performance and effectiveness of the audit process;
- To oversee financial reporting process and disclosure of financial information;
- To examine the financial statements and the auditors' report thereon;
- To evaluate internal financial controls and the risk management systems;
- To act as a link between the Statutory Auditors, Internal Auditors and the Board of Directors;
- To review accounting policies;
- To monitor compliance with the 'Tata Code of Conduct';
- To approve any transactions of our Company with related parties or any subsequent modifications thereof;
- To scrutinize inter-corporate loans and investments;
- To evaluate the valuation of undertakings or assets of our Company, if necessary;
- To monitor the end use of funds raised through public offers and related matters;
- To review findings of internal investigations, frauds, irregularities, etc.;
- To carry out additional functions as contained in the SEBI LODR Regulations or other regulatory requirements applicable to our Company or in the terms of reference of the Audit Committee; and
- To carry out the responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

Asset Liability Committee

The Asset Liability Committee was constituted by way of a resolution passed by the Board at its meeting held on July 28, 2010. Further, the Asset Liability Committee was last reconstituted by way of a Board circular resolution passed on May 30, 2018 and as on the date of this Draft Shelf Prospectus, it comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Mehernosh B. Kapadia	Chairman	Independent Director
Mr. Rajiv Sabharwal	Member	Non-Executive Director and Chairman
Mr. Ankur Verma	Member	Non-Executive Director
Mr. Anil Kaul	Member	Managing Director

Terms of reference of the Asset Liability Committee are in compliance with applicable law and *inter alia* include:

- Compliance with NHB prudential norms/directions/guidelines for asset liability management;
- Debt composition and fund raising plan of our Company;
- Resource raising policy of our Company;
- Pricing of loans; and
- Interest rate risk/liquidity risk analysis.

Risk Management Committee

The Risk Management Committee was constituted by way of a resolution passed by the Board at its meeting held on January 7, 2011. Further, the Risk Management Committee was last reconstituted by way of a Board circular resolution passed on November 30, 2018 and as on the date of this Draft Shelf Prospectus, it comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Mehernosh B. Kapadia	Chairman	Independent Director
Ms. Anuradha E. Thakur	Member	Independent Director
Mr. Rajiv Sabharwal	Member	Non-Executive Director and Chairman
Mr. Ankur Verma	Member	Non-Executive Director
Mr. Anil Kaul	Member	Managing Director

Terms of reference of Risk Management Committee are in compliance with applicable law and *inter alia* include:

- To assist the Board in its oversight of various risks viz., credit risk, liquidity and interest rate risk, operational risk (process, human resource, technology and fraud), strategic risks (including emerging and external risks) and compliance and reputation risk;
- To approve and review compliance with risk policies, monitor breaches/triggers of risk tolerance limits and direct action;
- To review and analyse risk exposure related to specific issues and provides oversight of risk across organisation;
- To review reports of significant issues prepared by internal risk oversight functional groups, including risk exposure related to specific issues, concentrations and limits excesses;
- To nurture a healthy and independent risk management function in our Company;
- To inculcate risk culture within the organization; and
- To approve the Enterprise wide Risk Management (ERM) framework.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by way of a Board circular resolution passed on May 2, 2014. Further, the Nomination and Remuneration Committee was last reconstituted by way of a Board circular resolution passed on April 17, 2018 and as on the date of this Draft Shelf Prospectus, it comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Mehernosh B. Kapadia	Chairman	Independent Director
Ms. Anuradha E. Thakur	Member	Independent Director
Mr. Rajiv Sabharwal	Member	Non-Executive Director and Chairman

Terms of reference of the Nomination and Remuneration Committee are in compliance with applicable law and *inter alia* include:

- Board composition and succession related matters;
- Evaluation related matters;
- Remuneration related matters;
- Board development related matters;
- Review of human resource strategy, philosophy and practices; and
- Other functions as requested by the Board, from time to time

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by way of a Board circular resolution passed on April 2, 2014. Further, the Corporate Social Responsibility Committee was last reconstituted by way of a Board circular resolution passed on November 30, 2018 and as on the date of this Draft Shelf Prospectus, it comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Ms. Anuradha E. Thakur	Chairperson	Independent Director
Mr. Rajiv Sabharwal	Member	Non-Executive Director and Chairman
Mr. Ankur Verma	Member	Non-Executive Director
Mr. Anil Kaul	Member	Managing Director

Terms of reference of the Corporate Social Responsibility Committee are in compliance with applicable law and *inter alia* include:

- To formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by our Company as specified within Companies Act, 2013 ("**CSR Activities**");
- To recommend the amount of expenditure to be incurred on CSR activities;
- To monitor the corporate social responsibility policy of our Company from time to time and institute a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by our Company;
- To oversee our Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen;
- To oversee activities impacting the quality of life of the beneficiaries of corporate social responsibility projects; and
- To carry out such other functions as may be delegated by the Board from time to time.

Working Committee

The Working Committee was constituted by way of a resolution passed by the Board at its meeting held on January 29, 2018. Further, the Working Committee was last reconstituted by way of the Board resolution passed on August 27, 2018 and as on the date of this Draft Shelf Prospectus, it comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Mehernosh B. Kapadia	Member	Independent Director
Mr. Rajiv Sabharwal	Member	Non-Executive Director and Chairman
Mr. Anil Kaul	Member	Managing Director

Terms of reference of the Working Committee are in compliance with applicable law and 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, non-convertible debentures to public and raising of funds through external commercial borrowings;
- To incur any expenditure for carrying out the above activities;
- To delegate the above powers, as may be felt necessary; and
- To recommend to the Board of Directors the findings of the Working Committee.

Information Technology Strategy Committee

The Information Technology ("**IT**") Strategy Committee was constituted by way of a resolution passed by the Board at its meeting held on April 30, 2018. Further, the IT Strategy Committee was last reconstituted by way of a Board resolution passed on November 26, 2018 and as on the date of this Draft Shelf Prospectus, it comprises the following Directors among other employees of the Company:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Mehernosh B. Kapadia	Chairman	Independent Director
Mr. Rajiv Sabharwal	Member	Non-Executive Director and Chairman
Mr. Anil Kaul	Member	Managing Director

Terms of reference of the IT Strategy Committee are in compliance with applicable law and *inter alia* include:

- To approve IT strategy and policy documents and ensure that the management puts an effective strategic planning process in place;

- To ascertain that the management had implemented processes and practices that ensure that the IT delivers value to the business;
- To ensure IT investments represent a balance of risks and benefits and that budgets are acceptable;
- To monitor the method that the management used to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- To ensure proper balance of IT investments for sustaining our Company's growth and being aware about exposure towards IT risks and controls;
- To constitute the Steering Committee and review the discussions of the said Committee periodically;
- 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 NHB IT Guidelines in respect of the outsourced IT operations;
- To do any or all things that may be done by the Board of Directors in accordance with the NHB IT Guidelines, as amended from time to time;
- To do such other things related to IT as may be recommended by the Board of Directors to the Committee;
- To review the IT / Information Systems ("IS") Audit report and provide its observation/recommendations to the Audit Committee; and
- To recommend the appointment of IT/IS auditor to the Audit Committee.

Lending Committee

The Lending Committee was constituted by way of a resolution passed by the Board at its meeting held on April 30, 2018. Further, the Lending Committee was last reconstituted by way of a Board circular resolution passed on November 18, 2019 and as on the date of this Draft Shelf Prospectus, it comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Rajiv Sabharwal	Chairman	Non-Executive Director and Chairman
Mr. Mehernosh B. Kapadia	Member	Independent Director
Ms. Anuradha E. Thakur	Member	Independent Director
Mr. Ankur Verma	Member	Non-Executive Director
Mr. Anil Kaul	Member	Managing Director

Terms of reference of the Lending Committee *inter alia* include:

- To approve financing proposals related to Developer Funding above ₹ 60 crore;
- To approve financing proposals related to home loans and home equity above ₹ 15 crore;
- To recommend to the Board any financing proposal above the authority of the Lending Committee; and
- To carry out such other functions as may be delegated by the Board from time to time.

OUR PROMOTER

Profile of our Promoter

Details of our Promoter are below:

Tata Capital Limited

(a) Our Promoter, Tata Capital Limited ("**TCL**") was incorporated as a public limited company under the name of Primal Investments and Finance Limited on March 8, 1991 under the Companies Act, 1956. TCL received its certificate of commencement of business on April 1, 1991. On May 8, 2007, the name of the company was changed to TCL.

(b) TCL has been classified as a systemically important non-deposit accepting core investment company (CIC-ND-SI) in accordance with the certificate of registration issued by the RBI dated May 10, 2012, under Section 45-IA of the RBI Act.

(c) TCL is the flagship financial services company of the Tata group providing a range of financial services. It is a one-stop financial solutions partner, catering to the diverse needs of retail, corporate, and institutional customers through a comprehensive suite of product and service offerings.

(d) TCL has its registered office at 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 and bears the CIN U65990MH1991PLC060670.

(e) The board of directors of TCL as on the date of filing of this Draft Shelf Prospectus are:

Name	Designation
Mr. Saurabh Agrawal	Non-executive director and Chairman
Mr. Nalin Mansukhlal Shah	Independent director
Mr. Mehernosh Behram Kapadia	Independent director
Ms. Varsha Vasant Purandare	Independent Director
Mr. Farokh Nariman Subedar	Non-executive director
Ms. Aarthi Subramanian	Non-executive director
Mr. Rajiv Sabharwal	Managing director and chief executive officer

Other understandings and confirmations

Our Promoter has confirmed that it has not been identified as Wilful Defaulter.

No violation of securities laws has been committed by our Promoter in the past or are currently pending against it. Our Promoter or its directors are not debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Our Promoter is not in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Common Pursuits of Promoter

Our Promoter is interested as a shareholder/promoter in Tata Capital Financial Services Limited that is engaged in businesses similar to ours and this may result in potential conflicts of interest with our Company. For further details on potential conflicts of interest, see "*Risk Factors - There may be potential conflicts of interest with our Promoter and its affiliates*" on page 23.

For further details on the related party transactions, to the extent of which our Company is involved see, Annexure A, "*Financial Information*" beginning on page 195.

Interest of Promoter in our Company

Except as disclosed below, and as stated in Annexure A, "*Financial Information*" beginning on page 195, other than as our shareholder, our Promoter, does not have any other interest in our Company. Further, apart from the guarantee amounting to ₹ 1,200 crore to NHB in relation to refinancing our existing debt facilities, our Promoter has not given any personal guarantees in relation to loan facilities availed by our Company. For further details see "*Disclosures on Financial Indebtedness*" beginning on page 103.

Our Promoter does not propose to subscribe to this Issue.

Details of Shares allotted to our Promoter during the last three Financial Years

On February 1, 2019, 40,80,00,000 CCCPS of ₹ 10 each held by our Promoter were voluntarily converted into 5,63,76,968 Equity Shares of ₹ 10 each. For details of the Equity Shares and the CCCPS allotted to our Promoter in the last three Financial Years, see "*Capital Structure*" beginning on page 46.

Details of shares pledged or encumbered by our Promoter as of the date of this Draft Shelf Prospectus

No shares have been pledged or encumbered by our Promoter as of the date of this Draft Shelf Prospectus.

Payment of benefits to our Promoter during the last two years

Other than as disclosed under the "*Related Party Transactions*" segment of the Financial Statements of our Company, available at Annexure A, beginning on page 195, our Company has not made payments of any benefits to its Promoter during the last two years preceding the date of this Draft Shelf Prospectus.

Interest of our Promoter in property, land and construction

Except as stated in Annexure A, "*Financial Information*" beginning on page 195, our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Draft Shelf Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Details of Equity Shares held by our Promoter as on September 30, 2019

Sr. No.	Name of Promoter	Number of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share Capital	No. of Equity Shares pledged	Percentage of Equity Shares pledged
1.	Tata Capital Limited	30,97,10,300	30,97,10,300	100	-	-

Shareholding Pattern of our Promoter as on September 30, 2019:

Summary Statement Holding of Equity Shareholders

Particulars	Total number of equity shares	Number of shares in dematerialized form	Total shareholding as % of total number of equity shares	Number of pledged shared	Percentage of Shares pledged with respect to shares owned
Promoters					
Bodies Corporate	3,12,85,05,090	3,12,85,05,090	94.23	NIL	NIL
Non Promoters					
Bodies Corporate	11,67,21,517	11,67,21,517	3.51	NIL	NIL
TCL Employee Welfare Trust (ESOP Trust)	5,13,35,193	5,13,35,193	1.55	NIL	NIL
Individuals	2,35,27,514	2,35,27,514	0.71	NIL	NIL
Total	3,32,00,89,314	3,32,00,89,314	100	NIL	NIL

Summary Statement Holding of Preference Shareholders

Particulars	Total Number of Preference Shares	Number of Preference Shares in dematerialized form	Total Shareholding as % of Total Number of Preference Shares	Number of Preference Shares pledged or encumbered by the Promoters	Percentage of Preference Shares pledged with respect to shares owned
Promoters					
Bodies Corporate	NIL	NIL	NIL	NIL	NIL
Non Promoters					
Bodies Corporate	76,21,821	76,21,821	48.36	NIL	NIL
Individuals	75,04,855	75,04,855	47.62	NIL	NIL
Trust	1,83,100	1,83,100	1.16	NIL	NIL

Particulars	**Total Number of Preference Shares**	**Number of Preference Shares in dematerialized form**	**Total Shareholding as % of Total Number of Preference Shares**	**Number of Preference Shares pledged or encumbered by the Promoters**	**Percentage of Preference Shares pledged with respect to shares owned**
Others	4,49,212	4,49,212	2.86	NIL	NIL
Total	1,57,58,988	1,57,58,988	100	NIL	NIL

DISCLOSURES ON FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company as on September 30, 2019 are, as follows:

Sr. No.	Nature of borrowings	Amount (in ₹) lakh*
1.	Secured borrowings	20,19,667
2.	Unsecured borrowings (excluding CCCPS)	4,39,670
3.	Unsecured borrowings in relation to CCCPS	1,57,200
Total		**26,16,537**

* *Gross of unamortised discounts / premium*

Set forth below, is a summary of the borrowings of our Company as at September 30, 2019 together with a brief description of certain significant terms of such financing arrangements.

A. Details of Secured Borrowings

Our Company's secured loans as on September 30, 2019 amount to ₹ 20,19,667 lakh. The details of the borrowings are set out below.

All our term loans have been secured by way of security as detailed below.

(i) Term Loans availed by our Company

Sr. No	Lender's Name	Amount Sanctioned (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Repayment Date/Repayment Schedule	Penalty	Prepayment
1.	Allahabad Bank	30,000	22,500	**₹ (In Lakh) – Date of repayment** 3,750 – June 26, 2020 3,750 – June 26, 2021 3,750 – June 26, 2022 3,750 – July 4, 2020 3,750 – July 4, 2021 3,750 – July 4, 2022	Any delay in submission of monthly stock statement beyond a period of 21 days will attract a penal interest of 2 %.	Nil
2.	Allahabad Bank	50,000	50,000	**₹ (In Lakh) – Date of repayment** 4,167 – December 31, 2019 4,167 – March 31, 2020 4,167 – June 30, 2020 4,167 – September 30, 2020 4,167 – December 31, 2020 4,167 – March 31, 2021 4,167 – June 30, 2021 4,167 – September 30, 2021 4,167 – December 31, 2021 4,167 – March 31, 2022 4,167 – June 30, 2022 4,167 – September 30, 2022	Any delay in payment/non-payment of interest or instalments on the due date will attract a penal interest of 2 % on the overdue interest and/or instalment.	Penalty to the extent of 1 % of the outstanding if prepaid before the lock-in period of one year.
3.	Andhra Bank	30,000	30,000	**₹ (In Lakh) – Date of repayment** 5,000 – July 22, 2020 5,000 – January 22, 2021	In the event of non-payment of interest or instalments on the due date will	Nil prepayment penalty in case prepaid within 30 days from reset date.

Sr. No	Lender's Name	Amount Sanctioned (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Repayment Date/Repayment Schedule	Penalty	Prepayment
				5,000 – July 22, 2021 5,000 – January 22, 2022 5,000 – July 22, 2022 5,000 – January 22, 2023	attract a penal interest of 5 %.	
4.	Axis Bank Limited	20,000	20,000	October 30, 2020 Bullet payment to be made at the end of three years from the date of first disbursement.	Any non-payment of interest or instalments on the due date will attract a penal interest of 2 % on the overdue interest and/or instalment.	Prepayment is not permitted within 6 months from the date of first disbursement of the loan. The borrower may prepay the loan after the first 6 months with 15 days written notice without any prepayment charges.
5.	Axis Bank Limited	50,000	50,000	June 29, 2020 Bullet payment to be made at the end of nine months from the date of disbursement.	Penal interest of 2 % on the outstanding amount of the fund based facility in case (a) security is not created within stipulated timelines, (b) of delay in obtaining credit rating within three months from date of renewal as stipulated in the term sheet, as applicable, and (c) failure to submit shareholding of the Company.	Nil
6.	Bank of India	50,000	50,000	**₹ (In Lakh) – Date of Repayment** 8,333 – March 30, 2021 8,333 – September 30, 2021 8,333 – March 30, 2022 8,333 – September 30, 2022 8,333 – March 30, 2023 8,335 – September 30, 2023	Any default in complying with terms of sanction within stipulated time will attract penal interest of 1 % per annum.	Prepayment penalty of 1 % on the amount prepaid, if the loans are prepaid from the borrower's own funds. The borrower may prepay the loan on reset date with prior notice of 15 days without any prepayment charges.

<table>
<tr><th>Sr. No</th><th>Lender's Name</th><th>Amount Sanctioned (in ₹) lakh</th><th>Amount Outstanding as on September 30, 2019# (in ₹) lakh</th><th>Repayment Date/Repayment Schedule</th><th>Penalty</th><th>Prepayment</th></tr>
<tr><td>7.</td><td>Canara Bank</td><td>30,000</td><td>30,000</td><td><table><tr><th>₹ (In Lakh)</th><th>Date of Repayment</th></tr><tr><td>7,500</td><td>October 6, 2020</td></tr><tr><td>7,500</td><td>January 6, 2021</td></tr><tr><td>7,500</td><td>April 6, 2021</td></tr><tr><td>7,500</td><td>July 6, 2021</td></tr></table></td><td>Any non-compliance with respect to the sanction of this term loan will attract a penal interest of 2 % on the sanctioned rate of interest.</td><td>Prepayment charges have been waived off for this term loan</td></tr>
<tr><td>8.</td><td>CSB Bank (formerly the Catholic Syrian Bank Limited)</td><td>10,000</td><td>10,000</td><td><table><tr><th>₹ (In Lakh)</th><th>Date of Repayment</th></tr><tr><td>5,000</td><td>November 29, 2020</td></tr><tr><td>5,000</td><td>November 29, 2021</td></tr></table></td><td>In case interest, instalments, and other charges remain unpaid and overdue up to 30 days, penal interest of 1 % per annum is payable.</td><td>Nil prepayment penalty in case prepaid within 30 days of reset date.</td></tr>
<tr><td>9.</td><td>Central Bank of India</td><td>50,000</td><td>50,000</td><td><table><tr><th>₹ (In Lakh)</th><th>Date of Repayment</th></tr><tr><td>12,500</td><td>April 17, 2022</td></tr><tr><td>12,500</td><td>July 17, 2022</td></tr><tr><td>12,500</td><td>October 17, 2022</td></tr><tr><td>12,500</td><td>January 17, 2023</td></tr></table></td><td>Any delay in payment of interest, instalment within 30 days of the due date will attract penal interest of 1 % p.a. on the amount of default.</td><td>No prepayment charges with prior notice of 30 days, if paid from internal accruals.</td></tr>
<tr><td>10.</td><td>HDFC Bank Limited</td><td>1,00,000</td><td>80,000</td><td><table><tr><th>₹ (In Lakh)</th><th>Date of Repayment</th></tr><tr><td>2,500</td><td>October 26, 2019</td></tr><tr><td>2,500</td><td>January 26, 2020</td></tr><tr><td>2,500</td><td>April 26, 2020</td></tr><tr><td>2,500</td><td>July 26, 2020</td></tr><tr><td>2,500</td><td>October 26, 2020</td></tr><tr><td>2,500</td><td>January 26, 2021</td></tr><tr><td>2,500</td><td>April 26, 2021</td></tr><tr><td>2,500</td><td>July 26, 2021</td></tr><tr><td>2,500</td><td>October 26, 2021</td></tr><tr><td>2,500</td><td>January 26, 2022</td></tr><tr><td>2,500</td><td>April 26, 2022</td></tr><tr><td>2,500</td><td>July 26, 2022</td></tr><tr><td>2,500</td><td>October 26, 2022</td></tr><tr><td>2,500</td><td>January 26, 2023</td></tr><tr><td>2,500</td><td>April 26, 2023</td></tr><tr><td>2,500</td><td>July 26, 2023</td></tr><tr><td>2,500</td><td>November 1, 2019</td></tr><tr><td>2,500</td><td>February 1, 2020</td></tr></table></td><td>Any delay/non-payment of interest or instalments on the due date will attract a penal interest of 2 % on the overdue interest and/or instalment.</td><td>Penalty of 2 % will be levied on the overall amount in case of prepayment.</td></tr>
</table>

Sr. No	Lender's Name	Amount Sanctioned (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Repayment Date/Repayment Schedule	Penalty	Prepayment
				2,500 — May 1, 2020 2,500 — August 1, 2020 2,500 — November 1, 2020 2,500 — February 1, 2021 2,500 — May 1, 2021 2,500 — August 1, 2021 2,500 — November 1, 2021 2,500 — February 1, 2022 2,500 — May 1, 2022 2,500 — August 1, 2022 2,500 — November 1, 2022 2,500 — February 1, 2023 2,500 — May 1, 2023 2,500 — August 1, 2023		
11.	HDFC Bank Limited	30,000	27,000	**₹ In Lakh — Date of Repayment** 1,500 — December 19, 2019 1,500 — March 19, 2020 1,500 — June 19, 2020 1,500 — September 19, 2020 1,500 — December 19, 2020 1,500 — March 19, 2021 1,500 — June 19, 2021 1,500 — September 19, 2021 1,500 — December 19, 2021 1,500 — March 19, 2022 1,500 — June 19, 2022 1,500 — September 19, 2022 1,500 — December 19, 2022 1,500 — March 19, 2023 1,500 — June 19, 2023 1,500 — September 19, 2023 1,500 — December 19, 2023 1,500 — March 19, 2024	Any delay/non-payment of interest or instalments on the due date will attract a penal interest of 2 % on the overdue interest and/or instalment.	As may be mutually agreed.
12.	HDFC Bank	30,000	30,000	Bullet payment to be made on August 27, 2020.	Any overdue or delay in monies	Prepayment charges of 2 % on

Sr. No	Lender's Name	Amount Sanctioned (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Repayment Date/Repayment Schedule	Penalty	Prepayment
	Limited				payable (principal and interest) will attract an interest of 2 % per annum above the applicable rate of interest.	the entire facility amount, except in the case of a reset of the interest rate which is not agreeable to the borrower on the reset dates.
13.	HDFC Bank Limited*	40,000	2,222	Bullet payment on December 30, 2019.	Any overdue or delay in monies payable (principal and interest) will attract an interest of 2 % per annum above the applicable rate of interest.	2 % of the overall amount.
14.	HSBC Bank	15,000	15,000	Bullet payment to be made on September 30, 2022.	Nil	Any prepayment shall be subject to funding penalties at the Bank's discretion.
15.	HSBC Bank (external commercial borrowing)	52,821	52,821	May 25, 2022	Any default / delay in payment of any payable amount will attract an interest of 2 % per annum above the applicable rate of interest.	Prepayment shall be done by giving at least a 14 days written notice and in multiples of US$ 10,000,000.
16.	ICICI Bank	1,00,000	1,00,000	**₹ (In Lakh)** / **Date of Repayment** 25,000 / May 13, 2021 25,000 / June 11, 2021 25,000 / July 9, 2021 25,000 / August 9, 2021	Any default related to payment which exceeds three days will attract interest of 2 %.	Penalty of 1 % will be levied on the principal amount of the facility prepaid after giving a prior written notice at least 15 days. The borrower may prepay the loan without any prepayment penalty within 60 days of reset date, provided a 15-day irrevocable notice has been given to the lender within such reset date.
17.	ICICI Bank	20,000	20,000	**₹ In Lakh** / **Date of Repayment** 2,500 / October 19, 2021 2,500 / January 19, 2021 2,500 / April 19, 2021 2,500 / July 19, 2021	Any default related to payment which exceeds three days will attract interest of 2 %.	Penalty of 1 % will be levied on the principal amount of the facility prepaid after giving a prior written notice at least 15

<table>
<tr><th>Sr. No</th><th>Lender's Name</th><th>Amount Sanctioned (in ₹) lakh</th><th>Amount Outstanding as on September 30, 2019# (in ₹) lakh</th><th>Repayment Date/Repayment Schedule</th><th>Penalty</th><th>Prepayment</th></tr>
<tr><td></td><td></td><td></td><td></td><td><table>
<tr><td>2,500</td><td>October 19, 2021</td></tr>
<tr><td>2,500</td><td>January 19, 2022</td></tr>
<tr><td>2,500</td><td>April 19, 2022</td></tr>
<tr><td>2,500</td><td>July 19, 2022</td></tr>
</table></td><td></td><td>days. The borrower may prepay the loan without any prepayment penalty within 60 days of reset date, provided a 15-day irrevocable notice has been given to the lender within such reset date.</td></tr>
<tr><td>18.</td><td>Karnataka Bank</td><td>10,000</td><td>10,000</td><td><table>
<tr><th>₹ In Lakh</th><th>Date of Repayment</th></tr>
<tr><td>1,250</td><td>November 12, 2019</td></tr>
<tr><td>1,250</td><td>February 12, 2020</td></tr>
<tr><td>1,250</td><td>May 12, 2020</td></tr>
<tr><td>1,250</td><td>August 12, 2020</td></tr>
<tr><td>1,250</td><td>November 12, 2020</td></tr>
<tr><td>1,250</td><td>February 12, 2021</td></tr>
<tr><td>1,250</td><td>May 12, 2021</td></tr>
<tr><td>1,250</td><td>August 12, 2021</td></tr>
</table></td><td>Any overdue instalments/ interest will attract an interest of 5 %.</td><td>Pre closure charges of 2 % in case of take-over of liabilities by other banks.</td></tr>
<tr><td>19.</td><td>Karnataka Bank</td><td>10,000</td><td>10,000</td><td><table>
<tr><th>₹ In Lakh</th><th>Date of Repayment</th></tr>
<tr><td>1,670</td><td>March 25, 2020</td></tr>
<tr><td>1,670</td><td>September 25, 2020</td></tr>
<tr><td>1,670</td><td>March 25, 2021</td></tr>
<tr><td>1,670</td><td>September 25, 2021</td></tr>
<tr><td>1,670</td><td>March 25, 2022</td></tr>
<tr><td>1,650</td><td>July 25, 2022</td></tr>
</table></td><td>Any overdue instalments/ interest will attract an interest of 5 %.</td><td>Pre closure charges of 2 % in case of take-over of liabilities by other banks.</td></tr>
<tr><td>20.</td><td>Punjab National Bank</td><td>1,00,000</td><td>1,00,000</td><td><table>
<tr><th>₹ In Lakh</th><th>Date of Repayment</th></tr>
<tr><td>20,000</td><td>May 25, 2021</td></tr>
<tr><td>20,000</td><td>June 24, 2021</td></tr>
<tr><td>20,000</td><td>July 24, 2021</td></tr>
<tr><td>20,000</td><td>August 24, 2021</td></tr>
<tr><td>20,000</td><td>September 24, 2021</td></tr>
</table></td><td>Nil</td><td>Nil</td></tr>
<tr><td>21.</td><td>Syndicate Bank</td><td>20,000</td><td>20,000</td><td><table>
<tr><th>₹ In Lakh</th><th>Date of Repayment</th></tr>
<tr><td>1,667</td><td>December 12, 2019</td></tr>
<tr><td>1,667</td><td>March 12, 2020</td></tr>
<tr><td>1,667</td><td>June 12, 2020</td></tr>
</table></td><td>Any default/delay in payment of the principal, interest or any other monies payable will attract interest on the</td><td>Prepayment charges shall be applicable as per the lender's guidelines unless the borrower prepays the loan</td></tr>
</table>

Sr. No	Lender's Name	Amount Sanctioned (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Repayment Date/Repayment Schedule	Penalty	Prepayment
				1,667 – September 12, 2020 1,667 – December 12, 2020 1,667 – March 12, 2021 1,667 – June 12, 2021 1,667 – September 12, 2021 1,667 – December 12, 2021 1,667 – March 12, 2022 1,667 – June 12, 2022 1,663 – September 12, 2022	defaulted amounts at 2 % per annum.	by giving a 30 days prior notice.
22.	Syndicate Bank	50,000	50,000	**₹ In Lakh – Date of Repayment** 4,167 – February 5, 2020 4,167 – May 5, 2020 4,167 – August 5, 2020 4,167 – November 5, 2020 4,167 – February 5, 2021 4,167 – May 5, 2021 4,167 – August 5, 2021 4,167 – November 5, 2021 4,167 – February 5, 2022 4,167 – May 5, 2022 4,167 – August 5, 2022 4,163 – November 4, 2022	Any default/delay in payment of the principal, interest or any other monies payable will attract interest on the defaulted amounts at 2 % per annum.	Prepayment charges shall be applicable as per the lender's guidelines unless the borrower prepays the loan by giving a 30 days prior notice.
23.	UCO Bank	25,000	25,000	February 1, 2023 Bullet payment to be made at the end of four years on February 1, 2023.	Any failure in timely repayment on its due date will attract interest 2 % per annum over and above the applicable rate of interest.	All the prepayment charges have been waived for this loan.
Total		**9,22,281**	**8,54,543**			

\# *Amount as per Ind AS for secured term loan is ₹ 8,53,420 lakh.*

All the aforementioned term loans have been secured by first ranking pari passu charge by way of hypothecation on movable properties including receivables and book debts in favour of the security trustee (excluding the exclusive charge created by our Company in favour of NHB as security for due repayment for financial assistance by way of refinancing granted by NHB to our Company).

* *These loans are also secured by first ranking pari passu charge by way of mortgage over certain immovable properties of the Company.*

(ii) Cash Credit/ Working Capital Loans availed by our Company

Sr. No	Lender's Name	Type of Facility	Amount Sanctioned (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Repayment Date/Repayment Schedule

Sr. No	Lender's Name	Type of Facility	Amount Sanctioned (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Repayment Date/Repayment Schedule
1.	Allahabad Bank*	cash credit	5,000	4,503	On Demand
2.	Axis Bank Limited	working capital facility	20,000	19,500	November 27, 2019
		working capital facility	15,000	15,000	November 28, 2019
3.	Bank of Baroda (inclusive of ₹ 20,000 lakh from Dena Bank*; ₹ 15,000 lakh from Vijaya Bank and ₹ 10,000 lakh from Bank of Baroda)	working capital facility	45,000	19,500	October 29, 2019
4.	Bank of Maharashtra	working capital facility	20,000	12,500	October 25, 2019
5.	BNP Paribas	cash credit	10,000	9,499	On Demand
		working capital facility	20,000	20,000	November 29, 2019
6.	Canara Bank	cash credit	8,000	7,498	On Demand
		working capital facility	12,000	12,000	October 4, 2019
7.	DBS Bank	working capital facility	20,000	20,000	November 19, 2019
8.	HDFC Bank Limited	working capital facility	2,500	2,500	March 26, 2020
9.	HSBC Bank	working capital facility	17,500	10,000	December 24, 2019
10.	Karnataka Bank Limited	cash credit	5,000	4,585	On Demand
11.	Punjab and Sind Bank	cash credit	5,000	4,465	On Demand
12.	Punjab National Bank	cash credit	10,000	9,499	On Demand
13.	Syndicate Bank	cash credit	10,000	9,536	On Demand
14.	The Jammu and Kashmir Bank Limited	cash credit	20,000	3,499	On Demand
15.	UCO Bank	cash credit	30,000	29,497	On Demand
16.	Book overdraft	overdraft facility		22,050	
Total			**2,75,000**	**2,35,631**	

\# *Amount as per Ind AS for cash credit/ working capital loan is ₹ 2,35,629 lakh.*
All the aforementioned term loans have been secured by first ranking pari passu charge by way of hypothecation on movable properties including receivables and book debts in favour of the security trustee (excluding the exclusive charge created by our Company in favour of NHB as security for due repayment for financial assistance by way of refinancing granted by NHB to our Company).

* *These loans are also secured by first ranking pari passu charge by way of mortgage over certain immovable properties of the Company.*

The facility documents executed by our Company stipulate certain events as "*Events of Default*", pursuant to which our Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders.

Some of the "*Events of Default*", set out under are facility documents have been set out as follows*:

1. Any insolvency or bankruptcy of our Company;

2. Any event which is prejudicial or is likely to prejudice the interest of the lender or the security given to the lenders;

3. Any default in payment of principal sum or interest;

4. Any default in performance of covenants and conditions;

5. Any cross-default pursuant to the terms of any other loan agreement;

6. Any inclusion of our Company or the Directors in the list of wilful defaulters of the RBI;

7. Cessation of business;

8. Attachment or distress proceedings against the assets of our Company;

9. Any re-organisation, or change in the management and control of our Company without obtaining the consents of the lenders;

10. Appointment of receiver;

11. Any misleading information or representation made; and

12. Any event or circumstance which is likely to have a material adverse effect.

* *Kindly note, that the above set out "Events of Default", are not an exhaustive list of defaults mentioned in our financing agreements but are a brief overview of the some of the events mentioned.*

(iii) Details of Secured Non-Convertible Debentures

Our Company has issued secured redeemable non-convertible debentures each on a private placement basis of which ₹ 375,920 lakh is cumulatively outstanding as on September 30, 2019 the details of which are set forth below.

Sr. No	Description (Debenture Series)	Date of Allotment	Date of Redemption	Tenor (in Years)*	Coupon Rate	Principal Amount Outstanding # (in ₹) lakh	Credit Rating
1.	TCHFL NCD "G" Series FY 2012-13	May 18, 2012	May 18, 2022	10	10.10 %	1,000	'CRISIL AAA' by CRISIL Limited
2.	TCHFL NCD "K" Series FY 2012-13	October 3, 2012	October 3, 2019	7	10.05 %	1,000	'CRISIL AAA' by CRISIL Limited
3.	TCHFL NCD "Q" Series FY 2012-13	December 28, 2012	December 28, 2022	10	9.60 %	1,000	'CRISIL AAA' by CRISIL Limited
4.	TCHFL NCD "R" Series FY 2012-13	January 18, 2013	January 18, 2023	10	9.50 %	1,500	'CRISIL AAA' by CRISIL Limited
5.	TCHFL NCD "U" Series FY 2012-13	March 12, 2013	March 10, 2023	10	9.50 %	1,000	'CRISIL AAA' by CRISIL Limited
6.	TCHFL NCD "G" Series FY 2014-15	October 22, 2014	October 22, 2019	5	9.60 %	5,500	'CRISIL AAA' by CRISIL Limited
7.	TCHFL NCD "R" Series FY 2014-15	December 9, 2014	December 9, 2024	10	9.22 %	20,000	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
8.	TCHFL NCD "V" Series FY 2014-15	January 23, 2015	January 23, 2025	10	9.05 %	15,000	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
9.	TCHFL NCD "Z" Series FY 2014-15	February 12, 2015	February 12, 2020	5	9.05 %	1,000	'CRISIL AAA' by CRISIL Limited
10.	TCHFL NCD "O" Series FY	June 16, 2015	June 16, 2025	10	8.85 %	2,000	'CRISIL AAA' by CRISIL Limited

Sr. No	Description (Debenture Series)	Date of Allotment	Date of Redemption	Tenor (in Years)*	Coupon Rate	Principal Amount Outstanding # (in ₹) lakh	Credit Rating
	2015-16						
11.	TCHFL NCD "T" Series FY 2015-16 – Option I	July 9, 2015	July 9, 2020	5	8.95 %	1,000	'CRISIL AAA' by CRISIL Limited
12.	TCHFL NCD "X" Series FY 2015-16	July 29, 2015	July 29, 2022	7	8.99%	7,500	'CRISIL AAA' by CRISIL Limited
13.	TCHFL NCD "Z" Series FY 2015-16	August 7, 2015	August 7, 2020	5	8.86 %	3,000	'CRISIL AAA' by CRISIL Limited
14.	TCHFL NCD "AA" Series FY 2015-16	August 17, 2015	August 17, 2020	5	8.85 %	10,000	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
15.	TCHFL NCD "AB" Series FY 2015-16	August 20, 2015	August 20, 2020	5	8.85%	1,000	'CRISIL AAA' by CRISIL Limited
16.	TCHFL NCD "AE" Series FY 2015-16	August 31, 2015	August 29, 2025	10	8.87 %	2,000	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
17.	TCHFL NCD "AG" Series FY 2015-16	October 8, 2015	October 8, 2025	10	8.70 %	750	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
18.	TCHFL NCD "AH" Series FY 2015-16	October 14, 2015	October 14, 2020	5	8.70 %	2,000	'CRISIL AAA' by CRISIL Limited
19.	TCHFL NCD "AI" Series FY 2015-16	October 16, 2015	October 16, 2020	5	8.70 %	5,000	'CRISIL AAA' by CRISIL Limited
20.	TCHFL NCD "AM" Series FY 2015-16 – Option II	November 6, 2015	November 6, 2020	5	8.60 %	500	'CRISIL AAA' by CRISIL Limited
21.	TCHFL NCD "AM" Series FY 2015-16 – Option I	November 6, 2015	November 6, 2025	10	8.60 %	3,500	'CRISIL AAA' by CRISIL Limited
22.	TCHFL NCD "AP" Series FY 2015-16 – Option I	January 12, 2016	January 12, 2023	7	8.70%	1,500	'CRISIL AAA' by CRISIL Limited
23.	TCHFL NCD "AP" Series FY 2015-16 – Option II	January 12, 2016	January 12, 2024	8	8.70 %	1,500	'CRISIL AAA' by CRISIL Limited
24.	TCHFL NCD "AS" Series FY 2015-16	January 22, 2016	January 22, 2021	5	8.70 %	2,000	'CRISIL AAA' by CRISIL Limited
25.	TCHFL NCD "AU" Series FY 2015-16 Option I	March 30, 2016	March 30, 2026	10	8.78 %	1,500	'CRISIL AAA' by CRISIL Limited
26.	TCHFL NCD "A" Series FY	April 12, 2016	April 12, 2021	5	8.73%	12,000	'CRISIL AAA' by CRISIL Limited

Sr. No	Description (Debenture Series)	Date of Allotment	Date of Redemption	Tenor (in Years)*	Coupon Rate	Principal Amount Outstanding # (in ₹) lakh	Credit Rating
	2016-17						
27.	TCHFL NCD "E" Series FY 2016-17	May 4, 2016	May 4, 2023	7	8.63 %	2,000	'CRISIL AAA' by CRISIL Limited
28.	TCHFL NCD "G" Series FY 2016-17 Option –II	June 10, 2016	December 23, 2019	3	8.7233 %	1,300	'CRISIL AAA' by CRISIL Limited
29.	TCHFL NCD "J" Series FY 2016-17	June 30, 2016	June 30, 2026	10	8.70 %	1,000	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
30.	TCHFL NCD "K" Series FY 2016-17	July 5, 2016	July 5, 2021	5	8.70 %	2,000	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
31.	TCHFL NCD "T" Series FY 2016-17	September 15, 2016	September 15, 2021	5	8.20 %	1,000	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
32.	TCHFL NCD "W" Series FY 2016-17	December 28, 2016	December 28, 2021	5	7.585 %	40,800	'CRISIL AAA' by CRISIL Limited
33.	TCHFL NCD "X" Series FY 2016-17	February 10, 2017	February 7, 2020	3	7.77 %	5,140	'CRISIL AAA' by CRISIL Limited
34.	TCHFL NCD "Y" Series FY 2016-17	March 17, 2017	March 17, 2020	3	7.60 %	30,000	'CRISIL AAA' by CRISIL Limited
35.	TCHFL NCD "C" Series FY 2017-18	April 20, 2017	April 29, 2020	3	7.71 %	500	'ICRA AAA' by ICRA Limited
36.	TCHFL NCD "E" Series FY 2017-18	June 7, 2017	June 30, 2020	3	7.75 %	500	'ICRA AAA' by ICRA Limited
37.	TCHFL NCD "F" Series FY 2017-18	June 14, 2017	June 15, 2020	3	7.70 %	5,500	'ICRA AAA' by ICRA Limited
38.	TCHFL NCD "I" Series FY 2017-18	August 31, 2017	August 31, 2020	3	7.40 %	35,000	'ICRA AAA' by ICRA Limited
39.	TCHFL NCD "C" FY 2018-19	December 7, 2018	April 13, 2022	3.33	9.18 %	9,930	'CRISIL AAA' by CRISIL Limited
40.	TCHFL NCD "C" FY 2018-19 reissuance	January 9, 2019	April 13, 2022	3.25	9.18 %	7,000	'CRISIL AAA' by CRISIL Limited
41.	TCHFL NCD "D" FY 2018-19	March 19, 2019	June 26, 2020	1.30	8.17 %	7,500	'CRISIL AAA' by CRISIL Limited
42.	TCHFL NCD "D" FY 2018-19 Reissuance	April 5, 2019	June 26, 2020	1.25	8.17 %	50,500	'CRISIL AAA' by CRISIL Limited
43.	TCHFL NCD "C" FY 2018-19 Reissuance 2	April 25, 2019	April 13, 2022	3	9.18 %	12,500	'CRISIL AAA' by CRISIL Limited

Sr. No	Description (Debenture Series)	Date of Allotment	Date of Redemption	Tenor (in Years)*	Coupon Rate	Principal Amount Outstanding # (in ₹) lakh	Credit Rating
44.	TCHFL NCD "A" FY 2019-20	May 21, 2019	July 8, 2020	1.16	8.50 %	12,500	'CRISIL AAA' by CRISIL Limited
45.	TCHFL NCD "B" FY 2019-20	May 27, 2019	July 2, 2021	2.15	8.70 %	5,000	'CRISIL AAA' by CRISIL Limited
46.	TCHFL NCD "C" FY 2019-20	July 4, 2019	July 4, 2022	3	8.48 %	2,500	'CRISIL AAA' by CRISIL Limited
47.	TCHFL NCD "D" FY 2019-20	August 19, 2019	March 11, 2022	2.62	8.17 %	10,000	'CRISIL AAA' by CRISIL Limited
48.	TCHFL NCD "E" FY 2019-20	September 4, 2019	March 11, 2021	1.55	7.91 %	30,000	'CRISIL AAA' by CRISIL Limited
Total						**3,75,920**	

* *Rounded off to nearest year*

All the aforementioned issuances are secured by first ranking pari passu charge by way of mortgages on our Company's immovable property and movable properties, including receivables and book debts in favour of the debenture trustee (excluding the exclusive charge created by our Company in favour of NHB as security for due repayment for financial assistance by way of refinancing granted by NHB to our Company).

(iv) Details of Secured Non-Convertible Debentures - Market Linked NCDs

Sr. No	Description (Debenture Series)	Date of Allotment	Date of Redemption	Tenor (in Years)*	Coupon Rate	Principal Amount Outstanding# (in ₹) lakh	Credit Rating
1.	TCHFL MARKET LINKED NCD "A" FY 2019-20	August 22, 2019	August 22, 2022	3	7.90 %	990	'CRISIL PP-MLD AAAr' by CRISIL Limited
2.	TCHFL MARKET LINKED NCD "B" FY 2019-20	September 30, 2019	September 30, 2021	2	7.70 %	614	'CRISIL PP-MLD AAAr' by CRISIL Limited
Total						**1604**	

\# *Amount as per Ind AS for secured non-convertible debentures (including for Market Linked NCDs) is ₹ 3,77,648 lakh.*

Secured by first ranking pari passu charge by way of mortgages on our Company's immovable properties and movable properties, including receivables and book debts in favour of the debenture trustee (excluding the exclusive charge created by our Company in favour of NHB as security for due repayment for financial assistance by way of refinancing granted by NHB to our Company).

(v) Other Secured Borrowings - Refinance by the National Housing Bank

Date of Sanction / Drawdown Date	Amount Sanctioned/ Drawn Down (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Final Maturity Date	Repayment Schedule
January 11, 2013	112	4	January 1, 2020	₹ 4.15 lakh on 1st of January, April, July and October of each year
January 11, 2013	3,537	131	January 1, 2020	₹ 131.00 lakh on 1st of January, April, July and October of each year
January 29, 2013	14	0**	January 1, 2020	₹ 0.52 lakh on 1st of January, April, July and October of each year
January 29, 2013	767	28	January 1, 2020	₹ 28.41 lakh on 1st of January,

Date of Sanction / Drawdown Date	Amount Sanctioned/ Drawn Down (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Final Maturity Date	Repayment Schedule
				April, July and October of each year
January 29, 2013	397	15	January 1, 2020	₹ 14.71 lakh on 1st of January, April, July and October of each year
March 8, 2013	26	1	January 1, 2020	₹ 0.97 lakh on 1st of January, April, July and October of each year
March 8, 2013	938	28	January 1, 2020	₹ 35.00 lakh on 1st of January, April, July and October of each year
March 8, 2013	1,017	569	January 1, 2028	₹ 17.24 lakh on 1st of January, April, July and October of each year
March 26, 2013	1,058	18	January 1, 2020	₹ 40.00 lakh on 1st of January, April, July and October of each year
April 29, 2013	910	60	April 1, 2020	₹ 34.00 lakh on 1st of January, April, July and October of each year
April 29, 2013	1,220	695	April 1, 2028	₹ 21.00 lakh on 1st of January, April, July and October of each year
June 26, 2013	645	45	April 1, 2020	₹ 24.00 lakh on 1st of January, April, July and October of each year
September 20, 2013	53	6	July 1, 2020	₹ 1.97 lakh on 1st of January, April, July and October of each year
September 20, 2013	972	108	July 1, 2020	₹ 36.00 lakh on 1st of January, April, July and October of each year
September 20, 2013	1,975	219	July 1, 2020	₹ 73.15 lakh on 1st of January, April, July and October of each year
October 15, 2013	48	7	October 1, 2020	₹ 1.97 lakh on 1st of January, April, July and October of each year
October 15, 2013	1,272	188	October 1, 2020	₹ 36.00 lakh on 1st of January, April, July and October of each year
December 3, 2013	364	54	October 1, 2020	₹ 13.50 lakh on 1st of January, April, July and October of each year
December 3, 2013	3,623	518	October 1, 2020	₹ 135.00 lakh on 1st of January, April, July and October of each year
December 3, 2013	6,013	884	October 1, 2020	₹ 223.00 lakh on 1st of January, April, July and October of each year
February 20, 2014	4,800	2,534	January 1, 2026	₹ 103.00 lakh on 1st of January, April, July and October of each year
February 20, 2014	5,200	954	January 1, 2021	₹ 193.00 lakh on 1st of January, April, July and October of each year
March 25, 2014	1,100	583	January 1, 2026	₹ 23.50 lakh on 1st of January, April, July and October of each year

Date of Sanction / Drawdown Date	Amount Sanctioned/ Drawn Down (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Final Maturity Date	Repayment Schedule
March 26, 2014	1,180	740	January 1, 2029	₹ 20.00 lakh on 1st of January, April, July and October of each year
May 8, 2014	3,700	802	April 1 , 2021	₹ 138.00 lakh on 1st of January, April, July and October of each year
May 8, 2014	215	119	April 1 , 2026	₹ 4.58 lakh on 1st of January, April, July and October of each year
May 8, 2014	1,085	600	April 1 , 2026	₹ 23.09 lakh on 1st of January, April, July and October of each year
June 25, 2014	2,700	600	April 1 , 2021	₹ 100.00 lakh on 1st of January, April, July and October of each year
July 31, 2014	10,000	2,500	July 1, 2021	₹ 375.00 lakh on 1st of January, April, July and October of each year
September 15, 2014	7,300	4,800	July 1, 2029	₹ 125.00 lakh on 1st of January, April, July and October of each year
September 15, 2014	2,700	1,780	July 1, 2029	₹ 46.00 lakh on 1st of January, April, July and October of each year
September 26, 2014	1,190	290	July 1, 2021	₹ 45.00 lakh on 1st of January, April, July and October of each year
September 30, 2014	3,600	2,360	July 1, 2029	₹ 62.00 lakh on 1st of January, April, July and October of each year
November 7, 2014	2,500	695	October 1, 2021	₹ 95.00 lakh on 1st of January, April, July and October of each year
December 22, 2014	2,700	800	October 1, 2021	₹ 100.00 lakh on 1st of January, April, July and October of each year
December 26, 2014	5,400	3,652	October 1, 2029	₹ 92.00 lakh on 1st of January, April, July and October of each year
January 21, 2015	5,000	3,470	January 1, 2030	₹ 85.00 lakh on 1st of January, April, July and October of each year
January 21, 2015	2,500	790	January 1, 2022	₹ 95.00 lakh on 1st of January, April, July and October of each year
January 21, 2015	2,500	1,726	January 1, 2030	₹ 43.00 lakh on 1st of January, April, July and October of each year
February 13, 2015	2,500	790	January 1, 2030	₹ 95.00 lakh on 1st of January, April, July and October of each year
February 13, 2015	6,000	4,169	January 1, 2030	₹ 101.75 lakh on 1st of January, April, July and October of each year
February 13, 2015	3,500	2,429	January 1, 2030	₹ 59.50 lakh on 1st of January, April, July and October of each year
March 20, 2015	7,000	3,760	January 1, 2025	₹ 180.00 lakh on 1st of January, April, July and October of each

Date of Sanction / Drawdown Date	Amount Sanctioned/ Drawn Down (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Final Maturity Date	Repayment Schedule
				year
March 20, 2015	3,000	1,614	January 1, 2025	₹ 77.00 lakh on 1st of January, April, July and October of each year
May 8, 2015	30,000	21,347	April 1, 2030	₹ 509.00 lakh on 1st of January, April, July and October of each year
June 26, 2015	4,500	2,528	April 1, 2025	₹ 116.00 lakh on 1st of January, April, July and October of each year
July 31, 2015	2,920	1,722	July 1, 2025	₹ 74.90 lakh on 1st of January, April, July and October of each year
September 24, 2015	10,000	7,280	July 1, 2030	₹ 170.00 lakh on 1st of January, April, July and October of each year
September 24, 2015	5,000	3,640	July 1, 2030	₹ 85.00 lakh on 1st of January, April, July and October of each year
November 10, 2015	6,800	4,175	October 1, 2025	₹ 175.00 lakh on 1st of January, April, July and October of each year
December 18, 2015	3,600	2,214	October 1, 2025	₹ 92.40 lakh on 1st of January, April, July and October of each year
January 25, 2016	4,500	2,884	January 1, 2026	₹ 115.40 lakh on 1st of January, April, July and October of each year
March 8, 2016	4,000	2,558	January 1, 2026	₹ 103.00 lakh on 1st of January, April, July and October of each year
March 23, 2016	5,800	3,700	January 1, 2026	₹ 150.00 lakh on 1st of January, April, July and October of each year
March 23, 2016	4,200	2,660	January 1, 2026	₹ 110.00 lakh on 1st of January, April, July and October of each year
May 23, 2016	10,000	6,666	April 1, 2026	₹ 256.50 lakh on 1st of January, April, July and October of each year
August 29, 2016	10,000	6,880	July 1, 2026	₹ 260.00 lakh on 1st of January, April, July and October of each year
August 29, 2016	30,000	23,880	July 1, 2031	₹ 510.00 lakh on 1st of January, April, July and October of each year
December 2, 2016	10,000	7,173	October 1, 2026	₹ 257.00 lakh on 1st of January, April, July and October of each year
January 31, 2017	50,000	41,500	January 1, 2032	₹ 850.00 lakh on 1st of January, April, July and October of each year
January 31, 2017	8,647	6,427	January 1, 2027	₹ 222.00 lakh on 1st of January, April, July and October of each year
April 26, 2017	40,000	33,880	April 1, 2032	₹ 680.00 lakh on 1st of January, April, July and October of each year
May 31, 2017	40,000	30,769	April 1, 2027	₹ 1025.65 lakh on 1st of January,

Date of Sanction / Drawdown Date	Amount Sanctioned/ Drawn Down (in ₹) lakh	Amount Outstanding as on September 30, 2019# (in ₹) lakh	Final Maturity Date	Repayment Schedule
				April, July and October of each year
June 7, 2017	40,000	33,880	April 1, 2032	₹ 680.00 lakh on 1st of January, April, July and October of each year
June 7, 2017	15,000	11,535	April 1, 2017	₹ 385.00 lakh on 1st of January, April, July and October of each year
September 29, 2017	20,000	15,896	July 1, 2027	₹ 513.00 lakh on 1st of January, April, July and October of each year
October 31, 2017	7,500	6,135	October 1, 2027	₹ 195.00 lakh on 1st of January, April, July and October of each year
March 15, 2018	30,000	26,940	January 1, 2033	₹ 510.00 lakh on 1st of January, April, July and October of each year
March 27, 2018	10,000	7,720	January 1, 2025	₹ 380.00 lakh on 1st of January, April, July and October of each year
May 15, 2018	2,500	2,037	April 1, 2025	₹ 926.00 lakh on 1st of January, April, July and October of each year
May 15, 2018	7,500	6,864	April 1, 2033	₹ 1,271.50 lakh on 1st of January, April, July and October of each year
June 29, 2018	35,000	32,030	April 1, 2033	₹ 594 lakh on 1st of January, April, July and October of each year
June 29, 2018	36,000	32,949	April 1, 2033	₹ 610.20 lakh on 1st of January, April, July and October of each year
June 29, 2018	14,000	11,405	April 1, 2025	₹ 519 lakh on 1st of January, April, July and October of each year
November 29, 2018	35,900	34,046	October 1, 2033	₹ 618 lakh on 1st of January, April, July and October of each year
November 29, 2018	39,100	37,090	October 1, 2033	₹ 670 lakh on 1st of January, April, July and October of each year
November 29, 2018	40,000	35,425	October 1, 2025	₹ 152500 lakh on 1st of January, April, July and October of each year
Total	**724,798**	**551,969**		

Amount as per Ind AS for Refinance by the National Housing Bank is ₹ 551,969 lakh.

** Actual amount outstanding as on September 30, 2019 is ₹ 48,000. The amount appears as nil due to rounding off.

All monies payable by the National Housing Bank are secured by creating first mortgage on all book debts together with the securities (mortgage / pledge/ other title or interest) acquired or to be acquired. These monies are further secured by a corporate guarantee / letter of comfort, issued by Tata Capital Limited.

Prepayment of Refinance availed from the National Housing Bank

There will be no prepayment penalty subject to the following:

– *Such refinance is availed under Rural Housing Fund, Urban Housing Fund, Special Urban Refinance Scheme for Low Income Households, or under Regular Refinance Scheme at concessional rates,*

– *The said amount disbursed to the ultimate borrowers under these schemes has been prepaid, and*

The prepayment is made not more than once in a quarter after giving two weeks' notice.

The refinance availed can also be prepaid without any prepayment penalty subject to the following conditions:

– *The said refinance has run for at least one year (including the required period of notice), and*

– *Prior notice of two months is given to NHB, and*

– *Such prepayment is made not more than once in any half year (January – June or July – December).*

At the time of Interest Rate Reset our Company will have the option to either continue with the outstanding balance on the revised Interest Rate or to prepay the same without any prepayment penalty and notice period.

In all other cases, prepayment would be accepted upon payment of prepayment charges as stated below and subject to two months' notice in writing:

Ageing (from date of disbursement)	***Prepayment Charges***
Upto 1 year	*1.0% of amount to be prepaid*
More than 1 year	*0.5% of amount to be prepaid*

B. Details of Unsecured Borrowings

Our Company has ₹ 4,39,670 lakh unsecured borrowings as on September 30, 2019. The details of the individual borrowings are set out below.

(i) Term Loans

Sr. No	**Lender's Name**	**Amount Sanctioned (in ₹) Lakh**	**Amount Outstanding as on September 30, 2019# (in ₹) lakh**	**Repayment Date/Repayment Schedule**	**Penalty**	**Prepayment**
1.	HDFC Bank Limited	15,000	15,000	Bullet payment to be made on December 27, 2020.	Any overdue or delay in payment of any monies payable shall attract default interest at 2 % per annum in addition to the interest rate specified by the lender.	Any prepayment by the borrower shall attract prepayment charges of 2 % on the entire facility amount, except for in the case of a reset of the interest rate which is not agreeable to the borrower on the reset dates.
2.	Dena Bank - Bank of Baroda	50,000	49,500	Bullet repayment of ₹ 8,000 lakh on December 20, 2019 and ₹ 42,000 lakh on October 29, 2019.	2 % over applicable rate for delayed payment of interest / instalment	Nil
Total		**65,000**	**64,500**			

Amount as per Ind AS for unsecured term loan is ₹ 64,500 lakh.

(ii) Cash Credit/Working Capital Loans

Our Company does not have any unsecured cash credit or working capital facility outstanding as on September 30, 2019.

(iii) Details of Unsecured Non-Convertible Debentures – Subordinated Debt

Our Company has issued unsecured redeemable non-convertible debentures each on a private placement on the basis of which ₹ 62,370 lakh is cumulatively outstanding as on September 30, 2019 the details of which are set forth below.

Sr. No	Date of Allotment	Amount Outstanding # (in ₹) lakh	Final Redemption Date	Tenor (in Years)	Coupon	Description (Debenture Series)	Latest Credit Rating
1.	September 29, 2011	2,530	September 29, 2021	10	10.00%	TCHFL Tier II Bonds B Series FY 2011-12	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
2.	October 28, 2011	110	October 28, 2021	10	10.00%	TCHFL Tier II Bonds C Series FY 2011-12	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
3.	November 4, 2011	1,010	November 4, 2021	10	10.00%	TCHFL Tier II Bonds D Series FY 2011-12	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
4.	January 25, 2012	1,350	January 25, 2022	10	10.15%	TCHFL Tier II Bonds E Series FY 2011-12	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
5.	March 12, 2012	1,020	March 12, 2022	10	10.15%	TCHFL Tier II Bonds F Series FY 2011-12	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
6.	May 10, 2012	100	May 10, 2022	10	10.00%	TCHFL Tier II Bonds A Series FY 2012-13	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
7.	May 30, 2012	3,000	May 30, 2022	10	10.05%	TCHFL Tier II Bonds C Series FY 2012-13	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
8.	May 30, 2012	30	May 30, 2022	10	10.00%	TCHFL Tier II Bonds B Series FY 2012-13	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
9.	August 22, 2012	3,300	August 22, 2022	10	10.25%	TCHFL Tier II Bonds D Series FY 2012-13	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
10.	March 28, 2013	1,500	March 28, 2023	10	9.75%	TCHFL Tier II Bonds E Series FY 2012-13	'CRISIL AAA' by CRISIL Limited
11.	April 15, 2013	2,500	April 15, 2023	10	9.70%	TCHFL Tier II Bonds A Series FY 2013-14	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
12.	April 23, 2013	210	April 23, 2023	10	9.70%	TCHFL Tier II Bonds B Series FY 2013-14	'CRISIL AAA' by CRISIL Limited
13.	May 20, 2013	100	May 19, 2023	10	9.30%	TCHFL Tier II Bonds C Series FY 2013-14	'CRISIL AAA' by CRISIL Limited
14.	January 10, 2014	770	January 10, 2024	10	10.00%	TCHFL Tier II Bonds D Series FY 2013-14	'CRISIL AAA' by CRISIL Limited
15.	March 18, 2014	40	March 18, 2024	10	10.00%	TCHFL Tier II Bonds E Series FY 2013-14	'CRISIL AAA' by CRISIL Limited

Sr. No	Date of Allotment	Amount Outstanding # (in ₹) lakh	Final Redemption Date	Tenor (in Years)	Coupon	Description (Debenture Series)	Latest Credit Rating
16.	September 26, 2014	4,800	September 26, 2024	10	10.15%	TCHFL Tier II Bonds A Series FY 2014-15	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
17.	April 28, 2015	4,000	April 28, 2025	10	9.25%	TCHFL Tier-II Bonds A Series FY 2015-16	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
18.	July 22, 2015	3,500	July 22, 2025	10	9.25%	TCHFL Tier II Bonds B Series FY 2015-16	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
19.	September 16, 2015	1,000	September 16, 2025	10	9.20%	TCHFL Tier II Bonds C Series FY 2015-16	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
20.	September 21, 2015	1,500	September 19, 2025	10	9.20%	TCHFL Tier II Bonds D Series FY 2015-16	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
21.	November 4, 2015	3,000	November 4, 2025	10	8.99%	TCHFL Tier II Bonds E Series FY 2015-16	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
22.	December 15, 2015	2,500	December 15, 2025	10	9.00%	TCHFL Tier II Bonds F Series FY 2015-16	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
23.	December 17, 2015	2,500	December 17, 2025	10	9.00%	TCHFL Tier II Bonds G Series FY 2015-16	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
24.	March 13, 2016	2,000	March 13, 2026	10	9.00%	TCHFL Tier II Bonds H Series FY 2015-16	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
25.	August 4, 2016	20,000	August 4, 2026	10	8.92%	TCHFL Tier II Bonds A Series FY 2016-17	'CRISIL AAA' by CRISIL Limited & 'ICRA AAA' by ICRA Limited
Total		**62,370**					

Amount as per Ind AS for unsecured non-convertible debentures – subordinated debt is ₹ 62,289 lakh.

C. Details of Commercial Papers

The total face value of commercial papers outstanding as on September 30, 2019 is given below and its breakup in the following table.

Sr. No.	Maturity Date	Amount Outstanding# (in ₹) lakh
1	October 7, 2019	25,000

Sr. No.	Maturity Date	Amount Outstanding# (in ₹) lakh
2	October 10, 2019	20,000
3	October 15, 2019	50,000
4	October 31, 2019	35,000
5	November 8, 2019	20,000
6	November 19, 2019	50,000
7	December 24, 2019	10,000
8	January 15, 2020	20,000
9	February 25, 2020	15,000
10	March 5, 2020	2,500
11	March 6, 2020	5,000
12	March 11, 2020	5,000
13	March 13, 2020	10,000
14	August 5, 2020	10,000
15	August 7, 2020	17,500
Total		**295,000**

Amount as per Ind AS for Commercial Papers is ₹ 2,90,601 lakh

D. Details of any inter-corporate loans, deposits and other borrowings

Our Company's inter-corporate loans as on September 30, 2019 amount to ₹ 17,800 lakh. The details of the individual borrowings are set out below.

S. No.	Lender's Name	Drawdown Date	Maturity Date	Amount drawn (in ₹) lakh	Amount outstanding as on September 30, 2019# (in ₹) lakh
1.	Tata Capital Limited	September 3, 2019	September 3, 2020	3,300	3,300
2.	Tata Capital Limited	September 19, 2019	September 19, 2020	4,500	4,500
3.	Tata Capital Limited	September 30, 2019	September 30, 2020	10,000	10,000
Total				**17,800**	**17,800**

Amount as per Ind AS for inter-corporate loans is ₹17,800 lakh.

E. The amount of corporate guarantee issued by our Company along with the name of the counterparty on behalf of whom it has been issued

Our Company has not issued any corporate guarantees.

F. Details of rest of the borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debenture/ Preference Shares) as on September 30, 2019.

As on September 30, 2019, our Company has not availed any other borrowing including hybrid debt such as foreign currency convertible bond, optionally convertible debenture. The outstanding amount of CCCPS as on September 30, 2019 is ₹ 1,57,200 lakh. For further details of the CCCPS issued by our company, see "*Capital Structure*" beginning on page 46 of this Draft Shelf Prospectus. Our company has also availed external commercial borrowing, for details see "*Disclosures on Financial Indebtedness*" on page 103 of this Draft Shelf Prospectus.

G. Loans from Directors and Relatives of Directors

Our Company does not have any borrowings from directors and relatives of directors as on September 30, 2019, which are in the nature of demand loans and are unsecured.

H. Servicing behavior on existing debt securities, payment of due interest on due dates on financing facilities or securities including corporate guarantee issued by our Company, in the past five years

In the five years preceding the date of this Draft Shelf Prospectus, there has been no delay and /or default in servicing of debt/interest or in payment of principal or interest on any existing financing facilities or term loan or debt security including corporate guarantee issued by our Company.

I. Details of any outstanding borrowing taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

Our Company has nil outstanding borrowings taken / debt securities issued where taken / issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on September 30, 2019.

As on the date of this Draft Shelf Prospectus, there has been no rescheduling, default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by our Company, in the past 5 years.

J. Some of the restrictive covenants under our financing agreements have been set out, as follows :

1. Our Company cannot create or permit to subsist any security interest over any of the receivables / security hereunder, unless the security interest created pursuant to any security document or such other security as may be created is with the prior written approval of the lender;

2. Our Company cannot incur, any indebtedness in any manner without the prior written approval of the lender;

3. Our Company cannot effect any change in its capital structure or constitutional documents in any manner without the prior written approval of the lender;

4. Our Company is not permitted to do or undertake anything that may prejudice or jeopardize the security under any financing agreement, while remaining indebted to the lender in any manner;

5. Our Company is not permitted to declare any dividend, if any instalment towards principal or interest remain unpaid on its due date without the prior consent of the lender;

6. Our Company is not permitted to enter into scheme of merger, amalgamation, compromise or reconstruction without the prior written consent of the bank;

7. Our Company is not permitted to utilize the funds raised from the loans only for the purposes of its business;

8. Our Company shall not undertake any new project, diversification or substantial expansion of any project in case of event of default;

9. Our Company shall not create any subsidiary or permit any Company to become its subsidiary in case of event of default; and

10. Our Company shall not sell or dispose of the mortgaged premises.

MATERIAL DEVELOPMENTS

There have been no material developments since September 30, 2019 and there have arisen no circumstances that would materially or adversely affect the operations, or financial condition or profitability of our Company or the value of its assets or its ability to pay its liabilities within the next 12 months.

SECTION V: ISSUE RELATED INFORMATION

GENERAL TERMS OF THE ISSUE

Authority for this Issue

At the meeting of the Board of Directors of our Company held on June 15, 2018, the Board of Directors approved the public issue of Secured NCDs of face value ₹ 1,000 each and Unsecured NCDs of face value ₹ 1,000 each, aggregating up to ₹ 5,00,000 lakh.

This Draft Shelf Prospectus has been approved by the Board of Directors at its meeting held on December 17, 2019. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any Tranche Issue, which issue is being made as decided by the Board of Directors.

Further, the present borrowing is within the borrowing limits of ₹ 40,00,000 lakh under Section 180(1)(c) of the Companies Act, 2013 duly approved by our Shareholders by way of their resolution on March 27, 2019.

Principal terms and conditions of this Issue

The NCDs being offered as part of this Issue are subject to the provisions of the SEBI Debt Regulations, the relevant provisions of the Companies Act, 2013, as on the date of this Draft Shelf Prospectus, our Memorandum and Articles of Association, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the terms and conditions of the Debenture Trustee Appointment Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government, the Stock Exchanges, and any other statutory or regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of the Secured NCDs

The Secured NCDs would constitute secured obligations of our Company and shall rank *pari passu*, *inter se*, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall be secured by way of a first ranking *pari passu* charge by way of mortgage over our Company's specific immovable property and a first ranking *pari passu* floating charge over the movable properties of our Company, including book debts (excluding the exclusive charge created by our Company in favour of NHB as security for the due repayment for financial assistance by way of refinancing granted by NHB to our Company). The Secured NCDs proposed to be issued under this Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

Our Company is required to obtain permissions / consents from existing lenders for ceding *pari passu* charge and for proceeding with this Issue. Our Company has obtained all requisite permissions / consents from the existing lenders as on the date of this Draft Shelf Prospectus.

Ranking of Unsecured NCDs

The Unsecured NCDs would constitute unsecured and subordinated obligations of our Company and shall rank *pari passu inter se*, and subject to any obligations under applicable statutory and/or regulatory requirements. The Unsecured NCDs proposed to be issued under this Issue and all earlier issues of unsecured debentures outstanding in the books of our Company, if any, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the Unsecured NCD Holders shall be subordinated to those of the other creditors of our Company, subject to applicable statutory and/or regulatory requirements. Our Company shall, subject to applicable NHB requirements and other applicable statutory and/or regulatory provisions, treat the Unsecured NCDs as Tier II Capital.

Debenture Redemption Reserve

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by the Companies (Share Capital and Debentures) Amendment Rules, 2019, a listed HFC is not required to create a debenture redemption reserve in case of public issue of debentures. The rules further mandate that the company which is coming with a public issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15 % of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a debenture redemption reserve for the NCDs proposed to be issued through this Issue. Further, our Company shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15 % of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15 % of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

Face Value

The face value of each of the Secured NCDs shall be ₹ 1,000.

The face value of each of the Unsecured NCDs shall be ₹ 1,000.

NCD Holder not a shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent as may be prescribed under the Companies Act, 2013, the SEBI LODR Regulations and any other applicable law.

Rights of the Secured NCD Holders

Some of the significant rights available to the Secured NCD Holders are as follows:

1. The Secured NCDs shall not, except as provided in the Companies Act, 2013 to the extent applicable as on the date of this Draft Shelf Prospectus and the relevant Tranche Prospectus, confer upon the Secured NCD Holders thereof any rights or privileges available to our Shareholders including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the Secured NCDs is to be placed before the Shareholders, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013 the Secured NCD Holders shall be entitled to inspect a copy of the balance sheet and copy of trust deed at the Registered Office of our Company during business hours.

2. Subject to applicable statutory/ regulatory requirements, including requirements of the RBI and the NHB, the rights, privileges and conditions attached to the Secured NCDs may be varied, modified and/or abrogated with the consent in writing of the NCD Holders of at least 51 % in value of the outstanding amount of the Secured NCDs or with the sanction of a resolution passed at a meeting of the concerned Secured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.

3. In case of Secured NCDs held in (i) dematerialized form, the person for the time being appearing in the register of beneficial owners of the Depository; and (ii) physical form on account of re-materialization, the registered Secured NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Secured NCDs, either in person or by proxy, at any meeting of the concerned Secured NCD Holders and every such Secured NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured NCD Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.

4. The Secured NCDs are subject to the provisions of the SEBI Debt Regulations, provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, the NHB and other applicable statutory and/or regulatory requirements relating to this issue and listing, of securities and any other documents that may be executed in connection with the Secured NCDs.

5. For Secured NCDs in physical form on account of re-materialization, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For Secured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any Secured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders as given thereunder.

6. The Secured NCDs can be rolled over only by passing a special resolution by the Secured NCD Holders through postal ballot, with the consent of at least 75 % of the Secured NCDs by value of such Secured NCDs, after providing at least 21 days prior notice for such roll over, in accordance with the SEBI Debt Regulations, as amended from time to time. Our Company shall redeem the Secured NCDs of all the Secured NCD Holders, who have either not participated in the voting by postal ballot or have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD Holders are merely indicative. The final rights of the Secured NCD Holders will be as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus and the Debenture Trust Deed.

Rights of Unsecured NCD Holders

Some of the significant rights available to the Unsecured NCD Holders are as follows:

1. The Unsecured NCDs shall not, except as provided in the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus and the relevant Tranche Prospectus, confer upon the Unsecured NCD Holders thereof any rights or privileges available to our Shareholders including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the Unsecured NCDs is to be placed before the Shareholders, the said resolution will first be placed before the concerned registered Unsecured NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013, the Unsecured NCD Holders shall be entitled to inspect a copy of the balance sheet and copy of trust deed at the Registered Office of our Company during business hours.

2. Subject to applicable statutory / regulatory requirements, including requirements of the RBI, the NHB, the rights, privileges and conditions attached to the Unsecured NCDs may be varied, modified and/or abrogated with the consent in writing of the NCD Holders representing at least 51 % in value of the outstanding amount of the Unsecured NCDs or with the sanction of a resolution passed at a meeting of the concerned Unsecured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Unsecured NCDs, if the same are not acceptable to us.

3. In case of Unsecured NCDs held in (a) dematerialized form, the person for the time being appearing in the register of beneficial owners of the Depository; and (b) physical form, on account of re-materialization, as entitled under Section 8(1) of the Depositories Act, 1996, the registered Unsecured NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Unsecured NCDs, either in person or by proxy, at any meeting of the concerned Unsecured NCD Holders and every such Unsecured NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Unsecured NCD Holders shall be in proportion to the outstanding nominal value of Unsecured NCDs held by him/her.

4. The Unsecured NCDs are subject to the provisions of the SEBI Debt Regulations, the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus, our Memorandum and Articles of Association, the terms of the Shelf Prospectus, the relevant Tranche Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, the NHB and other applicable statutory and/or regulatory requirements relating to this Issue and listing, of securities and any other documents that may be executed in connection with the Unsecured NCDs.

5. For Unsecured NCDs in physical form, on account of re-materialization, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Unsecured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For Unsecured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Unsecured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any Unsecured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders as given thereunder.

6. The Unsecured NCDs can be rolled over by passing a special resolution by the Unsecured NCD Holders through postal ballot, with the consent of at least 75 % of the Unsecured NCD Holders by value of such Unsecured NCDs, after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations, as amended from time to time. Our Company shall redeem the Unsecured NCDs of all the Unsecured NCD Holders, who have either not participated in the voting by postal ballot or have not given their positive consent to the roll-over.

The aforementioned rights of the Unsecured NCD Holders are merely indicative. The final rights of the Unsecured NCD Holders will be as per the terms of the Shelf Prospectus, the relevant Tranche Prospectus and the Debenture Trust Deed.

Minimum Subscription

In terms of the SEBI Debt Regulations for an issuer undertaking a public issue of debt securities, the minimum subscription for public issue of debt securities shall be 75 % of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue as specified in the respective Tranche Prospectus, prior to the Issue Closing Date for the respective tranche issue, the entire subscription amount shall be unblocked in the relevant ASBA account of the Applicants within 6 days from the date of closure of the respective tranche Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted In the event there is a delay by our Company in making the aforesaid refund, our Company will pay interest at the rate of 15 % per annum for the delayed period.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar to the Issue does not have the necessary information for making such refunds, our Company and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including the Debt Application Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Market Lot and Trading Lot

The NCDs shall be allotted in dematerialized form. As per the SEBI Debt Regulations, the trading of the NCDs shall be in dematerialized form only. Since trading of the NCDs is in dematerialized form, the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Issue will be in electronic form multiples of one NCD. For details of Allotment, see "*Issue Procedure*" beginning on page 143.

Nomination facility to NCD Holders

In accordance with Section 72 of the Companies Act, 2013 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, the sole NCD Holder or first NCD Holder, along with other joint NCD Holders (being individual(s) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCDs. A person, being a nominee, becoming entitled to the NCDs by reason of the death of the NCD Holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCDs, in the event of his death, during the minority. A nomination shall stand rescinded upon sale of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent.

NCD Holders are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 72 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our Board, elect either:

(a) To register himself or herself as the holder of the NCDs; or

(b) To make such transfer of the NCDs, as the deceased holder could have done.

NCD Holders who are holding NCDs in dematerializsed form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require changing their nominations, they are requested to inform their respective Depository Participant.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The Directors, the Board, any Committee of the Board or any other person authorised by the Board in their absolute discretion may, in any case, dispense with the requirement of production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialized form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in this Issue

NCDs being issued through this Draft Shelf Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable.

Period of subscription

ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board of our Company or a duly authorised committee of the Board of Directors. In the event of such an early closure of or extension of this Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or initial date of closure.

Applications Forms for each Tranche Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3:00 p.m. and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchanges on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Members of the Syndicate are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the relevant Tranche Prospectus. In this regard as per the SEBI circular dated October 29, 2013, the allotment in this Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

Procedure for re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form, on account of re-materialization may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their PAN to our Company and the DP. No proposal for re-materialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such re-materialization.

Transfer or Transmission of NCDs

There are currently no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any RBI requirements and/or as provided in our Articles of Association. Please see "*Summary of the Key Provisions of the Articles of Association*" beginning on page 187. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, the relevant provisions of which have come into effect from April 1, 2019, NCDs held in physical form, pursuant to any re-materialization, as above, cannot be transferred except by way of transmission or transposition. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Day Count Convention

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI circular on Issues Pertaining to Primary Issuance of Debt Securities bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013 and regarding clarification on aspects related to day count convention for debt securities issued under the SEBI Debt Regulations bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however, the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI circular regarding Issues Pertaining to Primary Issuance of Debt Securities bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013 and regarding clarification on aspects related to day count convention for debt securities issued under the SEBI Debt Regulations bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016, will be a disclosed in the relevant Tranche Prospectus.

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in "*General Terms of the Issue*" and "*Issue Procedure*" beginning on page 125 and on page 143.

The key common terms and conditions of the NCDs are as follows:

Particulars	Terms and Conditions
Minimum Application Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Mode of allotment	Compulsorily in dematerialized form
Terms of Payment	Full amount on application
Trading Lot	One NCD
Who can apply	**Category I** • Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI. **Category II** • Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including Public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; and • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009). • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons **Category III** • High Net-Worth Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an

Particulars	Terms and Conditions
	amount aggregating to above ₹ 10,00,000 across all options of NCDs in this Issue **Category IV** • Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in this Issue

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of Secured NCDs and Unsecured NCDs that can be held by them under applicable statutory and/or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

For further details see "*Issue Procedure*" beginning on page 143.

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs*

Common Terms of NCDs

Particulars	Details
Issuer	Tata Capital Housing Finance Limited
Lead Managers	Edelweiss Financial Services Limited and A. K. Capital Services Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar to the Issue	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Type and nature of instrument	Secured NCDs of face value of ₹ 1,000 each and Unsecured NCDs of face value ₹ 1,000 each
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face Value (in ₹ / NCD)	1,000
Issue Price (in ₹ / NCD)	1,000
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue
In multiples of	As specified in the relevant Tranche Prospectus for each Tranche Issue
Seniority	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements).
Mode of Issue	Public Issue
Issue	Public issue by our Company of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each and Unsecured, Subordinated, Rated, Listed, Redeemable, Non-convertible Debentures of face value of ₹ 1,000 each, for an amount aggregating up to the Shelf Limit pursuant to the Shelf Prospectus and the respective Tranche Prospectus. The Unsecured, Rated, Listed, Redeemable Non-convertible Debentures will be in the nature of subordinated debt and will be eligible for Tier II Capital. The NCDs will be issued in one or more Tranches, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue. Our Company may opt to issue on Secured NCDs or Unsecured NCDs or both Secured NCDs and Unsecured NCDs as part of any Tranche Prospectus.
Listing	NSE and BSE NSE shall be the Designated Stock Exchange for this Issue The NCDs shall be listed in accordance with applicable law and within the timeframe stipulated by SEBI
Lock-in	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of Allotment and Trading	Compulsorily in dematerialized form

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Mode of settlement</td><td>Please see, “Issue Structure” beginning on page 131</td></tr>
<tr><td>Market / Trading Lot</td><td>One NCD</td></tr>
<tr><td>Depositories</td><td>NSDL and CDSL</td></tr>
<tr><td>Security</td><td>The Secured NCDs would constitute secured obligations of our Company and shall rank pari passu inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall be secured by way of a first ranking pari passu charge by way of mortgage over our Company’s specific immovable property and a first ranking pari passu floating charge over the movable properties of our Company, including book debts (excluding the exclusive charge created by our Company in favour of NHB as security for the due repayment for financial assistance by way of refinancing granted by NHB to our Company).

No security will be created for Unsecured NCDs in the nature of Subordinated Debt. The rated, listed, redeemable Unsecured NCDs are in the nature of subordinated debt and will be eligible for Tier II Capital</td></tr>
<tr><td>Who can apply/ Eligible Investors</td><td>Please see, “Issue Procedure” beginning on page 143</td></tr>
<tr><td>Credit Ratings</td><td>
<table>
<tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating letter</th><th>Amount rated (in ₹, lakh)</th><th>Rating definition</th></tr>
<tr><td>CRISIL</td><td>Non-convertible debentures and subordinated debt</td><td>CRISIL AAA/Stable</td><td>November 27, 2019</td><td>5,00,000</td><td>Stable</td></tr>
<tr><td>ICRA</td><td>Non-convertible debentures and subordinated debt</td><td>[ICRA] AAA (stable)</td><td>November 27, 2019</td><td>5,00,000</td><td>Stable</td></tr>
</table>

Please see Annexures B to E of this Draft Shelf Prospectus for rating letters and rationale letters for the above ratings. Please see the disclaimer clause of CRISIL and ICRA forming part of "General Information" beginning on page 35</td></tr>
<tr><td>Issue Size</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Pay-in date</td><td>Application Date. The entire Application Amount is payable on Application</td></tr>
<tr><td>Application money</td><td>The entire application amount is payable on submitting the application</td></tr>
<tr><td>Record Date</td><td>The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchanges are having trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date.

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016</td></tr>
<tr><td>Issue Schedule*</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Objects of the Issue</td><td>Please see, "Objects of the Issue" beginning on page 51</td></tr>
<tr><td>Details of the utilization of Issue proceeds</td><td>Please see, "Objects of the Issue" beginning on page 51</td></tr>
<tr><td>Coupon rate, Interest payment date and redemption premium/discount</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Step up/ Step down interest rates</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Interest type</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Interest reset process</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Tenor</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Coupon Payment Frequency</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
</table>

Particulars	Details
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count convention	Actual/Actual
Working Days convention/Day count convention / Effect of holidays on payment	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016. If the date of payment of interest specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) falls on a holiday, the interest/redemption payments shall be made only on the next Working Day, along with interest accrued on the NCDs until such date, however, excluding the date of such payment
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Put/Call Option Date/Price/notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call Notification Time / Put Notification Time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Deemed Date of Allotment	The date on which the Board of Directors or a duly authorized committee of the Board of Directors approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board/ committee. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment
Transaction Documents	Transaction documents shall mean the Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Consortium Agreement and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee. For further details see, "*Material Contracts and Documents for Inspection*" beginning on page 192
Conditions precedent and subsequent to this Issue	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed
Events of default	Please see, "*Issue Structure*" beginning on page 131
Roles and responsibilities of the Debenture Trustee	Please see, "*General Terms of the Issue*" beginning on page 125
Governing law and jurisdiction	This Issue shall be governed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai

* *This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board or a duly authorized committee of the Board of Directors. In the event of such an early closure of or extension of this Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or initial date of closure. Application Forms for this Issue will be accepted only from 10:00 a.m. till 5:00 p.m. or such extended time as may be permitted by the Designated Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. or such extended time as may be permitted by Designated Stock Exchange.*

Terms of the NCDs

As specified in the relevant Tranche Prospectus.

Interest and Payment of Interest

As specified in the relevant Tranche Prospectus.

Taxation

As per clause (ix) of Section 193 of the IT Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form, unless there is an amendment to the IT Act that warrants a withholding.

However, in case of NCDs held in physical form on account of re-materialization, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the Secured NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCDs held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCDs. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the NCDs to ensure non-deduction or lower deduction of tax at source from interest on the NCDs.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company’s books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Payment of Interest

As specified in the relevant Tranche Prospectus. Amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on Saturday, Sundays or holidays of commercial banks in Mumbai, then interest as due and payable on such day, would be paid on the next Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Mode of payment of Interest to NCD Holders

Payment of interest will be made to (i) in case of NCDs in de-materialized form, the persons who for the time being appear in the register of beneficial owners of the NCDs as per the Depositories as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details see "*Issue Structure - Manner of Payment of Interest / Refund / Redemption*" beginning on page 136.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Deemed Date of Allotment

The date on which the Board of Directors or a duly authorized committee of the Board of Directors approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board/ committee. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.

Application Size

As specified in the relevant Tranche Prospectus.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price per NCD, as specified in the relevant Tranche Prospectus for each Tranche Issue, is payable on application itself.

Record Date

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under the relevant Tranche Prospectus. In case the Record Date falls on a day when the Stock Exchanges are having trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date. Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

For NCDs applied / held in electronic form

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the applicant at the applicant's sole risk, and neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

For NCDs held in physical form on account of re-materialization

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be. Please see the procedure for "*Procedure for re-materialization of NCDs*" on page 129.

[*] *In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50, then the amount shall be rounded off to ₹ 1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. NACH

   National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 2,00,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of Secured NCDs held in physical form either on account of re-materialization or transfer, the Secured NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the Secured NCD Holders as available in the records of our Company either through speed post or registered post.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may, from time to time, invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form and Denomination of Secured NCDs

In case of Secured NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one Secured NCD ("**Market Lot**"). In case of Secured NCDs held under different Options, as specified in the relevant Tranche Prospectus, by a NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held under each Option.

It is, however, distinctly to be understood that the Secured NCDs pursuant to this issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

Form and Denomination of Unsecured NCDs

In case of Unsecured NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the Unsecured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one Unsecured NCD ("**Market Lot**"). In case of Unsecured NCDs held under different Options, as specified in the relevant Tranche Prospectus, by a NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Unsecured NCDs held under each Option.

It is, however, distinctly to be understood that the Unsecured NCDs pursuant to this issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

Procedure for Redemption by NCD holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below*.

NCDs held in physical form on account of re-materialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties *inter se* and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.5, then the amount shall be rounded off to ₹ 1,838.*

Redemption Date

As specified under the relevant Tranche Prospectus.

Transfer/Transmission of NCD(s)

For NCDs held in physical form on account of re-materialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder or all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques or pay orders, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 30 (thirty) days from the date of receipt of the duly discharged NCD certificate. These NCDs will be simultaneously extinguished to the extent of amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on part of the NCD Holders.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the register of debenture holders maintained by us or the Registrar to the Issue on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least 7 days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders. Further, we will not be liable to pay any interest, income or compensation of any kind from the Redemption Date of the NCDs.

For NCDs held in dematerialized form

The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with our Company or Registrar to the Issue.

In case the transferee does not have a Depository Participant account, the transferor can rematerialize the NCDs and thereby convert his dematerialized holding into physical holding. Thereafter, these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Title

In case of:

- NCDs held in the dematerialized form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and

- the NCDs held in physical form on account of re-materialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificates issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

No transfer of title of a NCD will be valid unless and until entered in the register of NCD Holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus shall apply, *mutatis mutandis* (to the extent applicable) to the NCD(s) as well.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialize the NCDs and thereby convert his dematerialized holding into physical holding. Thereafter, these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form on account of re-materialization.

Common form of transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us or the Registrar to the Issue and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holders required to be given by us or the Debenture Trustee will be sent by speed post or registered post or through email or other electronic media to the registered NCD Holders from time to time.

Issue of Duplicate NCD Certificate(s) issued in physical form on account of re-materialization

If NCD certificate(s) is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilized, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The principal amount of the Secured NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due on the Secured NCDs, subject to any obligations under applicable statutory and/or regulatory requirements, shall be secured by way of a first ranking *pari passu* charge by way of mortgage over our Company's specific immovable property and a first ranking *pari passu* floating charge over the movable properties of our Company, including book debts (excluding the exclusive charge created by our Company in favour of NHB as security for the due repayment for financial assistance by way of refinancing granted by NHB to our Company).

Our Company will create the security for the NCDs in favour of the Debenture Trustee for the NCD Holders on the assets to ensure 100 % security cover of the amount outstanding in respect of NCDs, including interest thereon, at any time.

Our Company intends to enter into an agreement with the Debenture Trustee ('**Debenture Trust Deed'**), the terms of which will govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Draft Shelf Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Trustees for the NCD Holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the NCD Holders. The Debenture Trustee and we will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us *pro tanto* to the NCD Holders. The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the NCD Holders representing at least 51 % in value of the outstanding amount of the NCDs or with the sanction of a resolution, passed at a meeting of the NCD Holders, give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s); and

(ii) default is committed in payment of any interest on the NCDs on the due date(s).

As per the Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014, as amended from time to time, our Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. Our Company shall have the right of set-off and lien, present as well as future, on the moneys due and payable to the NCD Holders or deposits held in the account of the NCD Holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD Holders to our Company, subject to applicable law.

Lien on pledge of NCDs

Our Company may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency or obtain refinance from the NHB without the consent of, or notification to or consultation with the holder of NCDs or the Debenture Trustee by creating a charge on any assets, provided the stipulated security cover is maintained.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be a disclosed in the relevant Tranche Prospectus.

Payment of interest

If allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be refunded/unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please see, "*Issue procedure - Rejection of Applications*" on page 155.

ISSUE PROCEDURE

This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018, which provides, inter alia, that for all public issues of debt securities opening on or after October 1, 2018, all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. ASBA Applicants ensure that their respective ASBA accounts be blocked by the SCSBs in the relevant ASBA Accounts. This section applies to all Applicants.

ASBA Applicants should note that they may submit their ASBA Applications to the Designated Intermediaries.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Shelf Prospectus.

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("Debt Application Circular"). The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by Stock Exchanges and accordingly, is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges and the Stock Exchanges have confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchanges. Hence, the Direct Online Application facility will not be available for this Issue.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE MEMBERS OF THE CONSORTIUM AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in Mumbai.

Who can apply?

The following categories of persons are eligible to apply in this Issue.

Category I

- Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;

- Provident funds and pension funds with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons

Category III

High Net-Worth Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in this Issue

Category IV

Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in this Issue.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in this Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

How to apply?

Availability of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms.

Please note that there is a single Application Form who are persons resident in India.

Copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, the relevant Tranche Prospectus together with Application Forms and copies of this Draft Shelf Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally this Draft Shelf Prospectus, Shelf Prospectus, the relevant Tranche Prospectus and the Application Forms will be available

(i) for download on the website of NSE at www.nseindia.com, on the website of BSE at www.bseindia.com and the website of the Lead Managers at www.edelweissfin.com and www.akgroup.co.in.

(ii) at the designated branches of the SCSBs and the Members of the Consortium at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchanges. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchanges. A hyperlink to the website of the Stock Exchanges for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Method of Application

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only. Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure. Please note that the Applicants will not have the option to apply for NCDs under this Issue, through the direct online applications mechanism of the Stock Exchanges. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges and the Stock Exchanges have confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchanges. Hence, the Direct Online Application facility will not be available for this Issue.

Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, *i.e*. to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in. The Designated Intermediaries shall accept Applications only at the Specified Locations and should ensure that they verify the details about the ASBA Account and relevant SCSB prior to accepting the Application Form.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained in accordance with the Debt Application Circular.

An ASBA Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

Application Size

As specified in the relevant Tranche Prospectus.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20 % of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10 % of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20 % of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10 % of net assets value extendable to 15 % of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (iii) a resolution authorising investment and containing operating instructions and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Commercial Banks, Co-operative Banks and RRBs

Scheduled Commercial Banks, Co-operative Banks and RRBs can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) a board resolution authorising investments; and (ii) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Non-Banking Financial Companies

Non-banking financial companies can apply in this Issue based on their own investment limits and approvals. Applications by them for allotment of the NCDs must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in this Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non-Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net worth of more than Rs. 50,000 lakh as per the last audited financial statement can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association or charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; (iv) specimen signatures of authorised signatories; (v) certificate of registration issued by the RBI; (vi) last audited financial statements; (vii) net worth certificate from the statutory auditor.

Applications by Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, Applicants must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. **Failing this, our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.**

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Funds

Application made by a National Investment Funds for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

The Members of Consortium and their respective associates and affiliates are permitted to subscribe in this Issue.

Applications cannot be made by:

(a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);

(b) Foreign nationals;

(c) Persons resident outside India;

(d) Foreign Institutional Investors;

(e) Foreign Portfolio Investors;

(f) Non Resident Indians;

(g) Qualified Foreign Investors;

(h) Overseas Corporate Bodies**;

(i) Foreign Venture Capital Funds; and

(j) Persons ineligible to contract under applicable statutory/ regulatory requirements.

* *Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60 % by NRIs), which was in existence* *until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

Payment instructions

An ASBA Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the relevant Tranche Issue or until rejection of the ASBA Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries or the relevant Designated Branch as the case may be, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Applicants are advised not to submit Application Forms to Public Issue Account and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Shelf Prospectus and relevant Tranche Prospectus with ROC

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the relevant Issue Opening Date of each relevant Tranche Issue. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with the RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

(a) Applications must be made in the prescribed Application Form.

(b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries, will not be liable for errors in data entry due to incomplete or illegible Application Forms.

(c) Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in this Draft Shelf Prospectus.

(d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

(f) Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchanges by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

(g) ASBA Applicants must ensure that their Application Forms are made in a single name.

(h) If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

(i) Applicant should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

(j) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

(k) Applications for all the Options of the NCDs may be made in a single Application Form only.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of the refund orders/Allotment Advice through speed post or registered post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Electronic registration of Applications

(a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchanges. The Lead Managers, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) with respect to ASBA Applications accepted and uploaded by Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchanges will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Members of the Consortium and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Members of the Consortium and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Members of the Consortium and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchanges.

(e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant’s responsibility to obtain the Acknowledgement Slip from the Members of the Consortium, or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus or the relevant Tranche Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

(g) In case of apparent data entry error by Designated Intermediaries, in entering the Application Form number in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges.

(h) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate Designated Intermediaries will be given up to one Working Day (till 1.00 p.m.) after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's

- **Check if you are eligible to apply as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and applicable law;**

- **Read all the instructions carefully and complete the Application Form;**

- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;

- Applications are required to be in single or joint names (not more than three);

- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;

- Ensure that Applications are submitted to the Designated Intermediaries, before the closure of application hours on the Issue Closing Date;

- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchanges by the Designated Intermediaries, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;

- Ensure that the Applicant's names (for Applications for the NCDs in dematerialized form) given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form for ASBA Applications;

- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

- Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.

- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;

- Ensure that you request for and receive an Acknowledgement Slip for all your Applications and an acknowledgement as a proof of having been accepted;

- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the NCDs;

- Before submitting the physical Application Form with the Designated Intermediaries, ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;

- For Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Designated Intermediaries and not to the Public Issue Account Banks or Refund Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

- For Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Public Issue Bank (assuming that such bank is not a SCSB), to our Company, the Registrar to the Issue or the Designated Intermediaries;

- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;

- Ensure that you have mentioned the correct ASBA Account number in the Application Form;

- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the, or to the Members of the Consortium at the Specified Locations, or to the Designated Intermediaries, as the case may be;

- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;

- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Consortium, or the Designated Intermediaries, as the case may be, for the submission of the Application Form;

- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

- Ensure that your Application Form bears the stamp of the relevant Designated Intermediaries to whom the Application is submitted;

- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and

- Tick the Option of NCDs in the Application Form that you wish to apply for.

Don’ts

- Do not apply for lower than the minimum Application size;

- Do not pay the Application amount in cash, by money order, postal order, stock invest;

- Do not send the Application Forms by post; instead submit the same to the Designated Intermediaries(as the case may be) only;

- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;

- Do not fill up the Application Form such that the NCDs applied for exceeds the size of this Issue and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or your relevant constitutional documents or otherwise;

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;

- Do not submit the Application Form with a Designated Intermediary at a location other than the Specified Locations;

- Do not submit more than five Application Forms per ASBA Account;

- Do not submit the Application Forms without the Application Amount; and

- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, see "*Issue Procedure* " beginning on page 143.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other Options of NCDs, as specified in the relevant Tranche Prospectus, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialized form. In this context:

(i) Tripartite agreements dated August 24, 2018, between us, the Registrar to the Issue and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(iv) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.

(v) It may be noted that NCDs in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.

(vi) Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(vii) The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under this Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialized form, see "*Issue Procedure*" beginning on page 143 respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Compliance Officer as well as the contact persons of our Company/ Lead Managers or the Registrar to the Issue in case of any pre-Issue related problems. In case of post-Issue related problems such as non-receipt of Allotment Advice/ credit of NCDs in depository’s beneficiary account/ refund orders, etc., applicants may contact our Compliance Officer as well as the contact persons of our Company/Lead Managers or Registrar. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchanges in case of any post-

Issue related problems, such as non-receipt of Allotment Advice / credit of NCDs in depository's beneficiary account/ refund orders, etc.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Rejection of Applications

As set out below, or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications not made through the ASBA facility
- Number of NCDs applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without blocking of the Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Application Amount block being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- Investor Category in the Application Form not being ticked;
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form
- Applications where a registered address in India is not provided for the Applicant;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Submission of more than 5 (Five) ASBA Forms per ASBA Account;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- DP ID and Client ID not mentioned in the Application Form;
- Applications by stock invest or accompanied by cash/money order/postal order;
- Where an authorization to the SCSB for blocking funds in the ASBA Account has not been provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However a Limited Liability Partnership firm can apply in its own name;
- Applications made without mentioning the PAN of the Applicant, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;
- GIR number mentioned in the Application Form instead of PAN;
- Application by OCBs;

- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India;
- For all Applications for Allotment the, DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;
- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;
- Application Forms from ASBA Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- Applications for an amount below the minimum Application size;
- ASBA Applications not having details of the ASBA Account to be blocked;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialized form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications for the allotment of NCDs in dematerialized form providing an inoperative demat account number;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- The ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Application Forms submitted to the Designated Intermediaries does not bear the stamp of the relevant Designated Intermediaries. ASBA Applications submitted directly to the Designated Intermediaries does not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of the Consortium, or other Designated Intermediaries, as the case may be;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Applications by other persons who are not eligible to apply for NCDs under this Issue under applicable Indian or foreign statutory/regulatory requirements;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Draft Shelf Prospectus and as per the instructions in the Application Form, this Draft Shelf Prospectus and the relevant Tranche Prospectus;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- Applications tendered to the Designated Intermediaries at centres other than the centres mentioned in the Application Form;

- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application; and

- Application Form accompanied with more than one cheque.

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Mode of making refunds

The payment of refund, if any, may be done through various electronic modes mentioned below:

(i) **Direct Credit** – Applicants having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

(ii) **NACH** – Payment of refund would be done through NACH for Applicants having an account at any of the centres specified by RBI, where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NACH facility has been made available (subject to availability of all information for crediting the refund through NACH).

(iii) **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(iv) **RTGS** – If the refund amount exceeds ₹ 2,00,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 6 (six) Working Days of the Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Allotment Advice or letters of regret/ Refund Orders by registered post/speed post at the Applicant's sole risk, within 6 (Six) Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

(a) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;

(b) Credit to dematerialized accounts will be given within one Working Day from the Deemed Date of Allotment;

(c) Interest at a rate of 15 % per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the Applicants within 6 Working Days from the Issue Closing Date, for the delay beyond 6 Working Days in case of non-receipt of minimum subscription; and

(d) Our Company will provide adequate funds to the Registrar to the Issue / relevant banks for this purpose.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, **("Institutional Portion")**;

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, **("Non-Institutional Portion")**.

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, **("High Net-Worth Individual Category Portion")**.

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, **("Retail Individual Category Portion")**.

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net-Worth Individual Category Portion**" and "**Retail Individual Category Portion**" are individually referred to as "**Portion"** and collectively referred to as **"Portions"**.

Basis of Allotment

As specified in the relevant Tranche Prospectus.

Allocation Ratio

As specified in the relevant Tranche Prospectus.

Under Subscription

As specified in the relevant Tranche Prospectus.

Retention of oversubscription

As specified in the relevant Tranche Prospectus.

Proportionate Allotments

As specified in the relevant Tranche Prospectus.

Applicant applying for more than one Options of NCDs

As specified in the relevant Tranche Prospectus.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the relevant Tranche Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75 % of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the relevant Tranche Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75 % of the Base Issue before the Issue Closing Date.

In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of this issue have been given.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchanges, by submitting a written request to the Designated Intermediaries. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Issue Closing Date (till 1.00 p.m.) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Utilization of Application Amounts

The sum received in respect of a Tranche Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilization of the proceeds of this Issue

- All monies received out of this Issue shall be credited / transferred to a separate bank account maintained with a Scheduled Bank as referred to in Section 40 of the Companies Act, 2013.

- The allotment letter shall be issued or application money shall be refunded within six Working Days from the closure of the respective Tranche Issue or such lesser time as may be specified by the SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15 % per annum for the delayed period.

- Details of all monies unutilized out of the previous issues made by way of public offer as well as the monies to be raised through this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

- Details of all monies utilized out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.

- Details of all unutilized monies out of this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of this Issue remains unutilized indicating the form in which such unutilized monies have been invested.

- We shall utilize proceeds of this Issue subsequent to (a) receipt of minimum subscription; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; and (d) obtaining Listing and Trading approval as stated in this Draft Shelf Prospectus in "*Issue Structure*" beginning on page 131.

- Proceeds of this Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

- Proceeds of this Issue shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Listing

The NCDs proposed to be offered in pursuance of this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus will be listed on NSE and BSE. Our Company has received an 'in-principle' approval from NSE by way of its letter bearing reference number [●] dated [●] and our Company has received an 'in-principle' approval from BSE by way of its letter bearing reference number [●] dated [●]. The application for listing of the NCDs will be made to the Stock Exchanges at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Shelf Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 6 Working Days from Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Undertaking by our Company

We undertake that:

a) the complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;

b) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time i.e. 6 Working Days from the Issue Closing Date;

c) the funds required for dispatch of refund orders/ Allotment Advice/ certificates by registered post/ speed post shall be made available to the Registrar to the Issue by our Company;

d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;

e) we shall forward the details of utilization of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

f) we shall disclose the complete name and address of the Debenture Trustee in our annual report;

g) we shall provide a compliance certificate to the Debenture Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in this Draft Shelf Prospectus; and

h) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

SECTION VI: LEGAL AND OTHER INFORMATION

PENDING PROCEEDINGS AND STATUTORY DEFAULTS

Except as disclosed below, there are no:

(a) *outstanding litigation involving our Company having implications on the financial position or credit quality which may materially affect our Company or the investor's decision to invest / continue to invest in the debt securities of our Company;*

(b) *outstanding litigations which are criminal in nature involving our Company, our Directors, our Promoter, the Tata Capital Group or any other person where the proceedings are instituted owing to matters arising out of the business or operations of the Tata Capital Group;*

(c) *outstanding litigations which are civil in nature involving our Company, our Directors, our Promoter, the Tata Capital Group, or any other person where the amount involved, to the extent quantifiable, is ₹ 2,500 lakh or more;*

(d) *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last five years immediately preceding the year of the issue of this Draft Shelf Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*

(e) *pending proceedings initiated against our Company for economic offences and default;*

(f) *defaults and non-payment of statutory dues etc. on part of our Company; and*

(g) *inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013, or any previous companies law (including where there were any prosecutions filed) and fines imposed or compounding of offences by our Company in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company.*

As on the date of this Draft Shelf Prospectus, there are no defaults in meeting statutory dues, institutional dues, and dues towards holders of instrument like debentures, and payment of arrears on cumulative preference shares, etc., by our Company.

Further from time to time, our Company has been and continues to be involved in legal proceedings filed by and against us, arising in the ordinary course of our business. These legal proceedings are both in the nature of civil and criminal proceedings. Our Company believes that the number of proceedings in which it is / was involved is not unusual for a company of our size doing business in India. Further, our Company is involved in certain matters which relate to claims by certain customers, for alleged misplacement of security related documentation, recovery of loan amount advanced and improper settlement of claims. Such matters are pending before various courts of various jurisdictions throughout India, such matters are not likely to affect operations and finances of our Company, nor will they have a material adverse effect on our Company.

Litigation against our Company

Criminal Litigation

1. Mr. Polanki Bharat (the "**Complainant**") has filed a criminal complaint before the Additional Chief Metropolitan Magistrate, Bengaluru against certain persons including our Company. The Complainant alleged that he had agreed to purchase an under construction property from the developer and the developer assured him that they will assist him in availing a loan facility from a bank or non-banking financial institution. The Complainant further alleged that the developer took signatures of the Complainant on various application forms and loan documents of different banks and obtained and transferred the sanctioned loan amount from 3 banks to their own bank account without the knowledge and consent of the Complainant. It is also alleged in the complaint that the developer has failed to execute the sale deed in favor of the Complainant. It is alleged that all persons named in the Complaint have committed an offence of cheating, criminal breach of trust and illegally knocking off the property of the Complainant. The Court has taken cognizance of the complaint. A first information report ("**FIR**") was registered by the concerned police station. The investigation is ongoing and our Company is in the process of filing an application under Section 482 of the CrPC for quashing the FIR.

2. Mrs. Shachi Jayaram & Mr. Ramananda S.G. (the "**Complainants**") along with five others have filed a complaint against certain persons including our Company before Bellandur Police Station, Benguluru. The Complainants have alleged that the developer named in the complaint has deceived a number of investors by doing multiple funding on their properties in its residential project. The Complainant also alleged in the complaint that there was an investment option in the project where the investors could self-fund and/or take loan from our Company or certain other banks

and the investors would get a percentage of returns as profit. It is alleged that the developer has stopped reimbursing EMIs to the Complainants and he has also executed sale deeds in respect of the investor's property (which are mortgaged to our Company and other banks) with third parties. A first information report ("**FIR**") was registered by the concerned police station. An application under Section 482 of the Code of Criminal Procedure, 1973 has been filed by our Company for quashing of the FIR. The Court had initially granted stay on further investigation against the Company. Our Company is in the process of moving a fresh application for further extension of the stay.

3. Mr. Deepak Chudekar and two other persons (the "**Complainants**") have filed three different complaints against certain persons including our Company alleging that our Company has granted a home loan to the Complainants without verifying the documents of the property. Three different first information reports were also filed against the Company. Our Company received two notices under Section 91 of the CrPC and our Company has represented itself before the concerned police station through our employees including a credit manager who has obtained a bail in the matter. The matter is pending.

4. Mr. Sanjeev Kumar Kakkar (the "**Complainant**") has filed a complaint with the Economic Offences Wing, Mandirmarg, New Delhi ("**EOW**") alleging fraud committed by our Company against the Complainant in connivance with a direct selling agent of the Company in respect of a loan granted by our Company to the Complainant. Our Company has been served with a notice by the EOW under Section 91 of the CrPC for production of documents and other information, which our Company has complied with. Our Company has also filed a complaint against the Complainant and others, before the Station House Officer, PS Lajpat Nagar, New Delhi, stating that they have cheated our Company by claiming that they have not received the loan amount disbursed by our Company and that they are not liable to make repayment of the same. The proceedings are pending.

5. Mr. Mukesh Arora (the "**Complainant**") has filed a complaint against certain employees and officials of the Company. A first information report ("**FIR**") was registered by the concerned police station. The Complainant has alleged that his wife had availed a loan facility from our Company by arraying the Complainant as a co-borrower on the basis of forged and fabricated documents. Our Company has filed an application under Section 482 of the CrPC before the Rajasthan High Court ("**Court**") for quashing the FIR and interim application for stay against arrest. The Court has authorized the police to continue with their investigation and to not take any coercive action against our Company's employees.

6. Mr. Ankur Tiwari (the "**Complainant**") has filed a complaint before against M/s Brij Basundhara Group ("**Builder**") and our Company. The Complainant has alleged that the Builder and our Company have granted a loan facility against a flat which is already registered on a third party's name and another Bank has a charge over the same. A first information report ("**FIR**") was registered by the concerned police station. Our Company has filed an application under Section 482 of the CrPC for quashing the FIR which is pending for hearing.

Litigation by our Company

Criminal Litigation

1. Our Company has filed various complaints under Section 138 of the Negotiable Instruments Act, 1881 and Section 25 of the Payment and Settlement Systems Act, 2007 on account of dishonour of cheques or other payment instruments issued by our borrowers. Our Company has also filed various police complaints against borrowers or third parties in its regular course of business for offences such cheating, misappropriation, forgery and criminal conspiracy (amongst others). As on the date of this Draft Shelf Prospectus, our Company has filed about 20 complaints which are of criminal nature and about 1,865 complaints under Section 138 of the Negotiable Instruments Act, 1881 and/or Section 25 of the Payment and Settlement Systems Act, 2007 which are currently pending where the aggregate amount claimed from all persons is approximately ₹ 33,000 lakh.

Inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013, or any previous companies law (including where there were any prosecutions filed) and fines imposed or compounding of offences by our Company in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company.

Our Company had availed a refinance facility from the NHB vide letter dated January 4, 2011 amounting to ₹ 50,00,00,000 which was valid till June 30, 2011. The letter was subsequently extended upto October 4, 2011. However, the Company erroneously filed Form 8 vide SRN B23323736 dated October 21, 2011 with the Registrar of Companies for creation of security with Hypothecation Deed dated July 21, 2011 without attaching the letter dated October 4, 2011. Subsequently, the Company filed another Form 8 along with the letter dated October 4, 2011 vide SRN B23982895 dated November 2, 2011 and the same was taken on record by ROC vide Charge ID 10314310. Further, the Company filed a petition dated February 23, 2013 before the Regional Director, Mumbai ("**Regional Director**") for cancellation of SRN of the erroneous Form 8 filed with ROC on October 21, 2011.

Litigation against our Directors

Our Directors may, from time to time, become party to civil or criminal litigations, which are pending before various forums and are at different stages, by virtue of their past and current directorships and/or employment in companies other than our Company or the Tata Capital Group, or in their individual capacity. However, our Company believes that the outcome of such litigations will not have a material adverse effect on the position of our Company or the Issue in any manner whatsoever.

Litigation against Tata Capital Group

Tata Capital Financial Services Limited ("**TCFSL**")

Litigations against TCFSL

Material Civil Litigation

1. TCFSL had sanctioned a channel finance facility to Magic Motors ("**Borrower**") for an amount of ₹ 5,00,00,000. Upon default being committed by the Borrower, TCFSL initiated arbitration proceedings and filed its claim before the sole arbitrator for ₹ 5,67,20,956.87. The Borrower has filed counter claim of ₹ 304,62,00,000 along with the statement of defence, claiming business losses, loss of goodwill and reputation. TCFSL has filed its reply. The matter is currently pending before the arbitrator for adjudication.

2. TCFSL has sanctioned Channel Finance Facility to Kanchan Motors ("**Borrower**") of an amount ₹ 3,00,00,000. Upon default being committed by the Borrower, TCFSL has initiated arbitration proceedings and filed its claim before the sole arbitrator for ₹ 2,42,24,898.53. The Borrower has filed counter claim of ₹ 210,91,00,000 along with the statement of defence claiming business losses, loss of goodwill and reputation, mental harassment and agony. TCFSL has filed its reply and the matter is currently pending before the arbitrator for adjudication.

Criminal Litigation

1. Mr. Rudraiah Matapahi ("**Complainant**") filed a criminal complaint dated June 10, 2017 against TCFSL and nine officers and employees of TCFSL, including some of its and TCL's then existing directors viz. Mr. Ishaat Hussain, Mr. Janki Ballabh, Mr. Nalin Shah and Mr. Praveen P. Kadle under Sections 34, 379 and 420 of the Indian Penal Code ("**IPC**") alleging cheating and dishonestly inducing delivery of property owned by the Complainant, being a Maruti Swift Dzire, a laptop computer, certain land documents and an ATM card issued by Syndicate Bank ("**Complaint**").

   As part of the Complaint, the Complainant has alleged that he purchased a Maruti Swift Dzire on May 27, 2015 by availing a car loan amounting to ₹ 7,00,000 from TCFSL and agreeing to pay equal monthly instalments of ₹ 15,297 each. Due to certain financial problems, the Complainant was unable to pay the instalments regularly, pursuant to which the representatives of TCFSL took possession of the property mentioned above, on April 24, 2017. The Complainant has further alleged that even after payment of ₹ 64,927, the accused persons have not delivered possession of the property to the Complainant.

   As a consequence of the Complainant's inability to pay the instalment amounts on a regular basis, an arbitration proceeding was initiated by TCFSL against the Complainant. Pursuant to the order of the arbitral tribunal dated February 06, 2017, the arbitrator under Section 17 of Arbitration and Conciliation Act, 1996 ("**Arbitration Act**") directed TCFSL to take possession of the vehicle pursuant to which the vehicle has been seized by TCFSL. The matter is pending before the jurisdictional magistrate and has been disposed of on October 13, 2017 with a direction to put up after final report. TCFSL has filed criminal petition before the High Court of Bengaluru against the criminal case and interim stay has been granted by the court. The petition is yet to be listed for final hearing.

2. Paras Proptech Private Ltd. ("**Complainant**") filed a criminal complaint dated April 9, 2019 before Meerut District Court against the Directors and Employees of TCFSL alleging cheating and criminal breach of trust. Complainant is a corporate guarantor for the facility extended to Raj Sneh Auto Wheels Private Limited. TCFSL had withheld the property mortgaged by Complainant under a cross default provision under the loan documents for the default committed by Raj Sneh Auto India Private Limited. The Court had issued summons dated August 13, 2019. The matter has been settled vide mutually exchanged letters dated September 27, 2019 and the mortgaged property has been released to the Complainant. TCFSL has filed quashing petition before High Court of Allahabad and the matter was heard and argued and directions were issued to the lower court for not taking any coercive steps and the matter was sent for mediation vide order dated November 21, 2019.

3. Nishant Bhutada through Nishant Motors Private Ltd. and Shaurya Motors ("**Complainant**") has filed a criminal complaint ("**Complaint**") before the Nashik District Court and the Pimpalgaon Metropolitan Magistrate Court respectively accusing the directors and employees of TCFSL of defamation and criminal conspiracy. Complainant is the proprietor of Kanchan Motors and a partner in Magic Motors, borrowers of TCFSL (together, "**Borrowers**"). The Complaint is in respect of a letter written by TCFSL issued to the original equipment manufacturers ("**OEMs**")

and other lenders regarding the default committed by the borrowers Kanchan Motors and Magic Motors. The Nashik District Court has, vide its order dated July 30, 2019, directed the police to investigate. TCFSL has filed its statement dated September 20, 2019 before the police and the police have filed their report. The Pimpalgoan Metropolitan Magistrate Court has issued Summons for appearance of all the accused.

Material Tax Litigation

The Deputy Commissioner of Income Tax ("**DCIT**") passed the assessment order dated March 13, 2016 under Section 143(3) of the IT Act for the assessment year 2013-14 by making a disallowance of an amount of ₹ 25,60,46,725 under Section 14A of the IT Act. Subsequently, TCFSL filed an appeal under Section 250 of the IT Act before the Commissioner of Income Tax (Appeals) on April 12, 2016 against the assessment order passed by the DCIT. The appeal was allowed and decided in favour of TCFSL vide order dated October 30, 2017. Pursuant to such order, the DCIT has filed an appeal before Income Tax Appellate Tribunal, Mumbai. The matter was heard on June 6, 2019 and the Tribunal vide Order dated July 8, 2019 dismissed the appeal filed by the DCIT.

Litigations by TCFSL

Material Civil Litigation

1. TCL has advanced a bill discounting facility amounting to ₹ 30,00,00,000 which was increased to ₹ 50,00,00,000 to Biotor Industries Limited ("**Biotor**"). Biotor defaulted in repayment of the facility and TCL invoked arbitration before a sole arbitrator. TCL filed claim against Biotor on December 09, 2009 claiming an amount of ₹ 42,50,00,000 with further interest. In the said arbitration, Biotor filed counter claim of ₹ 205,00,00,000 for damages and alleging collusion and fraud. Biotor also filed an application under Section 16 of the Arbitration Act contending that on account of such fraud, the arbitral tribunal had no jurisdiction to entertain the disputes. The arbitration was finally argued and is reserved for passing of the award. Biotor has filed a suit against certain entities where TCL has also been impleaded as a defendant. While Biotor has claimed an amount of ₹ 309,58,60,000 from the other defendants, it has alleged fraud against TCL and its employees for colluding with the employees of Biotor and coercing Biotor to avail the said facility and the insurance coverage from TATA AIG General Insurance Company Limited and seeking only injunction relief against TCL. TCL has filed an application under Section 8 of the Arbitration Act to refer the matter to arbitration and the same is pending. Pursuant to sanction of the scheme of arrangement, all securities, rights, obligations under security arrangements, collateral, etc. were transferred from TCL to TCFSL.

   Allahabad Bank has filed proceedings before NCLT for corporate insolvency of Biotor and the petition has been admitted. TCFSL being one of the financial creditors has filed its claim for an amount of ₹ 80,41,00,000. The corporate insolvency proceedings in this regard are currently in progress.

2. The State Bank of India has filed an application under Section 7 of the IBC Code before the National Company Law Tribunal, Hyderabad bench for initiation of corporate insolvency proceedings against IVRCL Limited. In furtherance of such application, corporate insolvency resolution process was initiated pursuant to an order passed by the National Company Law Tribunal, Hyderabad bench dated February 23, 2018, TCFSL being a financial creditor has filed a proof of its claim for an amount of ₹ 86,95,00,768 as on February 23, 2018. The corporate insolvency proceedings in this regard failed. Mr. Sutanu Sinha, resolution professional had filed an application seeking liquidation of the Company which has been allowed vide NCLT's order dated July 26, 2019. TCFSL has filed its proof of claim of ₹ 105,08,28,125/- which has been admitted by the Liquidator. TCFSL has also its filed proof of claim of ₹ 1,39,78,922/- with respect to the shares allotted to us under Strategic Debt Restructuring and the said claim is under consideration.

3. The State Bank of India has filed an application under Section 7 of the IBC Code before the National Company Law Tribunal, Kolkata bench for initiation of corporate insolvency proceedings against Coastal Projects Limited. In furtherance of such application, corporate insolvency resolution process was initiated pursuant to an order passed by the National Company Law Tribunal, Kolkata bench dated January 05, 2018, TCFSL being a financial creditor has filed its claim for an amount of ₹ 130, 86,59,935 as on January 05, 2018. Subsequently, NCLT has passed an order dated December 06, 2018 for liquidation of the captioned company. TCFSL has filed its claim of ₹ 146,75,77,053 before the Liquidator. TCFSL had filed a commercial arbitration petition before the Bombay High Court against personal guarantors namely Mr. Surendra Sabbineni and Mrs. Shantisree Sabbineni seeking, inter alia, injunction with respect to their personal assets. The High Court of Bombay has restrained Mr. Surendra Sabbineni and Mrs. Shantisree Sabbineni from creating third party rights with respect to the assets mentioned in the said petition. Arbitration proceedings are also initiated and are pending.

4. TCL had sanctioned a term loan amount of ₹ 100,00,00,000 to Deccan Chronicle Holding Limited ("**Deccan**") in 2011. Deccan defaulted in the payment of the loan and TCL initiated arbitration proceedings against Deccan. Under Section 9 of the Arbitration Act, the Court Receiver High Court of Bombay took physical possession of the mortgaged property at Mathuradas Mill Compound, Mumbai. The arbitrator passed an interim award dated April 16, 2014 in favour of TCFSL for ₹ 100,00,00,000 and a final award dated October 01, 2016 for the interest component. Deccan had challenged the interim award but did not succeed. Thereafter, Deccan has also challenged

the final award for interest payment. TCFSL has also filed a suit in the Bombay High Court for enforcement of mortgaged property by sale which is pending. TCFSL has also initiated SARFAESI proceedings against the mortgaged property and applied to the Court for handing over possession by Court Receiver to authorized officer of TCFSL which is pending. Canara Bank has initiated proceedings against Deccan under Section 7 of the IBC before the National Company Law Tribunal, Hyderabad bench. TCFSL, being a financial creditor, has filed its claim of ₹ 182,72,00,000 before the insolvency resolution professional. The committee of creditors has approved a resolution plan and NCLT has passed an order approving the resolution plan. One of the lenders has challenged the NCLT order and the same is pending before NCLAT.

5. TCFSL had advanced a loan amounting to ₹ 70,00,00,000 to Siva Ventures Ltd. in March 2012 and ₹ 130,00,00,000 to Siva Industries and Holdings Limited ("**Siva**") in June 2012 wherein SIG Event Management Enterprise ("**Guarantor**") had agreed to be a guarantor to ensure the repayment of the loan. Subsequently, on August 22, 2013, Siva Ventures Limited and the Guarantor merged into Siva, with Siva being the surviving entity and all obligations with respect to the loans availed and guarantees provided by the merging entities were assigned to Siva. The said loans were secured by pledge of 6,22,25,000 unlisted equity shares of Tata Teleservices Limited ("**TTSL**").

   Pursuant to non-repayment of the outstanding amounts of ₹ 232,96,38,674, TCFSL invoked the pledge on May 23, 2014. Since there was a dispute between the parties in respect of the fair value of the shares, the dispute was referred to a conciliator, Mr. Tushad Cooper. Subsequently, a settlement agreement dated June 10, 2014 was arrived at between the parties whereunder, TCFSL acquired the pledged shares and a shareholders' agreement dated June 10, 2014 and a personal guarantee by Mr. C. Sivasankaran was executed. TCFSL invoked the put option under the shareholders' agreement which was not honoured by Siva and also by the guarantor, Mr. C. Sivasankaran. TCFSL, therefore, initiated pre arbitration negotiation in terms of the shareholders' agreement. However, such negotiations ultimately failed. TCFSL thereafter initiated arbitration proceedings against Siva and Mr. C Sivasankaran for claiming an amount of ₹ 343,00,00,000 along with interest. The Supreme Court of India pursuant to its order dated April 02, 2018 appointed a sole arbitrator for adjudicating the disputes between the parties. The matter is currently pending before the sole arbitrator wherein TCFSL has filed its statement of claim.

6. TCL had advanced a loan amounting to ₹ 50,00,00,000 to Gupta Corporation Private Limited ("**Borrower**") for capex. Pursuant to sanction of the Scheme of Arrangement, all securities, rights, obligations under security arrangements, collateral, etc. were transferred from TCL to TCFSL. The Borrower subsequently defaulted in the repayment of the sanctioned loan amount and arbitration was initiated by TCFSL against the Borrower. Simultaneously, an application under Section 9 of the Arbitration Act was filed by TCFSL. The Borrower filed an application under Section 7 of the IBC before the National Company Law Tribunal, Mumbai bench for initiation of corporate insolvency proceedings. TCFSL being a financial creditor has filed a claim for an amount of ₹ 85,06,83,284/-. Subsequently, NCLT, Mumbai Bench passed an order dated December 01, 2018 for liquidation of the Borrower. TCFSL has filed its claim of ₹ 81,51,97,836 /- with the Liquidator. NCLT, Mumbai Bench has also passed order for liquidation of the mortgagor company namely Gupta Infrastructure India Pvt. Ltd. and TCFSL has filed its claim before the Liquidator. TCFSL has re-initiated arbitration proceedings against personal guarantors namely Mr. Padmesh Gupta and Mrs. Anuradha Gupta. TCFSL had filed petitions under Section 9 of the Arbitration Act before the Bombay High Court against the Borrower and as a result of a common order, court receiver was appointed who took symbolic possession of the mortgaged property. TCFSL has filed notice of motions in the arbitration petitions seeking, inter alia, discharge of court receiver and withdrawal of the rentals deposited by the tenants. The said notice of motions are pending before the Hon'ble High Court. TCFSL shall initiate the process of sale of the mortgaged properties under the relevant provisions of the IBC after the court receiver is discharged.

7. TCL had subscribed to Optionally Convertible Debentures of ₹ 5,000 lakh issued by Arohi Infrastructure Private Limited for the purpose of equity infusion in M/s. Karaikal Port Private Limited, by way of promoter funding or otherwise for a tenure of 48 months. Pursuant to sanction of the scheme of arrangement, all securities, rights, obligations under security arrangements, collateral, etc. were transferred from TCL to TCFSL. The Borrower subsequently defaulted in the repayment of the sanctioned facility and arbitration was initiated by TCFSL against the Borrower and others. TCFSL has received an arbitration award dated July 13, 2019 in our favour against the Guarantors. TCFSL has initiated the process of obtaining arbitral award against Marg Limited (Corporate Guarantor) since it is no longer under the corporate insolvency resolution process. Application under Section 7 of the IBC filed by TCFSL before the NCLT Chennai Bench was admitted and its claim of ₹ 117,81,23,998 was admitted by the resolution professional. Marg Limited had filed an appeal against the admission order and the said appeal was dismissed by the National Company Law Appellate Tribunal ("**NCLAT**"). The NCLT Chennai Bench has passed an order dated December 05, 2018 for liquidation of the Borrower and TCFSL filed its claim before the liquidator. Edelweiss ARC filed an appeal before NCLAT seeking, inter alia, admission of its claim and setting aside of liquidation order which was dismissed by the NCLAT vide order dated May 22, 2019. Edelweiss ARC had filed a civil appeal before the Supreme Court of India seeking setting aside of the order dated May 22, 2019 passed by the NCLAT. The said appeal was dismissed by the Supreme Court vide order dated August 21, 2019. Edelweiss ARC has now filed an application before the National Company Law Tribunal, Chennai Bench seeking setting aside of the liquidator's order of rejecting its claim. The said application is pending before the Tribunal.

Criminal Litigation

TCFSL has filed various proceedings under Section 138 of the Negotiable Instruments Act, 1881 and Section 25 of the Payment and Settlement Systems Act, 2007 for recovering amounts due from various individuals and/or entities on account of dishonouring of cheques issued by such persons. As on the date of this Draft Shelf Prospectus, TCFSL has filed more than 27,000 cases which are currently outstanding where the aggregate amount claimed from all defaulters is approximately ₹ 1,64,000 lakh.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

At the meeting of the Board of Directors of our Company, held on June 15, 2018, the Directors approved the public issue of Secured NCDs of face value ₹ 1,000 each and Unsecured NCDs of face value ₹ 1,000 each, aggregating up to ₹ 5,00,000 lakh.

This Draft Shelf Prospectus has been approved by the Board of Directors at its meeting held on December 17, 2019. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any Tranche Issue, which issue is being made as decided by the Board of Directors.

Further, the present borrowing is within the borrowing limits of ₹ 40,00,000 lakh under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders by way of their resolution on March 27, 2019.

Additionally, NHB by way of its letter bearing reference number NHB (ND)/NOD/ROD/HFC/A-13116/2019, dated, December 6, 2019, has granted its no-objection to our Company for undertaking the Issue, subject to certain conditions and is valid until March 31, 2020. Set forth are such conditions and the status of our Company's compliance in relation to such conditions:

1) The Issue would be made in strict adherence to the terms and conditions and clauses of our Company's Board Resolution regarding the issue of NCDs;

2) The Issue is not in violation of any covenants or restrictions imposed by the Memorandum of Agreement dated December 18, 2014 signed between NHB and our Company, and all subsequent loan agreements entered into between NHB and our Company;

3) The Issue would be in compliance with RBI/NHB guidelines, applicable laws and regulations, and will comply with all requirements of regulatory and other statutory bodies and Central and State Governments, etc.;

4) Any security arrangement under the Issue will not infringe upon the security arrangement for NHB refinance; and

5) The Company will inform NHB, within 10 working days from completion of the Issue with complete details along with the declaration that none of the security clauses of NHB in respect of its refinance assistance are infringed upon.

Our Company has complied with the aforementioned point numbers 1 to 4 and noted for compliance point 5 herein above.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoter and/or the Directors have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED AND A.K. CAPITAL SERVICES LIMITED HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS EDELWEISS FINANCIAL SERVICES LIMITED AND A. K. CAPITAL SERVICES LIMITED CONFIRM THAT COMMENTS RECEIVED ON THIS DRAFT SHELF PROSPECTUS WILL BE SUITABLY ADDRESSED BEFORE FILING THE SHELF PROSPECTUS AND TO THIS EFFECT, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•], WHICH READS AS FOLLOWS:

[•]

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF.: [•] DATED [•] PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER DATED [•], PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR

B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of lead manager	Website
A. K. Capital Services Limited	www.akgroup.co.in
Edelweiss Financial Services Limited	www.edelweissfin.com

Listing

Application will be made to NSE and BSE simultaneously with the filing of the Shelf Prospectus for permission to deal in and for official quotation in NCDs. If permission to deal in and for an official quotation of our NCDs is not granted by NSE and

BSE, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of the Shelf Prospectus and the relevant Tranche Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the stock exchanges mentioned above are taken within 6 Working Days from the date of closure of the relevant Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) Bankers to our Company, (i) the consent of ICRA in relation to industry report as obtained from them, (j) the Debenture Trustee, to act in their respective capacities, have been obtained and will be filed along with a copy of the Shelf Prospectus and Tranche Prospectus with the ROC.

The consent of the Statutory Auditors of our Company, B S R & Co. LLP, Chartered Accountants, Mumbai, for inclusion of (a) their names as the Statutory Auditors, (b) the Financial Statements; and (c) the statement of tax benefits available to debenture holders in the form and context in which they appear in this Draft Shelf Prospectus, have been obtained and has not withdrawn such consent and the same will be filed along with a copy of this Draft Shelf Prospectus.

Expert Opinion

Except for (i) the Statutory Auditors' report on the Condensed Interim Financial Statements dated October 30, 2019, Audited Financial Statements under Ind AS dated April 26, 2019, Reformatted Financial Information under Ind AS dated December 17, 2019 and the Reformatted Financial Information under Indian GAAP dated December 17, 2019; and (ii) the statement of tax benefits issued by our Statutory Auditors dated December 17, 2019, our Company has not obtained any other expert opinion with respect to this Draft Shelf Prospectus.

Common form of Transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue, prior to the Issue Closing Date, the entire subscription amount shall be unblocked in the Applicant's bank account within 6 Days from the date of closure of this Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by our Company in making the aforesaid refund, our Company will pay interest at the rate of 15 % per annum for the delayed period.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar to the Issue does not have the necessary information for making such refunds, our Company and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including the Debt Application Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Filing of this Draft Shelf Prospectus

In terms of Regulation 7 of the SEBI Debt Regulation, a copy of this Draft Shelf Prospectus has been filed with the Designated Stock Exchange and BSE, for dissemination on their website and the website of SEBI.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and the Tranche Prospectus shall be filed with the RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Issue Related Expenses

The expenses for each Tranche Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Consortium Members, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for each Tranche Issue shall be as specified in the relevant Tranche Prospectus.

Underwriting

This Issue will not be underwritten.

Identification as wilful defaulter

Our Company or our Directors or our Promoter has not been identified as Wilful Defaulters by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Reservation

No portion of this Issue has been reserved.

Details regarding our Company and other listed companies under the same management / associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years

Except as disclosed below in "*Utilization details of Previous Issues*", there are no other listed companies under the same management / associate companies as described under the Companies Act, 2013, which have made any public capital issuances during the previous three years from the date of this Draft Shelf Prospectus.

Previous Issue

Except as stated in "*Capital Structure*" and "*Disclosures on Financial Indebtedness*" beginning on pages 46 and 103 respectively, our Company has not made any other issue of non-convertible debentures.

Other than as specifically disclosed in this Draft Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

Utilization details of Previous Issues

Our Company has issued non-convertible debentures by way of various private placements, for which, our Company has utilized the proceeds from such issuances for general corporate purpose, to improve access to finance for affordable housing across the country, for refinancing existing term debt and augmenting long term working capital, for further details of such non-convertible debentures, see "*Disclosures on Financial Indebtedness*" beginning on page 103.

Except as mentioned below, neither our Company nor any member of the Tata Capital Group has made any public issue of its debentures since incorporation of our Company:

a. Public issuance of listed secured redeemable non-convertible debentures of face value of ₹ 1,000 and ₹ 1,00,000 each aggregating up to ₹ 1,50,000 lakh by TCL, under various options, in 2009. The proceeds from the issue was utilized for the purposes as mentioned in the shelf prospectus dated January 21, 2009. The total amount mobilized is ₹ 1,50,000 lakh.

b. Public issuance of secured, redeemable, non-convertible debentures up to ₹ 6,00,000 lakh and unsecured, subordinated, redeemable, non-convertible debentures up to ₹ 1,50,000 lakh, aggregating up to ₹ 7,50,000 lakh by TCFSL issued through Shelf Prospectus dated August 29, 2018 and Tranche I Prospectus dated August 29, 2018 which opened on September 10, 2018 and closed on September 18, 2018. The total amount mobilized is ₹ 3,37,340 lakh.

c. Public issuance of secured, redeemable, non-convertible debentures up to ₹ 299,790 lakh and unsecured, subordinated, redeemable, non-convertible debentures up to ₹ 112,810 lakh, aggregating up to ₹ 412,600 lakh by TCFSL issued through Shelf Prospectus dated August 29, 2018 and Tranche II Prospectus dated August 2, 2019 which opened on August 13, 2019 and closed on August 20, 2019. The total amount mobilized is ₹ 2,15,773 lakh.

Details regarding lending out of issue proceeds of Previous Issues

A. ***Lending Policy***

We are an HFC, registered with the NHB, the regulator for HFCs in India. The NHB stipulates prudential guidelines, directions and circulars in relation to HFCs. For further details, see "*Regulation and Policies*" beginning on page 176. Within the NHB guidelines, directions and circulars, HFCs can establish their own credit approval processes. As such, once a company has obtained an HFC licence, the terms, credit levels, and interest rates of loans and any credit approvals would be based upon the HFCs established internal credit approval processes framed in accordance with applicable regulations by the NHB. Each HFC undergoes annual inspections by the NHB. The inspections are exhaustive and can last for a period of three to four weeks, during which the regulators review the HFCs adherence to regulatory guidelines, scrutinise the loan book and individual loan files (including security documents), review the functioning of the Board and its committees and our adherence to minutes of various internal meetings, review the NPAs and delinquent cases, review and evaluate the credit approval policies and credit assessment standards, review implementation of decisions and policies of the Board and review adherence to prescribed formats in the filing of regulatory reports. The lending policy of our Company broadly deals with product offerings of our Company which, *inter alia,* covers:

Home loans, home equity and construction finance:

a) Various parameters for grant of credit having regard to the risk associated with the borrower profile and nature of product;

b) Loan sanctioning authority and delegation; and

c) Exposure limits.

The purpose of the lending policies is:

a) To have a loan portfolio which adequately generates risk adjusted returns;

b) To ensure that business teams have a clear understanding of sourcing of customers and the incremental business; and

c) To define the size and nature of transactions which need to be brought to appropriate committee/ authorities for approval before disbursement.

Our Company shall also comply with the NHB guidelines in respect of single party exposure and group borrower exposure.

B. ***Loans given by our Company***

As of March 31, 2019 there are no loans given by our Company that are outstanding towards entities / persons related to the Board, senior management, Promoter or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

C. ***Types of loans***

Denomination of loans outstanding by ticket size as on March 31, 2019:

S. No	Ticket size*	Percentage of AUM
1	Upto ₹ 2 lakh	0.15
2	₹ 2-5 lakh	0.92
3	₹ 5-10 lakh	5.60
4	₹ 10-25 lakh	27.77
5	₹ 25-50 lakh	22.20
6	₹ 50 lakh-1 crore	14.00
7	₹ 1-5 crore	17.59
8	₹ 5-25 crore	3.72
9	₹ 25-100 crore	5.65
10	> ₹ 100 crore	2.40
Total		100.00

* *Ticket size has been bifurcated on basis of Sanction amount*

Denomination of loans outstanding by LTV as on March 31, 2019:

S. No	LTV	Percentage of AUM
1	Upto 40 %	36.58
2	40-50 %	13.17
3	50-60 %	14.02
4	60-70 %	15.99
5	70-80 %	14.49
6	80-90 %	4.31
7	>90 %	1.45
Total		100.00

Geographical classification of borrowers as on March 31, 2019:

S. No.	Top 5 states / Region	Percentage of AUM
1	Maharashtra	24.97
2	Gujarat	15.90
3	Delhi	10.10
4	Telangana	6.30
5	Karnataka	5.66
Total		**63.34**

Types of loans according to sectoral exposure as on March 31, 2019 is as:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	**Retail**	
a	-Mortgages (home loans and h)	88.64
b	-Gold loans	0.00
c	- Vehicle finance	0.00
d	-MFI	0.00
e	-M&SME	0.00
f	-Capital market funding (loans against shares, margin funding)	0.00
h	-Others	0.00
2	**Wholesale**	
a	-Infrastructure	0.00
b	-Real estate (including builder loans)	11.36
c	-Promoter funding	0.00
d	-Any other sector (as applicable)	0.00
e	-Others	0.00
Total		100.00

D. ***Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31,2019***

	Amount
Total Advances to twenty largest borrowers (in ₹ lakh)*	1,36,393
Percentage of Advances to twenty largest borrowers to Total Advances (in %)	5.14

* *Includes loans and advances and interest accrued thereon.*

E. ***Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2019***

	Amount
Total exposure to twenty largest borrowers / customers (in ₹ lakh)*	1,91,029
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers (in %)	6.47

* *Includes loans and advances, interest accrued thereon, investment in mutual funds and off-balance sheet exposure.*

F. ***Details of loans overdue and classified as non – performing in accordance with the NHB's guidelines***

Movement of gross NPAs*	Amount (in ₹ lakh)
(a) Opening balance	24,852
(b) Additions during the year	25,203
(c) Reductions during the year	26,151
(d) closing balance	23,904

* *Please see, "Our Business - Non-Performing Assets (NPAs)" beginning on page 75 for details on Gross NPA recognition Policy.*

Movement of provisions for NPAs	Amount (in ₹ lakh)
(a) Opening balance	16,472
(b) Provisions made during the year	13,286
(c) Write-off / write -back of excess provisions	15,887
(d) closing balance	13,871

G. ***Segment –wise gross NPA as on March 31, 2019***

S. No	Segment- wise breakup of gross NPA	Gross NPA (%)
1	**Retail**	
a	-Mortgages (home loans and loans against property)	89.42
b	-Gold loans	0.00
c	- Vehicle finance	0.00
d	-MFI	0.00
e	-M&SME	0.00
f	-Capital market funding (loans against shares, margin funding)	0.00
h	-Others	0.00
2	**Wholesale**	
a	-Infrastructure	0.00]
b	-Real estate (including builder loans)	10.58
c	-Promoter funding	0.00
d	-Any other sector (as applicable)	0.00
e	-Others	0.00
Total		**100.00**

H. ***Classification of loans & advances as on March 31, 2019***

S. No	Type of loans	Amount (₹ in lakh)	Percentage
1	Secured	26,45,756	99.87 %
2	Unsecured	3,541	0.13 %
Total AUM		**26,49,297**	**100**

I. ***Promoter Shareholding***

Please see, "*Capital Structure*" beginning on page 46 for details with respect to Promoter shareholding in our Company as of this Draft Shelf Prospectus.

J. ***Residual maturity profile of assets and liabilities as on March 31, 2019***

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Assets									
Deposits	-	-	-	-	-	-	-	-	-
Advances	31,083	31,953	31,974	1,17,940	2,02,394	3,83,348	3,42,647	15,08,014	26,49,354
Investments	-	-	-	-	-	-	-	-	-
Liabilities									
Borrowing	3,08,683	1,25,042	99,751	2,29,680	1,96,204	7,60,659	3,36,920	3,75,224	24,32,163
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

Material Agreements

Other than as stated in "*History and Main Objects – Material Agreements*", our Company has not entered into any material agreements other than in the ordinary course of its business.

Auditors' Remarks

The Statutory Auditors, confirm that except for the report of the previous auditor, Deloitte Haskins & Sells LLP on the financial statements of the Company for the year ended March 31, 2017, which included an emphasis of matter paragraph which describes the accounting treatment used by the Company in creating the Deferred Tax Liability on Special Reserve under Section 36 (1)(viii) of the Income Tax Act, 1961 as at April 1, 2014, which is in accordance with the NHB's Circular No. NHB (ND)/DRS/Pol. Circular No. 62/2014 dated May 27, 2014, there have been no reservations or qualifications or adverse remarks in the Financial Statements of our Company in the last five financial years immediately preceding the date of this Draft Shelf Prospectus.

Details of fraud committed against our Company

Given the business of TCHFL as a HFC, there have been instances of frauds committed by borrowers, customers and employees against TCHFL which are inherent in the nature of the business of TCHFL and arise in the ordinary course of business. However, there is no material fraud committed against our Company from Fiscal 2015 till Fiscal 2019. The total amount involved in all acts of fraud committed against our Company in the last five Fiscals is set forth below:

	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Nature of the frauds	The frauds included borrower acting in connivance with seller for creating fabricated documents, suppression of information and multiple selling of flat by Builder	The frauds included submission of fraudulent documents by borrowers and borrower intentionally suppressing information of actual ownership of the property.	-	The frauds included submission of fraudulent documents by borrowers to avail loans.	-
Aggregate amount involved (in ₹, in lakh)	1,556	326	0	36	0
Corrective actions taken by TCHFL	In these cases, TCHFL has conducted detailed inquiry into the frauds and analysed the causes. Based on the analysis, requisite corrective actions like strengthening of controls and internal processes have been taken wherever required. In case of involvement of the employees of TCHFL in a fraud, on a case-to-case basis, appropriate disciplinary action, including termination has been taken. Police complaints have been filed against the fraudsters.				

Dividend

Our Company has no stated specific dividend policy. The declaration and payment of interim dividend on the Equity Shares and CCCPS will be declared by the Board and final dividend will be recommended by the Board and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. For Fiscal 2019, our Company had paid dividend of ₹ 74,030 lakh to its CCCPS holders and no dividend was paid by the Company to its equity shareholders. For the current financial year our Company has not declared any dividends.

(In ₹ Lakh)

Particulars	For the year March 31, 2019	For the year March 31, 2018	For the year March 31, 2017	For the year March 31, 2016	For the year March 31, 2015
Equity Share Capital (₹ in Lakh)	30,971	25,333	25,333	25,333	25,333
Face Value Per Equity Share (₹)	10	10	10	10	10
Dividend on Equity Shares (₹ per equity share)	-	-	-	-	-
Total dividend on equity shares (₹ in Cr)	-	-	-	-	-
Dividend Declared Rate on Equity Shares (In %)	-	-	-	-	-
Dividend paid on Preference Shares	7,403	8,047	6,613	4,602	2,929
Dividend distribution tax on dividend paid on preference shares	1,522	1,638	1,346	937	587

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints. The Registrar Agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, Series of NCDs applied for, amount paid on Application, Depository Participant and the collection centre of the Members of the Syndicate where the Application was submitted. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, Series applied for number of NCDs applied for, amount blocked on Application.

All grievances arising out of Applications for the NCDs made through Designated Intermediaries may be addressed directly to the Stock Exchange. The contact details of Registrar to the Issue are as follows:

Registrar to the Issue

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Selenium Tower B, Plot 31-32
Gachibowli Financial District, Nanakramguda
Serilingampally, Hyderabad 500 032
Telagana
Tel: (91 40) 6716 2222
Fax: (91 40) 2343 1551
Email: tchfl.ncd@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
Compliance Officer: Rakesh Santhalia
SEBI Registration No.: INR000000221

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Mr. Jinesh Meghani has been appointed as the Compliance Officer of our Company for this issue. The contact details of Compliance Officer of our Company are as follows:

Mr. Jinesh Meghani
11th Floor, Tower A
Peninsula Business Park
Ganpatrao Kadam Marg
Lower Parel,
Mumbai - 400 013
Tel: (91 22) 6606 9000
Fax: (91 22) 6656 2699
Email: tchflncdcompliance@tatacapital.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit or refund orders.

Change in Auditors of our Company during the last three years

Details of changes in the statutory auditor of our Company in the last three financial years preceding the date of this Draft Shelf Prospectus has been summarised below:

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)
B S R & Co. LLP Registration No. 101248W/W-100022	5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai – 400011	Appointed with effect from August 21, 2017	-
Deloitte Haskins & Sells, LLP Registration No. 117366W/W-100018	Indiabulls Finance Centre, Tower 3, 32nd Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (West), Mumbai 400 013	Resigned with effect from August 21, 2017	Appointed with effect from October 17, 2008

REGULATIONS AND POLICIES

The following is a summary of relevant regulations and policies prescribed by the Government and other regulatory bodies that are applicable to our Company's business. Taxation statutes such as the IT Act, the applicable goods and services tax statutes, labour regulations and statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye-laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which is subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Investors shall carefully consider the information described below, together with the information set out in other sections of this Draft Shelf Prospectus including the financial statements before making an investment decision relating to the NCDs, as any changes in the regulations and policies could have a material adverse effect on our Company's business.

Laws in relation to housing finance companies

The National Housing Bank Act 1987 ("NHB Act")

The NHB Act was enacted to establish the NHB to operate as the principal agency for the promotion of HFCs, both at the local and regional levels, and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. The role of NHB includes, among others:

- promoting, establishing, supporting or aiding in the promotion, establishment and support of HFCs;
- making loans and advances or other forms of financial assistance for housing activities of HFCs, scheduled banks, state co-operative agricultural and rural development banks or any other institution or class of institutions as may be notified by the central government;
- guaranteeing the financial obligations of HFCs and underwriting the issue of stocks, shares, debentures and other securities of HFCs;
- formulating one or more schemes for the purpose of mobilisation of resources and extension of credit for housing; and
- providing guidelines to HFCs to ensure their growth on sound lines; and providing technical and administrative assistance to HFCs and exercising all powers and functions in the performance of duties entrusted to the NHB under the NHB Act or under any other law for the time being in force.

The Finance Act includes the NHB Act Amendments, which have come into force on August 9, 2019. Pursuant to the NHB Act Amendments, amongst others, (i) application for registration as a HFC is required to be made to the RBI under the NHB Act, in place of NHB; (ii) HFCs are required to create reserve fund as per the provisions under the RBI Act and (iii) the RBI has the power to determine policy and issue directions in relation to housing finance institutions. The RBI, vide its notification dated August 13, 2019, has stated that it will come out with revised regulations for HFCs in due course. In the meantime, HFCs shall continue to comply with the directions and instructions issued by the NHB till the RBI issues a revised framework. NHB will continue to carry out supervision of HFCs and HFCs will continue to submit various returns to NHB as hitherto.

Further, the RBI vide the notification dated November 11, 2019, has amended the 'Master Directions- Exemptions from the RBI Act, 1934' by withdrawing the existing exemptions available to HFCs under the RBI Act.

The Housing Finance Companies (National Housing Bank) Directions 2010, as amended ("NHB Directions")

The objective of the NHB Directions is to consolidate and issue directions in relation to the prudential norms for income recognition, accounting standards, asset classification, provision for bad and doubtful assets, capital adequacy and concentration of credit/investments to be observed by HFCs and the matters to be included in the auditors' report by the auditors of HFCs.

Income recognition

The NHB Directions require that the income recognition of HFCs should be based on recognised accounting principles. Income including interest, discount, hire charges, lease rentals or any other charges on non-performing assets ("**NPAs**") shall be recognized only when it is actually realised. Any such income recognised before the asset became non-performing and remaining unrealized shall be reversed. Further, income from dividend on shares of corporate bodies and units of mutual funds shall be taken into account on cash basis. However, the income from dividend on shares of corporate bodies may be taken into account on an accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established. Income from bonds and debentures of corporate bodies and from Government securities or bonds may be taken into account on an accrual basis provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears. Income on securities of corporate bodies or public sector undertakings, the payment of interest and repayment of principal of which have been guaranteed by Central Government or a State Government, may be taken into account on accrual basis.

Asset classification

The NHB Directions prescribe that every HFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease or hire purchase assets, loans and advances and any other forms of credit into standard assets; sub-standard assets; doubtful assets; and loss assets. An asset is classified as a non-performing asset under these directions when the interest on such asset has remained overdue for a period of more than ninety days. The class of assets shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for the upgrade.

Under the NHB Directions, standard assets are assets in respect of which no default in repayment of the principal or payment of interest is perceived and which does not disclose any problem, nor carry more than the normal risk attached to the business. Sub-standard assets are assets which have been classified as a non-performing asset for a period of up to 12 months. Assets in respect of which the terms of the agreement regarding interest or principal have been re-negotiated or rescheduled after release of any instalment of loan or an inter-corporate deposit which has been rolled over, shall be termed as sub-standard assets until the expiry of one year of satisfactory performance under the renegotiated or rescheduled terms. Doubtful assets are assets which are classified as sub-standard assets for a period of more than 12 months. Loss assets are assets which are classified as loss assets by an HFC, or by its internal or external auditor or by the NHB, to the extent it is not written off by the HFC. Assets which are adversely affected by a potential threat of being non-recoverable due to, among others, non-availability of security, either primary or collateral, in the case of secured loans and advances are also classified as loss assets.

Provisioning requirement

Every HFC, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of the security charged, is required to make provision against sub-standard assets, doubtful assets and loss assets as provided under the NHB Directions.

The provisioning requirement in respect of loans, advances and other credit facilities including bills purchased and discounted are required to be:

a) loss assets: the entire assets are required to be written off. If assets are permitted to remain in the books for any reason, then 100 % of the outstanding amounts should be provided for;

b) doubtful assets: 100 % provision, to the extent to which the advance is not covered by the realisable value of the security, to which an HFC has valid recourse, shall be made, and in addition, depending upon the period for which the asset has remained doubtful, provision to the extent of 25 % to 100 % of the secured portion i.e. the estimated realisable value of the outstanding shall be made in the following manner: (i) 25 % up to the period of one year; (ii) 40 % for the period of one year to three years; and (iii) 100 % for the period of more than three years;

c) sub-standard assets: provision of 15 % of the total outstanding amounts should be made without making any allowance for export credit guarantee, corporation guarantee and securities available; and

d) standard assets: standard assets with respect to housing loans at teaser/special rates – provision of 2 % on the total outstanding amount of such loans and the provisioning of these loans to be reset after one year at the applicable rates from the date on which the rates are reset at higher rates if the accounts remain standard; (a) standard assets in respect of Commercial Real Estates Residential Housing ("CRE-RH") consisting of loans to builders/developers for residential housing projects (except for captive consumption). Such projects do not include non-residential commercial real estate. However, integrated housing projects comprising of some commercial space (e.g. a shopping complex, a school etc.) can be classified as CRE-RH, provided that the commercial space in the residential housing project does not exceed 10 % of the total floor space index ("FSI") of the project. In case the FSI of the commercial area in a predominantly residential housing complex exceeds the ceiling of the project loans, the entire loan should be classified as Commercial Real Estate ("CRE") (and not CRE-RH)) – provision of 0.75 % on the total outstanding amount of such loans; (b) standard assets in respect of all other CRE (consisting of loans to builders/developers/others for office buildings, retail space, multipurpose commercial premises, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc., other than those covered in point (a) above.

e) Loans for a third dwelling unit onwards to an individual will also be treated as CRE exposure – provision of 1 % on the total outstanding amount of such loans; and (c) standard assets in respect of all loans other than (a) and (b) – a general provision of 0.4 % of the total outstanding amount of loans which are standard assets is required to be made; standard assets in respect of non-housing loans - a general provision of 0.40 % of the total outstanding amount of loans which are standard assets is required to be made. The NHB Directions also prescribe additional provisions for hire purchase and leased assets. Where amounts of hire charges or lease rentals are overdue for more than 12 months and up to 24 months, 10 % of the net book value shall be provisioned for, when they are overdue for more than 24 months and up to 36 months 40 % of the net book value shall be provisioned for, when they are overdue for more than 36 months and up to 48 months 70 % of the net book value shall be provisioned for and when they are overdue for more 48 months 100 % of the net book value shall be provisioned for.

Nothing shall be provisioned for if the amounts of hire charges or lease rentals are overdue for up to 12 months; and standard assets in respect of individual housing loans (booked after August 1, 2017) at the rate of 0.25 % and standard assets in respect of individual having loans (booked before August 1, 2017) at the rate of 0.40 %

Capital Adequacy Ratio

The NHB Directions require HFCs to maintain a minimum capital adequacy ratio, consisting of Tier I Capital and Tier II Capital not lower than 13 % of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items on or before March 31, 2020, 14 % on or before March 31, 2021 and 15 % on or before March 31, 2022. Further the total Tier II Capital at any point of time shall not exceed 100 % of Tier I Capital.

Guidelines on Fair Practices Code for HFCs dated July 1, 2019 ("Fair Practices Code")

The Fair Practices Code seeks to promote good and fair practices by setting minimum standards in dealing with customers, increasing transparency, encouraging market forces, promoting fair and cordial relationship between customers and HFCs and fostering confidence in the housing finance system.

The Fair Practices Code provides for regular and appropriate updates to the customer, prompt resolution of grievances and confidentiality of customer information. The HFCs are required to disclose information on interest rates, common fees and charges through notices etc. and ensure that all advertising and promotional materials are clear and not misleading and that privacy and confidentiality of the customers' information is maintained. Furthermore, whenever loans are given, HFCs should explain the repayment process to the customer by way of amount, tenure and periodicity of repayment.

Guidelines on Know Your Customer and Anti-Money Laundering measures for Housing Finance Companies dated March 11, 2019 ("NHB KYC Guidelines")

The NHB KYC Guidelines mandate the KYC policies and anti-money laundering measures for HFCs to have certain key elements, including *inter alia* a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to NHB KYC Guidelines and the exercise of due diligence by the HFC, including its brokers and agents.

Guidelines for Asset Liability Management System for HFCs dated October 11, 2010, as amended ("ALM Guidelines")

The ALM Guidelines lay down broad guidelines in respect of systems for the management of liquidity and interest rate risks. The ALM Guidelines provide that the board of directors of an HFC should have overall responsibility for the management of risks and should decide the risk management policy and set limits for liquidity, interest rate, exchange rate and equity price risks. Additionally, an asset-liability committee is required to be constituted, consisting of the HFCs senior management including the chief executive officer, for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFCs budget and decided risk management objectives. Asset-liability management support groups to be constituted of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the asset-liability committee.

The ALM Guidelines also recommended the classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). The gap is the difference between rate sensitive assets and rate sensitive liabilities for each time bucket. In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioural pattern of various components of assets and liabilities on the basis of past data or empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee / board of the HFC.

Refinance Scheme for Housing Finance Companies 2015, as amended ("Refinance Scheme")

Pursuant to the Refinance Scheme and the clarification provided by the NHB by way of the circular NHB (ND)/ROD/HFC/Refinance Circular 1/2015-16 and the refinance booklet issued by NHB with effect from November 2, 2018, HFCs registered with the NHB if they fulfil the following criteria:

(a) The HFC should provide long-term finance for purchase, construction, repair and upgrading of dwelling units by home-seekers;

(b) The HFC should invest at least 51 % of its Total Tangible assets less cash & bank balance by way of individual housing loans;

(c) The HFC should have a net owned fund ("**NOF**") of not less than ₹1,000 lakh (Rupees Thousand Lakh Only). NOF will carry the same meaning as defined in the NHB Directions;

(d) The HFC should comply with the provisions of the NHB Act and NHB Directions, as amended from time to time; and

(e) The Net Non-Performing Assets ("**NNPA**") of the HFC should not be more than 3.5 % of the Net Advances. NPA shall carry the same meaning as defined in the NHB Directions. NNPA means 'NPA less provision'. Net Advances shall mean 'Advances less provision'. 'Advances' shall, apart from housing loans, include mortgage loans, lease transactions, hire purchase assets, bills of exchange, inter-corporate deposits and unquoted debentures.

The HFCs are also required to have specific levels of capital employed and net owned funds to be eligible to avail refinance facilities under the Refinance Scheme. The financial assistance can be drawn by HFCs in respect of loans already advanced by them and also for prospective disbursements. The security for refinance from the NHB may generally be secured by a charge on the book debts of a HFC. If at any time NHB is of the opinion that the security provided by the HFC has become inadequate to cover the outstanding refinance, it may advise the HFC to furnish such additional security as may be acceptable to NHB to cover such deficiency.

Guidelines for Recovery Agents Engaged by HFCs dated July 14, 2008 ("Recovery Agents Guidelines")

The Recovery Agents Guidelines were issued by the NHB in relation to the practices and procedures regarding the engagement of recovery agents by the HFCs. Under the Recovery Agents Guidelines, HFCs are required to have a due diligence process in place for the engagement of recovery agents, which should cover, *inter alia*, individuals involved in the recovery process. HFCs are required to ensure that the agents engaged by them in the recovery process carry out verification of the backgrounds of their employees, which may include pre-employment police verification as a matter of caution. HFCs can decide the periodicity at which re-verification should be resorted to. They are required to ensure that the recovery agents are properly trained to handle their responsibilities with care and sensitivity, in particular, aspects like hours of calling and privacy of customer information, among others. They are also required to inform the borrower of the details of recovery agency firms or companies while forwarding default cases to the recovery agency.

Under the Recovery Agents Guidelines, any person authorised to represent an HFC in a collection and/or security repossession should follow guidelines which ordinarily include contacting the customer at the place of his/her choice, interaction with the customer in a civil manner and assistance to resolve disputes or differences regarding dues in a mutually acceptable and orderly manner. Each HFC should have a mechanism whereby the borrower's grievances with regard to the recovery process can be addressed. The details of the mechanism should also be provided to the borrower. HFCs have been advised to constitute grievance redressal machinery within our Company and give wide publicity about it through electronic and print media.

Guidelines on Monitoring of Frauds in Housing Finance Companies dated February 5, 2019 ("NHB Fraud Guidelines")

Under the NHB Fraud Guidelines, all HFCs shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the NHB. An HFC is required to report all cases of fraud of ₹ 1 lakh and above in the prescribed format within three weeks from the date of detection thereof and in addition to the aforementioned report, if the fraud is of ₹ 100 lakh or above, a D.O letter has to be reported by means of a D.O. letter addressed to the General Manager, Department of Regulation and Supervision, National Housing Bank, New Delhi within a week of such frauds coming to the notice of the HFC. The HFC shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

Norms for Excessive Interest Rates

The NHB pursuant to its circular on Excessive Interest Charged by Housing Finance Companies on Housing Loans dated June 2, 2009 has advised all HFCs to revisit internal policies in determining interest rates, fees and other charges. According to this notification, the board of each HFC is required to revisit its policies on interest rate determination, fees and other charges, including margins and risk premiums charged to different categories of borrowers and approve the same. HFCs are advised to put in place an internal mechanism to monitor the process and operations in relation to the disclosure of interest rates and charges in view of the guidelines indicated in the Fair Practices Code to ensure transparency in communications with borrowers.

Auditor's Report (National Housing Bank) Directions, 2016

The Housing Finance Companies – Auditor's Report (National Housing Bank) Directions, 2016 which mandate that in addition to the report made by the auditor under the Companies Act, the auditor performing an audit in connection with HFCs shall also make a separate report to the board of directors of the company containing details of non-compliances and unfavorable statements, indicating such facts together with reasons thereof. Furthermore, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the housing finance company to the Department of Regulation & Supervision, NHB, New Delhi to the Department of Regulation and Supervision, NHB, New Delhi.

Guidelines on Wilful Defaulters dated December 31, 2015 ("Wilful Defaulters Guidelines")

The NHB has laid down the mechanism for identification and reporting requirements of wilful defaulters by the HFCs. Every instance above the ₹ 25 lakh limit of siphoning or diversion of funds along with all instances of default by wilful defaulters above this threshold shall merit a disclosure and intimation to all credit information companies ("**CIC**") on a monthly basis or more frequent basis. The penal provisions envisaged under the Wilful Defaulters Guidelines include: (a) restriction of any further facilities being advanced to a listed wilful defaulter; (b) legal proceedings for recovery along with foreclosure for recovery of dues to be initiated expeditiously along with pursuing criminal proceedings wherever necessary; (c) a proactive approach towards seeking a change of management of a wilful defaulter entity; and (d) a covenant to be included in the lending terms restricting any entity to whom financing is provided, to refrain from inducting a listed wilful defaulter on its board. The HFCs are required to put in place transparent mechanisms so that the penal provisions are not misused and timely intimation to the CICs may be made as required.

Housing Finance Companies – Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016 (Transfer of Control Directions)

The Transfer of Control Directions are applicable on all HFCs registered under NHB Act, unless otherwise directed by the NHB, for any takeover or acquisition or control, any change in the shareholding or any change in the management occurring henceforth. The Transfer of Control Directions replace the provisions contained under Paragraph 19 of the Housing Finance Companies (NHB) Directions, 2010. In accordance with the Transfer of Control Directions, prior approval of the NHB is required in the following circumstances: (i) any takeover or acquisition of control of an HFC, which may or may not result in change of management; where, the definition of control is as assigned to it under clause (e) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) any change in the shareholding of an HFC, including progressive increases over time, which would result in acquisition / transfer of shareholding of 26 % or more of the paid up equity capital of the HFC; and (iii) any change in the management of the HFC which would result in change in more than 30 % of the directors, excluding independent directors.

Guidelines on Corporate Governance

The NHB issued the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 on corporate governance covering constitution of committees of the board of an HFC, fit and proper criteria for the appointment of directors, disclosure and transparency in annual reporting, rotation of partners of statutory auditors and framing of internal guidelines on corporate governance.

Implementation of Indian Accounting Standards (Ind AS)

Pursuant to the NHB circular dated April 16, 2018, every HFC shall follow the provisions of paragraph 24 of the NHB Directions on Accounting Standards, in terms of the accounting standards and guidance notes issued by the Institute of Chartered Accountants of India to implement the Indian Accounting Standards.

Information Technology Framework for HFCs

Pursuant to the NHB circular dated June 15, 2018, HFCs not accepting public deposit with asset size of ₹ 100 crore and above, as per the last audited balance sheet, needs to form IT Strategy Committee, adopt IT Policy, Information Security Policy, Information System Audit policy and Business Continuity Plan and IT Service Outsourcing Policy.

Laws related to money laundering

The Prevention of Money Laundering Act 2002 ("PMLA")

The PMLA was enacted to prevent money laundering and to provide for the confiscation of property derived from and involved in money laundering. In terms of the PMLA, every financial institution, including housing finance institutions, are required to maintain records of all transactions, including the value and nature of such transactions, provide information of such transactions to the director defined under the PMLA, and verify and maintain the records of the identity of all of its clients, in such a manner as may be prescribed. The PMLA also provides for a power of summons, searches and seizures to the authorities under the PMLA. In terms of the PMLA, whosoever directly or indirectly attempts to indulge, knowingly assists, knowingly is a party to or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of the offence of money laundering.

Laws in relation to securing and recovering debts

Registration of a charge

Under the Companies Act 2013, our Company is required to register a charge on its property or assets or any of its undertakings, whether tangible or otherwise by filing the relevant form with the relevant registrar of companies along with the instrument creating this charge within 30 days of its creation by paying a prescribed fee. If the particulars of a charge are not filed within the aforesaid period but filed within a period of 60 days of such creation or modification, an additional fee shall be levied. If the particulars of a charge are not filed within the aforesaid period, them the Registrar may, on application, allow such registration to be made within a further period of 60 days after payment of such *ad valorem fees* as may be prescribed. Further, our Company is required to keep at its Registered Office a register of charges and enter therein particulars of all the charges registered with the relevant registrar of companies on any of the property, assets or undertakings of our Company as well as particulars of any modification of a charge and satisfaction of charge. The entries in the register of charges of our Company shall be made forthwith after the creation, modification or satisfaction of charge, as the case may be. Where a charge is registered with the relevant registrar of companies, they will issue a certificate of registration of such charge to the person in whose favour the charge is created.

The Central Government has issued the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) Rules, 2011 ("**CERSAI Rules**") under the Securitisation and Reconstruction of Financial Assets and Enforcement Act ("**SARFAESI Act**"). Pursuant to the CERSAI Rules, all charges created by our Company in the form of mortgages, or hypothecation of assets are required to be registered with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("**CERSAI"**). Further upon non-compliance with the CERSAI Rules, our Company and every officer of our Company who is in default may be liable to a penalty, which may extend to ₹ 5000 for every day during which the penalty continues.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 ("SARFAESI Act")

The SARFAESI Act regulates the securitisation and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in the case of default.

The SARFAESI Act also provides for the acquisition of financial assets by a securitisation company or reconstruction company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitisation company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures, such as rescheduling of payment of debts payable by the borrower and enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fees or charges as may be mutually agreed between the parties.

Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016

The objective of SARFAESI Act was amended by Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 to include the SARFAESI Act regulating securitisation and reconstruction of financial assets and enforcement of security interest and providing for a central database of security interests created over property rights.

Insolvency and Bankruptcy Code, as amended ("IBC")

The IBC empowers creditors, whether secured, unsecured, domestic, international, financial or operational, to trigger resolution processes, enables resolution processes to start at the earliest sign of financial distress, provides for a single forum to oversee insolvency and liquidation proceedings, enables a calm period where new proceedings do not derail existing ones, provides for replacement of the existing management during insolvency proceedings while maintaining the enterprise as a going concern, offers a finite time limit within which the debtor's viability can be assessed and prescribes a linear liquidation mechanism.

Laws Relating to Employment

Shops and Establishments legislation in various states

The provisions of various shops and establishments legislation, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

Our Company is subject to various labor laws that regulate the conditions of work and employment, work hours, safety, protection, working condition, employment terms and welfare of laborers and/or employees. Our Company is, *inter alia*, subject to the applicable shops and establishments legislations, the Employees State Insurance Act, 1948, the Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, the Payment of Gratuity Act, 1972, the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965, the Maternity Benefit Act, 1961, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Equal Remuneration Act, 1976.

*The Code on Wages, 2019 ("**Wages Code**") has received Presidential assent on August 8, 2019. Section 69(1) of the Wages Code provides for the repeal of the following legislations- (i) the Payment of Wages Act, 1936 (ii) the Minimum Wages Act, 1948 (iii) the Payment of Bonus Act, 1965 and (iv) the Equal Remuneration Act, 1976. However, the provisions of the Wages Code have not yet come into force and shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint. On such notification of Section 69 of the Wages Code, the abovementioned laws will be repealed*.

Laws relating to Intellectual Property

The Trade Marks Act, 1999 and the Indian Copyright Act, 1957 *inter alia* govern the law in relation to intellectual property, including brand names, trade names and service marks and research works. In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013, the Foreign Exchange Management Act, 1999, various tax related legislation and other applicable statutes.

Laws in relation to external commercial borrowing

External Commercial Borrowings

The Reserve Bank of India has notified the new ECB framework namely, the External Commercial Borrowings Policy on January 16, 2019 (the "**ECB Policy**"). Few of the changes as per the ECB Policy are, HFCs, being eligible entities to receive FDI, are permitted to raise ECB up to USD 750 million or equivalent in a financial year under the automatic route and exceeding USD 750 million or equivalent in a financial year under the approval route and the eligible borrowers have been expanded to include all entities eligible to receive FDI. The ECB Policy, inter alia, provides for various aspects of ECB transactions, including eligible borrowers, recognised lenders, route of the ECB, minimum average maturity period, all-in-cost ceiling per annum.

Disclaimer Clause of NHB

Our Company has a valid Certificate of Registration dated April 2, 2009 bearing registration no. 04.0073.09 issued by the NHB under Section 29A of the NHB Act, 1987. However, the NHB does not accept any responsibility or guarantee about the present position as to the financial soundness of our Company or for the correctness of any of the statements or representations made or opinions expressed by our Company and for repayment of deposits/ discharge of liabilities by our Company.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND INDAS

MCA, in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled 50 commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. MCA pursuant to its notification dated March 30, 2016, has included HFCs in the definition of NBFCs. The notification further explains that NBFCs having a net worth of ₹ 5,000.00 million or more as of March 31, 2016, shall comply with Ind AS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Accordingly, our Company has prepared the financial statements for the six months ended September 30, 2018 in accordance with the Ind AS. NHB pursuant to its policy Circular No.88/2017-18 dated April 16, 2018 has clarified that HFCs are advised to be guided by the extant provisions of Ind AS, including the date of implementation i.e. April 1, 2018. HFCs are also required to follow the extant directions on prudential norms, including on asset classification, provisioning, etc. issued by NHB with regards to the implementation of Ind AS.

"Summary of Significant Differences among Indian GAAP and Ind AS", does not present all differences between Indian GAAP and Ind AS which are relevant to the Issuer. Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Draft Shelf Prospectus. Furthermore, the Issuer has made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and Ind AS which may result from prospective changes in accounting standards. The Issuer has not considered matters of Indian GAAP presentation and disclosures, which also differ from Ind AS. In making an investment decision, investors must rely upon their own examination of the Issuer's business, the terms of the offerings and the financial information included in this Draft Shelf Prospectus. Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and Ind AS and how those differences might affect the financial information included in this Draft Shelf Prospectus. The Issuer cannot assure that it has completed a comprehensive analysis of the effect of Ind AS on future financial information or that the application of Ind AS will not result in a materially adverse effect on the Issuer's future financial information.

Summary of Significant Differences among Indian GAAP and Ind AS:

Sr.No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind As
1.	Presentation of Financial Statements	Other Comprehensive Income: There is no concept of 'Other Comprehensive Income' under Indian GAAP.	Other Comprehensive Income: Ind AS 1 introduces the concept of other Comprehensive Income (**OCI**). Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS.
		Extraordinary items: Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	Extraordinary items: Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited
		Change in Accounting Policies: Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material.	Change in Accounting Policies: Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an

Sr.No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind As
		If a change in the accounting policy has no material effect on the financial statements for the current period but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	accounting standard require otherwise.
2.	Deferred Taxes	Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.	As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge/ income on account of all Ind AS opening balance sheet adjustments.
3.	Property, plant and Equipment depreciation and residual value – reviewing	Under Indian GAAP, the Company currently provides depreciation on straight line method over the useful lives of the assets estimated by the Management.	Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS.
4.	Accounting for Employee benefits	Currently, all actuarial gains and losses are recognized immediately in the statement of profit and loss.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re measurements and the change in asset is split between interest income and re measurements. Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re-measurements are to be recognized directly in OCI.
5.	Provisions, contingent liabilities and contingent assets	Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted	Under Ind-AS, provisions are recognised for legal as well as constructive obligations. Ind AS requires discounting the provisions to present value, if the effect of time value of money is material
6.	Share based payments	Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a disclosure for the fair valuation.	Under Ind AS, the share based payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings
7.	The pooling of interests and purchase method	Amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree either at the fair values or at book values.	All business combinations, other than those between entities under common control, are accounted for using the purchase method. An acquirer is identified for all business

Sr.No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind As
		Amalgamations in the nature of merger are accounted under the pooling of interests method.	combinations, which is the entity that obtains control of the other combining entity. Business combination transactions between entities under common control should be accounted for using the 'pooling of interests' method.
8.	Presentation and classification of Financial Instruments and subsequent measurement	Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, loan processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss.	Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortized cost or measured at fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss (FVTPL) or recognized in other comprehensive income (FVOCI). Financial assets include equity and debts investments, security receipts, interest free deposits, loans, trade receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method. There are two measurement categories for financial liabilities - FVTPL and amortized cost. Liabilities classified at amortized cost and the related expenses (processing cost & fees) have to be measured using the Effective Interest Rate (EIR) method. Financial liabilities include Cumulative Redeemable Preference Shares, Compulsorily Convertible Cumulative Preference Shares and Cumulative Convertible Preference Shares (other than having a fixed for fixed conversion term), loans, security deposits and trade payables etc. Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.
9.	Financial Instruments - Impairment and standard asset provisioning	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to loans and advances debt instruments measured at amortized cost or FVOCI, lease receivables, contract assets within the scope of Ind AS 109 and certain written loan commitments and financial

Sr.No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind As
		Under Indian GAAP, the Company assesses the standard asset provision on outstanding loan balances.	guarantee contracts. Under Ind-AS, the Company shall be required to assess the standard asset provision on exposures.
10.	Conflicts or prescriptive approach in regulations	Under Indian GAAP, there are settled positions or accepted practices to deal with conflicts, if any, that may arise,	Under Ind-AS, regulatory clarity is awaited and positions or accepted practices to deal with conflicts, if any, are yet to be established including those relating to income recognition, asset classification and provisioning.

SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

The main provisions of the AoA relating to issue of securities and matters incidental hereto have been set out below. Please note that each provision herein below is numbered as per the corresponding AoA. All defined terms used herein shall have the meaning ascribed them in the AoA. Any reference to the term "Article" hereunder means the corresponding article forming part of the AoA.

Article Number	Description of the Article
1	The regulations contained in Table A under the First Schedule to the Companies Act, 1956 ("1956 Act"), shall not apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by 1956 Act, be such as are contained in these Articles.
4	**AUTHORIZED SHARE CAPITAL**
	The authorised share capital of the Company is ₹ 45,00,00,00,000 (Rupees Four Thousand Five Hundred Crore) in accordance with Clause V(a) of the Memorandum of Association of the Company. The paid up share capital of the Company shall be, at any point of time, minimum of ₹ 5,00,000/- (Rupees Five Lakh Only), or such other higher amount, as may be prescribed under the 1956 Act as applicable to a public company.
78	(i) **Dematerialisation of Securities** Notwithstanding anything contained in the 1956 Act, as amended or these Articles, the Board of Directors are empowered without any prior sanction of the members to dematerialize and rematerialize the securities of the Company and issue/allot fresh securities in dematerialized form in pursuance of the Depositories Act, 1996.
	(iii) Options for Investors Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter, in its record, the name of the allottee as the beneficial owner of the security.
	(iv) All securities held by a depository shall be dematerialized and be in fungible form.
	(vii) Transfer of Securities Nothing contained in Section 108 of the 1956 Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
	(viii) Allotment of Securities dealt with in a Depository Notwithstanding anything in the 1956 Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
	DIRECTORS
129	**First Directors** Mr Praveen P Kadle Mr Govind Sankaranarayanan Mr S H Rajadhyaksha

Article Number	Description of the Article
128	Until otherwise determined by a general meeting, the number of directors shall not be less than 3 or more than 12.
131	Notwithstanding anything contained to the contrary in the Articles, so long as any Debentures issued by the Company remain outstanding the holders of such Debentures shall, in accordance with the provisions of the Trust Deed securing such Debentures, have a right to appoint and nominate from time to time any person or persons as a Director or Directors on the Board of the Company and to remove and reappoint any person or persons in his or their place or places. A Director so appointed under this Article is herein referred to as "the Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article. The Board of Directors of the Company shall have no power to remove from office the Debenture Director. The Debenture Director shall have all the rights and privileges as any other Director of the Company other than a Managing or Wholetime Director.
132	The Debenture Director shall not be liable to retirement by rotation subject however to the provisions of the Trust Deed securing such Debentures.
130	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys by way of loans/privately placed debentures remain owing by the Company to any financial institution as defined under the 1956 Act, the financial institutions shall jointly have a right to appoint such number of nominees as directors on the Board of the Company (hereinafter described as Financial Institutions' Directors), as may be agreed to by the Directors. Such appointment or removal shall be by notice in writing to the Company. The Board of Directors of the Company shall have no power to remove such nominee or nominees from office. Each such nominee shall be entitled to the same rights, privileges and obligations as any other Director of the Company, and shall also be entitled to attend any general meeting of the Company. The Company shall pay to such Directors normal fees and reimbursement of expenses to which the other Directors are entitled. The Company shall also pay or reimburse any expenses that may be incurred by financial institutions or such directors in connection with their appointment. Such Directors as well as financial institutions shall be entitled to receive all notices and other communications (including agenda) relating to meetings of the Board and its committees and general meetings of the Company and the minutes of all such meetings.
133	The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called "the original Director") during his absence for a period of not less than three months from the State in which the meetings are generally held and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the said state. If the term of office of the original Director is determined before he so returns to the said state, any provision in the 1956 Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original Director and not to the Alternate Director.
	Retirement of Director
147	(1) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement by rotation and save and otherwise expressly provided in the 1956 Act and these Articles, be appointed by the Company in General Meeting. (2) The remaining directors shall be appointed in accordance with the provisions of these Articles and the 1956 Act.
	Removal of Director
155	(1) The Company may (subject to the provisions of Section 284 and other applicable provisions of the 1956 Act and these articles) remove any director before the expiry of his period of office. (2) Special notice as provided by Article 96 or Section 190 of the 1956 Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed
136	The Directors shall not be required to hold any qualification shares in the Company.
137	(2) Subject to the relevant provisions of the 1956 Act, the Directors who is not a *bona fide* resident of the place where a meeting is to be held shall be paid fair compensation for travelling expenses, in addition to his fee for

Article Number	Description of the Article
	attending such meeting as above specified, and the Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these Articles, and may pay the same.
	KEY POSITIONS
177	**Managing Director** Subject to the provisions of the 1956 Act, the Directors may, from time to time, appoint one or more of their body to be a Managing Director or Managing Directors (in which expression shall include a Joint Managing Director) or Whole-time Director or Whole- time Directors of the Company for such term not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from such office and appoint another or others in his or their place or places.
161	Appointment of Chairman, Deputy Chairman and Vice-Chairman (A) The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office; and (B) The Directors may appoint a Deputy Chairman or a Vice Chairman of the Board of Directors to preside at meetings of the Directors at which the Chairman shall not be present.
157	Meetings of Directors. (a) The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of a quorum.
	Board Meeting through video/audio (b) In terms of the 1956 Act or other applicable laws, to permit the participation of Directors in meetings of the Board otherwise through physical presence, the Board or its members, may from time to time decide to conduct discussions through audio conferencing, video conferencing or net conferencing and directors shall be allowed to participate from multiple locations through modern communication equipments for ascertaining the views of such Directors as have indicated their willingness to participate by audio conferencing, video conferencing or net conferencing, as the case may be.
159	**Quorum** Subject to the provisions of Section 287 and other applicable provisions (if any) of the 1956 Act the quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher; Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested and are present at the meeting, not being less than two shall be the quorum during such time. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the 1956 Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.
160	Adjournment of meeting for want of quorum. If a meeting of the Board cannot be held for want of a quorum then the meeting shall stand adjourned to such day, time and place as the Director or Directors present at the meeting may fix.
164	**Committees of the Board** Subject to the provisions of Section 292 of the 1956 Act and Article 172, the Director may delegate any of their powers to Committees consisting of such member or members of their body as they think fit and they may from

Article Number	Description of the Article
	time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes; but every Committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board. Subject to the provisions of the 1956 Act the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.
	GENERAL MEETINGS
86	Annual General Meetings The Company shall, in addition to any other meetings, hold a general meeting (herein called an "Annual General Meeting") every year at the intervals and in accordance with the provisions herein specified. The Annual General Meeting of the Company shall be held within six months after the expiry of each financial year; Provided however, that if the Registrar of Companies (ROC) shall have for any special reason extended the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time fixed by the ROC. Except in the cases where the ROC has given an extension of time as aforesaid for holding any Annual General Meeting and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. However, subject to the provisions of Sections 166 and 210 of the 1956 Act, the First Annual General Meeting may be held within 18 months from the date of Incorporation of the Company.
90	Notice of meeting (1) A general meeting of the Company may be called by giving not less than 21 days' notice in writing.
91	Contents of Notice (1) Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting, and shall contain a statement of the business to be transacted thereat.
97	Quorum at General Meeting 5 (Five) members entitled to vote and present in person shall be a quorum for a general meeting and no business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business thereof.
98	Proceedings when quorum not present. If within half an hour after the time appointed for the holding of a General Meeting a quorum be not present the meeting if convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week at the same time and place or such other day, time and place as the Directors may by notice to the shareholders appoint. If at such adjourned meeting a quorum be not present those members present shall be a quorum and may transact the business for which the meeting was called.
	INCREASE, REDUCTION AND ALTERATION IN CAPITAL
68	Increase of Capital (a) The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amount as it thinks expedient. (b) Subject to the provisions of the 1956 Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the general meeting creating the same shall be directed and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.
69	Rights of shareholders to further issue of capital Where it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such

Article Number	Description of the Article
	further shares shall be offered to the persons who, at the date of the offer, are holders of the shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made in accordance with the provisions of Section 81 of the 1956 Act.
73	Reduction of capital The Company may from time to time by Special Resolution reduce its share capital in any way authorised by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.
	BORROWING POWER
79	Power to Borrow Subject to the provisions of the 1956 Act and these Articles and without prejudice to the other powers conferred by these Articles the Directors shall have the power from time to time at their discretion to borrow any sum or sums of money for the purposes of the Company provided that the total amount borrowed at any time together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the consent of the Company in General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose.
80	Conditions on which money may be borrowed Subject to the provisions of the 1956 Act and these Articles, the Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
	THE SEAL
174	The seal, its custody and use The Directors shall provide a Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given.
72	Buy-Back of Shares Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the provisions, as may be applicable, of the 1956 Act or the Rules made thereunder.
	SECRECY CLAUSE
204	Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10:00 a.m. to 5:00 p.m. on any Working Day during which this Issue is open for public subscription under the respective Tranche Prospectus.

A. *Material Contracts*

1. Issue Agreement dated December 17, 2019 between our Company and the Lead Managers.

2. Registrar Agreement dated December 17, 2019 between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated December 17, 2019 executed between our Company and the Debenture Trustee.

4. Tripartite agreement between our Company, Registrar to the Issue and CDSL dated August 24, 2018.

5. Tripartite agreement between our Company, Registrar to the issue and NSDL dated August 24, 2018.

B. *Material Documents*

1. Certificate of incorporation of our Company dated October 15, 2008 issued by Registrar of Companies, Maharashtra.

2. Memorandum of Association and Articles of Association of our Company.

3. The certificate of registration dated April 2, 2009, bearing registration number 04.0073.09 by the National Housing Bank to carry on the business of a housing finance institution without accepting public deposits in accordance with Section 29A of the National Housing Bank Act.

4. Credit rating letter dated November 27, 2019 by CRISIL assigning a rating of "CRISIL AAA/Stable" in respect of the NCD.

5. Credit rating letter dated November 27, 2019 by ICRA assigning a rating of "[ICRA] AAA (stable)" in respect of the NCD.

6. Copy of resolution passed at a meeting of the Board of Directors held on December 17, 2019 approving this Draft Shelf Prospectus.

7. Copy of the resolution passed by the Board of Directors of our Company, held on June 15, 2018, approving the public issue of Secured NCDs of face value ₹ 1,000 each and Unsecured NCDs of face value ₹ 1,000 each, aggregating up to ₹ 5,00,000 lakh.

8. Resolution passed by the Shareholders of our Company, pursuant to Section 180 (1)(c) of the Companies Act, 2013, at the EGM held on March 27, 2019, approving the overall borrowing limit of our Company.

9. Consents of the Directors, Lead Managers to the Issue, Chief Financial Officer of our Company, Company Secretary and Compliance Officer of our Company, Debenture Trustee, Credit Rating Agencies for this Issue, Lenders, Bankers to our Company, Legal Advisor to the Issue, and the Registrar to the Issue, to include their names in this Draft Shelf Prospectus in their respective capacity.

10. The consent of the Statutory Auditors of our Company, namely B S R & Co. LLP., dated December 17, 2019 for inclusion of: (a) their names as the Statutory Auditors, (b) the Financial Statements; and (c) the statement of tax benefits available to the debenture holders in the form and context in which they appear in this Draft Shelf Prospectus.

11. The examination report of the Statutory Auditors dated December 17, 2019 in relation to the Financial Statements included herein.

12. Statement of tax benefits available to debenture holders dated December 17, 2019 issued by our Statutory Auditors.

13. Annual Reports of our Company for the last five Financial Years.

14. Due diligence certificate dated December [●], 2019 filed by the Lead Managers with SEBI.

15. In-principle approval dated [●] for this Issue issued by BSE.

16. In-principle approval dated [●] for this Issue issued by NSE.

17. Industry report prepared by ICRA titled "*Indian Mortgage Finance Market*" dated June 2019 and consent from the ICRA dated December 11, 2019 in this regard.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company hereby certify and declare that all applicable legal requirements in connection with the Issue, including relevant provisions of the Companies Act, 2013, as amended, and Rules prescribed thereunder, as applicable on the date of this Draft Shelf Prospectus, the guidelines and regulations issued by the Government of India, the guidelines and circulars issued by the National Housing Bank, the Reserve Bank of India and the Securities Contract (Regulation) Act, 1956, and the regulations, guidelines, circulars and rules promulgated by Securities and Exchange Board of India including, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to the extent applicable, as the case may be, have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the relevant provisions of applicable law.

Furthermore, we certify that all disclosures and statements in this Draft Shelf Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Signed by the Board of Directors:

Rajiv Sabharwal
Non – Executive Director and Chairman

Mehernosh B. Kapadia
Independent Director

Anuradha E. Thakur
Independent Director

Ankur Verma
Non – Executive Director

Anil Kaul
Managing Director

Date: December 17, 2019

Place: Mumbai

ANNEXURE A

FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tata Capital Housing Finance Limited

Report on the Audit of the Condensed Interim Financial Statements

Opinion

We have audited the accompanying Condensed Interim Financial Statements of Tata Capital Housing Finance Limited (the 'Company'), which comprise the condensed balance sheet as at 30 September 2019, the condensed statement of profit and loss (including other comprehensive income), condensed statement of changes in equity and condensed statement of cash flows for the half year then ended, and notes to the condensed interim financial statements, including a summary of the significant accounting policies and other explanatory information, as required by Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and other accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Condensed Interim Financial Statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 30 September 2019, and profit and other comprehensive income, changes in equity and its cash flows for the half year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Condensed Interim 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 (the 'ICAI') together with the ethical requirements that are relevant to our audit of the Condensed Interim 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.

Management's Responsibility for the Condensed Interim Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these Condensed Interim Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 prescribed under section 133 of the Act 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 Condensed Interim Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Condensed Interim Financial Statements, management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Condensed Interim Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Condensed Interim 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 but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Tata Capital Housing Finance Limited

Auditor's Responsibilities for the Audit of the Condensed Interim Financial Statements ***(Continued)***

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Condensed Interim 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 Condensed Interim Financial Statements, including the disclosures, and whether the Condensed Interim Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sagar Lakhani
Partner
Membership No. 111855
UDIN:19111855AAAAAS1384

Mumbai
30 October 2019

Tata Capital Housing Finance Limited

Condensed Balance Sheet
as at September 30, 2019

(Rs. in lakh)

Particulars	Note	As at September 30, 2019	As at March 31, 2019
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents		**2,925**	13,276
(b) Bank balances other than (a) above		**10,051**	51,708
(c) Derivative financial instruments		**1,684**	347
(d) Receivables			
(i) Trade receivables		**1,128**	462
(ii) Other receivables		**-**	-
(e) Loans		**27,61,131**	26,40,928
(f) Investments		**381**	369
(g) Other financial assets		**392**	338
Total Financial assets		**27,77,692**	**27,07,428**
(2) Non-Financial assets			
(a) Current tax assets (Net)		**312**	312
(b) Deferred tax assets (Net)		**13,474**	12,001
(c) Investment Property		**387**	397
(d) Property, plant and equipment		**2,768**	1,827
(e) Capital work-in-progress		**129**	66
(f) Intangible assets under development		**-**	9
(g) Goodwill		**-**	-
(h) Other intangible assets		**659**	714
(i) Other non-financial assets		**1,079**	998
Total Non-Financial assets		**18,808**	**16,324**
Total Assets		**27,96,500**	**27,23,752**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments		**1,241**	372
(b) Payables			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		**-**	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**8,238**	6,489
(c) Debt Securities		**3,77,648**	4,01,921
(d) Borrowings (Other than debt securities)		**21,72,080**	20,93,694
(e) Deposits		**-**	-
(f) Subordinated liabilities		**62,289**	62,283
(g) Other financial liabilities		**27,792**	23,844
Total Financial liabilities		**26,49,288**	**25,88,603**
(2) Non-Financial liabilities			
(a) Current tax liabilities (Net)		**443**	2,900
(b) Provisions		**44,722**	32,929
(c) Other non-financial liabilities		**1,277**	1,426
Total Non-Financial liabilities		**46,442**	**37,255**
(3) Equity			
(a) Share capital		**30,971**	30,971
(b) Other equity		**69,799**	66,923
Total equity		**1,00,770**	**97,894**
Total Liabilities and Equity		**27,96,500**	**27,23,752**
Summary of significant accounting policies	*2*		

See accompanying notes forming part of the condensed interim financial statements

In terms of our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

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

Sagar Lakhani
Partner
Membership No: 111855

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)

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

Ankur Verma
Director
(DIN No. : 07972892)

Anil Kaul
Managing Director
(DIN No. : 00644761)

Mumbai
30 October 2019

Mumbai
30 October 2019

S Balakrishna Kamath
Chief Financial Officer

Jinesh Meghani
Company Secretary

Tata Capital Housing Finance Limited

Condensed Statement of Profit and Loss
for the half year ended September 30, 2019

(Rs. in lakh)

	Particulars	Note	For the half year ended September 30, 2019	For the half year ended September 30, 2018
I	**Revenue from operations**			
(i)	Interest Income		**1,44,079**	1,08,095
(ii)	Dividend Income		-	-
(iii)	Rental Income		-	-
(iv)	Fees and commission Income		**1,670**	1,726
(v)	Net gain on fair value changes		**1,791**	463
(vi)	Net gain on derecognition of investment		-	-
(vii)	Sale of services		-	-
II	**Other income**		**1,949**	2,448
III	**Total Income (I+II)**		**1,49,489**	**1,12,732**
IV	**Expenses**			
(i)	Finance costs		**1,10,632**	82,402
(ii)	Fees and commission expense		-	-
(iii)	Net loss on fair value changes		-	-
(iv)	Impairment of investment		-	-
(v)	Impairment on financial instruments		**17,190**	10,081
(vi)	Employee benefits expense		**7,776**	8,284
(vii)	Depreciation, amortisation expense and impairment		**477**	262
(viii)	Other expenses		**8,202**	7,547
	Total expenses (IV)		**1,44,277**	**1,08,576**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**5,212**	**4,156**
VI	**Exceptional Items**		-	-
VII	**Profit/(loss) before tax (V-VI)**		**5,212**	**4,156**
VIII	Tax expense			
	(1) Current tax		**4,315**	2,577
	(2) Deferred tax		**(1,473)**	(213)
	Net tax expense		**2,842**	2,364
IX	**Profit from continuing operations (VII-VIII)**		**2,370**	**1,792**
X	Profit from discontinued operations before tax		-	-
XI	Tax expense of discontinued operations		-	-
XII	**Profit from discontinued operations (after tax) (X-XI)**		-	-
XIII	**Profit for the period (IX+XII)**		**2,370**	**1,792**
XIV	**Other Comprehensive Income**			
	(i) Items that will be reclassified subsequently to statement of profit and loss			
	(a) The effective portion of gains and loss on hedging instruments in a cost of hedge		**773**	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		**(270)**	-
	(i) Items that will not be reclassified subsequently to statement of profit and loss			
	(a) Remeasurement of defined employee benefit plans		**(69)**	(30)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**24**	10
	Total Other Comprehensive Income/(Losses)		**458**	**(20)**
XV	**Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit/(Loss) and Other Comprehensive Income for the period)**		**2,828**	**1,772**
XVI	**Earnings per equity share (for continuing operation):**			
	(1) Basic (Rs.)		**2.00**	1.74
	(2) Diluted (Rs.)		**2.00**	1.74
XVII	**Earnings per equity share (for discontinuing operation):**			
	(1) Basic (Rs.)		-	-
	(2) Diluted (Rs.)		-	-
XVIII	**Earnings per equity share(for discontinued and continuing operations)**			
	(1) Basic (Rs.)		**2.00**	1.74
	(2) Diluted (Rs.)		**2.00**	1.74

Summary of significant accounting policies *2*

See accompanying notes forming part of the condensed interim financial statements

In terms of our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

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

Sagar Lakhani
Partner
Membership No: 111855

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)

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

Ankur Verma
Director
(DIN No. : 07972892)

Anil Kaul
Managing Director
(DIN No. : 00644761)

Mumbai
30 October 2019

Mumbai
30 October 2019

S Balakrishna Kamath
Chief Financial Officer

Jinesh Meghani
Company Secretary

Tata Capital Housing Finance Limited

Condensed Statement of Changes in Equity
for the half year ended September 30, 2019

(Rs. in lakh)

A. Equity share capital

Particulars	Rs. in Lakh
Balance at March 31, 2019	**30,971**
Changes in equity share capital during the half year	-
Balance at September 30, 2019	**30,971**

B. Other equity

(Rs. in lakh)

Particulars	Reserves and surplus					Items of OCI		Total "Other equity"
	Securities premium	Special Reserve Account	Retained earnings	ESOP Reserve	General Reserve	Effective portion of Cost of hedge	Remeasurement of defined benefit liability /asset	
Balance at March 31, 2019	**37,429**	**17,811**	**11,362**	**179**	**158**	**-**	**(16)**	**66,923**
Ind AS 116 transition impact			(30)					**(30)**
Profit for the year	-	-	2,370	-	-		-	**2,370**
Addition to ESOP Reserve	-	-	-	78	-		-	**78**
Transfer to General Reserve	-	-	-	(123)	123		-	-
Other comprehensive income for the year, net of income tax	-	-	-	-		503	(45)	**458**
Total	**-**	**-**	**2,340**	**(45)**	**123**	**503**	**(45)**	**2,876**
Transfer to Special Reserve Account	-	2,076	(2,076)	-	-		-	-
Addition to Securities Premium Account	-	-	-	-	-		-	-
Balance at September 30, 2019	**37,429**	**19,887**	**11,626**	**134**	**281**	**503**	**(61)**	**69,799**

In terms of our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

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

Sagar Lakhani
Partner
Membership No: 111855

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)

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

Ankur Verma
Director
(DIN No. : 07972892)

Anil Kaul
Managing Director
(DIN No. : 00644761)

Mumbai
30 October 2019

Mumbai
30 October 2019

S Balakrishna Kamath
Chief Financial Officer

Jinesh Meghani
Company Secretary

Tata Capital Housing Finance Limited

Condensed Statement of Cash Flow

for the half year ended September 30, 2019

(Rs. in lakh)

Particulars	For the half year ended September 30, 2019	For the half year ended September 30, 2018
1 Net Cash Used In Operating Activities (A)	**(1,02,570)**	**(2,66,810)**
2 CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (including capital advances)	**(495)**	(233)
Proceeds from sale of property, plant & equipment	**20**	2
Purchase of mutual fund units	**(71,13,100)**	(16,78,000)
Proceeds from redemption of mutual fund units	**71,14,854**	16,78,453
(Purchase of) / proceeds from Fixed deposits with banks having maturity over 3 months	**41,614**	(0)
Net Cash Used In Investing Activities (B)	**42,893**	**222**
3 CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Compulsory Convertible Cumulative Preference share capital	**30,000**	13,500
Payment of Ancillary borrowing cost	**(448)**	(280)
Interim dividend paid on equity and preference shares (including dividend distribution tax)	**(1,143)**	(58)
Proceeds from borrowings (Other than debt securities)	**12,97,885**	19,50,807
Proceeds from Debt Securities	**1,24,604**	66,000
Repayment of Borrowings (Other than debt securities)	**(12,52,078)**	(16,48,599)
Repayment of Debt Securities	**(1,49,401)**	(97,530)
Repayment of Subordinated liabilities	**(0)**	(2,500)
Repayment of lease liabilities	**(93)**	-
Net Cash Generated From Financing Activities (C)	**49,326**	**2,81,340**
Net Increase / (Decrese) In Cash And Cash Equivalents (A+B+C)	**(10,351)**	**14,752**
Cash And Cash Equivalents As At The Beginning Of The Year	**13,276**	**6,952**
Cash And Cash Equivalents As At The End Of The Half Year	**2,925**	**21,704**

Summary of significant accounting policies

In terms of our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

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

Sagar Lakhani
Partner
Membership No: 111855

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Mumbai
30 October 2019

Mumbai
30 October 2019

S Balakrishna Kamath
Chief Financial Officer

Jinesh Meghani
Company Secretary

Notes to Condensed Interim Financial Statement

for the half year ended September 30, 2019

(Rs. in lakh)

RELATED PARTY TRANSACTIONS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019

Sr. No.	Party Name	Nature of transaction	For the half year ended September 30, 2019
1	Tata Sons Private Limited	a) Expenses	
		- Brand equity and business promotion	325
		- Training Expenses *	0
2	Tata Capital Limited	a) Amount raised by issue of Compulsorily Convertible Cumulative Preference Shares	30,000
		b) Inter-Corporate Deposit accepted / repaid	
		- Inter-Corporate Deposit received during year	1,80,902
		- Inter-Corporate Deposit repaid during year	1,83,220
		c) Interest expense on	
		-Inter-Corporate Deposit	1,210
		d) Service providers charges	498
		e) Dividend paid on Preference Shares	948
3	Tata Capital Financial Services Limited (Holding Company)	a) Expenses	
		-Rent expenses	480
		-Guest house expenses	9
		-Loan sourcing fee	12
		b) Income	
		-Rent recovery	35
		-Guest House Recovery	4
		-Reimbursement of expenses	22
4	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)	a) Expenses	
		- Service provider charges	792
5	Tata Consultancy Services Limited	a) Expenses	
		- Information technology expenses	896
6	Tata AIA Life Insurance Company Limited	a) Expenses	
		- Insurance Expense for Employees	28
7	Tata AIG General Insurance Company Limited	a) Expenses	
		- Insurance expenses	1
8	Infiniti Retail Limited	a) Fixed Asset purchased	1
9	Tata Cleantech Capital Limited	a) Guest House Expenses*	0
		b) Guest House Income*	0
10	Tata Teleservices Limited	a) Telephone, telex and leased line	1
11	Tata Teleservices Maharashtra Limited	a) Telephone, telex and leased line*	0
12	Tata Communications Limited	a) Information technology expenses	18
13	Tata Motors Finance Limited	a) Rent expenses	1
14	Titan Company Ltd	a) Staff welfare	18
15	Voltas Limited	a) Fixed asset purchased	1
		b) Repairs and maintenance expenses	2

*Less than Rs.50,000/-

(Rs. in lakh)

Fair values of financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(i) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at September 30, 2019 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Derivative financial instruments	-	-	1,684	-	-	1,684
Loans	-	-	-	-	27,61,131	27,61,131
Investments	381	-	-	-	-	381
Total	**381**	**-**	**1,684**	**-**	**27,61,131**	**27,63,196**
Financial Liabilities:						
Derivative financial instruments	-	-	1,241	-	-	1,241
Borrowings	-	-	-	-	26,12,017	26,12,017
Total	**-**	**-**	**1,241**	**-**	**26,12,017**	**26,13,258**

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Derivative financial instruments	-	-	347	-	-	347
Loans	-	-	-	-	26,40,928	26,40,928
Investments	369	-	-	-	-	369
Total	**369**	**-**	**347**	**-**	**26,40,928**	**26,41,644**
Financial Liabilities:						
Derivative financial instruments	-	-	372	-	-	372
Borrowings	-	-	-	-	25,57,898	25,57,898
Total	**-**	**-**	**372**	**-**	**25,57,898**	**25,58,270**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on September 30, 2019 and March 31, 2019 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For mutual funds, published net asset value (NAV) is used for the purpose of computation of fair value.

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
a) Fair value is computed for financial asset carried at amortised cost by comparing the contracted internal rate of return with the weighted average coupon rate for the loans disbursed in the reporting month.
b) For all other financial assets and financial liabilities, the carrying value approximates the fair value of the instrument.

Notes to Condensed Interim Financial Statement
as at September 30, 2019

(Rs. in lakh)

Fair values of financial instruments

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

As at September 30, 2019	Level 1	Level 2	Level 3	Total
Financial Assets:				
Derivative financial instruments	-	1,684	-	1,684
Mutual fund units	-	381	-	381
Total	**-**	**2,065**	**-**	**2,065**
Financial Liabilities:				
Derivative financial instruments	-	1,241	-	1,241
Total	**-**	**1,241**	**-**	**1,241**

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Assets:				
Derivative financial instruments	-	347	-	347
Mutual fund units	-	369	-	369
Total	**-**	**716**	**-**	**716**
Financial Liabilities:				
Derivative financial liabilities	-	372	-	372
Total	**-**	**372**	**-**	**372**

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

Measured at Level 3	As at September 30, 2019		As at March 31, 2019	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets at amortised cost:				
Loans	27,61,131	27,37,473	26,40,928	26,55,194
Total	**27,61,131**	**27,37,473**	**26,40,928**	**26,55,194**
Financial Liabilities at amortised cost:				
Borrowings	26,12,017	26,02,690	25,57,898	25,51,222
Total	**26,12,017**	**26,02,690**	**25,57,898**	**25,51,222**

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		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at September 30, 2019	As at March 31, 2019				
Loans	27,37,473	26,55,194	Level 3	Discounted cash flows	NA	NA
Financial Assets at Fair value	**27,37,473**	**26,55,194**				

Financial instruments	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at September 30, 2019	As at March 31, 2019				
Borrowings	26,02,690	25,51,222	Level 3	Discounted cash flows	NA	NA
Financial Liabilities at Fair value	**26,02,690**	**25,51,222**				

Notes to Condensed Interim Financial Statement
as at September 30, 2019

(Rs. in lakh)

Impact of transition to Ind AS 116:

As a lessee the Company classified property leases as operating leases under Ind AS 17. These include office premises taken on lease. The leases typically run for a period of three to five 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.

At transition, for leases classified as operating leases under Ind AS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rates as at April 1, 2019. Right-of-use assets are measured at either

(a) their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application- the Company applied this approach to its largest property lease; or

(b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments- the Company applied this approach to all other leases.

The Company used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

(1) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of the balance lease term

(2) Excluded initial direct costs from measuring the right-of-use asset at the date of initial application

(3) Used hindsight when determining the lease term if the contract contains option to extend or terminate the lease.

(Rs. in lakh)

Impact of transition to Ind AS 116:

Impacts on transition

On transition to Ind AS 116, the Company recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

Amount in lakh	As on April 1, 2019
Right-of-use assets presented in property, plant and equipment	1,024
Lease liability	1,054
Retained earnings	30

When measuring lease liabilities for leases that were classified as operating leases, the Company's discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted average rate applied is 8.09%.

Amount in lakh	As on April 1, 2019
Total cash outflow for the lease contract over the balance tenure	1,265
- Discounted value of lease liabilities using the incremental borrowing rate at April 1, 2019	1,054
Lease liabilities recognised at April 1, 2019	1,054

Impact for the period:

As a result of initially applying Ind AS 116, in relation to the leases that were previously classified as operating leases, the Company recognised Rs. 908 lakh of right-of-use assets and Rs. 961 lakh of lease liabilities as at September 30, 2019.

Also in relation to those leases under Ind AS 116, the Company has recognised depreciation and interest costs, instead of operating lease expense. During the six months ended September 30, 2019, the Company recognised Rs. 116 lakh of depreciation charges and Rs. 41 lakh of interest costs from these leases.

Notes annexed to and forming part of the Condensed Interim Financial Statements for the half year ended September 30, 2019.

- **Contingent Liabilities:**

  Contingent Liabilities as at 30 september 2019 is Nil. (March 31, 2019: Nil)

- **Segment Reporting**:

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

- As per the requirement of Section 29C of the National Housing Bank Act, 1987, the Company has transferred Rs. 2,076 lakh to Special Reserve during the half year ended September 30, 2019.

- The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance dated September 20, 2019 inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates as per the provisions / conditions defined in the said section. The Company has a one time option to opt for a reduced Maximum Marginal Tax Rate ("MMR") of 25.17% instead of 34.94% in the current financial year up to March 31, 2020 or in the future financial years. The Company is in the process of finalizing its position with respect to adoption of the reduced tax rates. If Company exercises the choice of lower MMR in the current financial year, there will be one-time impact of partial write off of opening Deferred Tax Asset ("DTA") offset by lower current tax outflow net of the deferred tax income.

- Figures for the previous period / year have been regrouped wherever necessary to correspond with the current period / year's classification / disclosure.

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firms Registration No – 101248W/W-100022

Rajiv Sabharwal
(Chairman)
(DIN No. : 00057333)

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

Sagar Lakhani
Partner
Membership No: 111855

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

Place: Mumbai
Date : October 30, 2019

S Balakrishna Kamath
(Chief Financial Officer)

Jinesh Meghani
(Company Secretary)

Independent Auditor's Examination Report on Reformatted Financial Information under Ind AS as at and for the year ended 31 March 2019 in connection with proposed public issue by Tata Capital Housing Finance Limited (the "Company") of secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 1,000 each ("Secured NCDs") and unsecured, subordinated, rated, listed, redeemable, non-convertible debentures eligible for inclusion in Tier II capital of face value of Rs. 1,000 each ("Unsecured NCDs") aggregating up to Rs. 500,000 lakh ("NCDs") through one or more tranches ("Issue").

The Board of Directors
Tata Capital Housing Finance Limited
11th Floor, Tower A, Peninsula Business Park
Ganpatrao Kadam Marg, Lower Parel
MUMBAI 400 013

17 December 2019

Dear Sirs/Madam,

1. We have examined the attached Reformatted Financial Information under Ind AS (defined subsequently) of Tata Capital Housing Finance Limited ('the Company'), which comprise of Reformatted Statement of Assets and Liabilities as at 31 March 2019, the Reformatted Statements of Profit and Loss (including Other Comprehensive Income), the Reformatted Statement of Changes in Equity, the Reformatted Statement of Cash Flows for the year ended 31 March 2019 and the Summary of Significant Accounting Policies, read together with the annexures and notes thereto (together referred to as "Reformatted Financial Information under Ind AS") annexed to this report for the purpose of inclusion in the Draft Shelf Prospectus and/or Shelf Prospectus and/or Tranche Prospectus(es) (collectively the "**Offering Documents**") to be filed by the Company with Securities and Exchange Board of India, stock exchanges where the NCDs are proposed to be listed and Registrar of Companies, Maharashtra (RoC) in connection with its proposed public issue by the Company of secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 1,000 each ("Secured NCDs") and unsecured, subordinated, rated, listed, redeemable, non-convertible debentures eligible for inclusion in Tier II capital of face value of Rs. 1,000 each ("Unsecured NCDs") aggregating upto Rs. 5,00,000 lakhs through one or more tranches (the "Issue"). The Reformatted Financial Information under Ind AS has been prepared by the Management of the Company on the basis of note 2 (i) of Annexure V to the Reformatted Financial Information under Ind AS and which has been approved by the Board of Directors of the Company on 13 December 2019 by taking into consideration the requirements of :

   a. section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");

   b. the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Debt Regulations") issued by Securities and Exchange Board of India ("SEBI"); and

   c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility

2. The preparation of Reformatted Financial Information under Ind AS is the responsibility of the Board of Directors of the Company for the purpose set out in paragraph 1 above. The Reformatted Financial Information under Ind AS have been prepared by the Management of the Company on the basis of preparation stated in note 2 (i) of Annexure V to the Reformatted Financial Information under Ind AS. The Board of Director of the Company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of Reformatted Financial Information under Ind AS. The Board of Directors of the Company is also responsible for identifying and ensuring that the Company complies with the requirements of Section 26 of Part I of Chapter III of the Act, read with provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Debt Regulations and the Guidance Note.

3. The Reformatted Financial Information under Ind AS have been extracted by the management from the audited financial statements of the Company as at and for the year ended 31 March 2019, prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, which were approved by Board of Directors of the Company on 26 April 2019.

Auditor's Responsibility

4. For the purpose of our examination, we have relied on the Auditor's reports issued by us dated 26 April 2019 on the financial statements of the Company as at and for the year ended 31 March 2019.

5. We have examined the Reformatted Financial Information under Ind AS taking into consideration:

   a. the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 9 December 2019 in connection with the Issue;

   b. requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 read with provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Debt Regulations;

   c. concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Financial Information under Ind AS; and

   d. the Guidance Note on Reports or Certificates for Special Purposes and Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). The Guidance Note requires, *inter alia,* that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

   We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control of Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Auditor's Responsibility *(Continued)*

6. As stated in our audit report referred to in paragraph 4 above, we conducted our audit for the year ended 31 March 2019 in accordance with the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013 issued by the Institute of Chartered Accountants of India, as applicable. Those Standards require we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

7. The audit report on the financial statements for the year ended 31 March 2019 issued by us included the following other matter paragraph:

   The comparative financial information of the Company for the transition date opening balance sheet as at 1 April 2017 included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report dated 28 April 2017 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

   Our opinion is not modified in respect of this matter.

Opinion

8. Based on our examination and in accordance with the requirements of section 26 of Part I of Chapter III of the Companies Act 2013 read with provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Guidance note and the terms of our engagement agreed with you, we report that:

   The Reformatted Financial Information under Ind AS of the Company as at and for the year ended 31 March 2019 is accurately extracted from the audited financial statements of the Company for the year ended 31 March 2019.

9. Based on our examination as above and according to the information and explanations given to us, we further report that:

   a. the Reformatted Financial Information under Ind AS have to be read in conjunction with the notes given in Annexure V;

   b. in the preparation and presentation of Reformatted Financial Information under Ind AS based on audited financial statements as referred to in paragraph 3 and 6 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 4 above.

Opinion *(Continued)*

c. At the Company's request, we have also examined the following financial information of the Company set out in the Annexures prepared by management and approved by the Board of Directors of the Company on 13 December 2019, for the year ended 31 March 2019

(i) Statement of accounting ratio, as appearing in Annexure VI

(ii) Statement of dividend paid, as appearing in Annexure VIII

(iii) Statement of capitalisation, as appearing in Annexure VIII

10. According to the information and explanations given to us, in our opinion on the Reformatted Financial Information under Ind AS and above financial information as disclosed in the Annexures to this report read with the significant accounting policies and notes disclosed in Annexure V has been prepared in accordance with the requirements of section 26 of Part I of Chapter III of the Companies Act 2013 read with rule 4(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations and the Guidance Note.

11. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restrictions of use

13. This report is intended solely for use of the management for inclusion in the Offering Documents to be filed with Securities and Exchange Board of India, stock exchanges where the NCDs are proposed to be listed and Registrar of Companies, Maharashtra (RoC), as applicable, prepared in connection with the Issue of the Company. Our report should not be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sagar Lakhani
Partner
Membership No. 111855
UDIN:19111855AAAABL4689

Date: 17 December 2019
Place: Mumbai

TATA CAPITAL HOUSING FINANCE LIMITED

REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakh)

Particulars	Note	As at March 31, 2019
ASSETS		
(1) Financial assets		
(a) Cash and cash equivalents	4	13,276
(b) Bank balances other than (a) above	5	51,708
(c) Derivative financial instruments	39.12	347
(d) Receivables		
(i) Trade receivables	6	462
(ii) Other receivables		-
(e) Loans	7	26,49,354
(f) Investments	8	369
(g) Other financial assets	9	338
Total Financial assets		**27,15,854**
(2) Non-Financial assets		
(a) Current tax assets (Net)		312
(b) Deferred tax assets (Net)	10	12,001
(c) Investment Property	11	397
(d) Property, plant and equipment	11	2,541
(e) Capital work-in-progress	11	66
(f) Intangible assets under development	11	9
(g) Goodwill		-
(h) Other intangible assets		-
(i) Other non-financial assets	12	7,121
Total Non-Financial assets		**22,447**
Total Assets		**27,38,301**
LIABILITIES AND EQUITY		
LIABILITIES		
(1) Financial liabilities		
(a) Derivative financial instruments	39.12	372
(b) Payables		
(i) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises		-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	13	6,489
(c) Debt Securities	14	4,01,921
(d) Borrowings (Other than debt securities)	15	20,93,694
(e) Deposits		-
(f) Subordinated liabilities	16	62,283
(g) Other financial liabilities	17	23,844
Total Financial liabilities		**25,88,603**
(2) Non-Financial liabilities		
(a) Current tax liabilities (Net)		2,900
(b) Provisions	18	32,929
(c) Other non-financial liabilities	19	15,975
Total Non-Financial liabilities		**51,804**

TATA CAPITAL HOUSING FINANCE LIMITED

REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakh)

Particulars	**Note**	**As at March 31, 2019**
(3) Equity		
(a) Share capital	20	30,971
(b) Other equity	21	66,923
Total equity		**97,894**
Total Liabilities and Equity		**27,38,301**
Significant accounting policies	2	
See accompanying notes forming part of the financial statements	1-39	

In terms of our report of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

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

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

Sagar Lakhani
Partner
Membership No: 111855

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

Place: Mumbai
Date : December 17 , 2019

Place: Mumbai
Date : December 17 , 2019

TATA CAPITAL HOUSING FINANCE LIMITED

REFORMATTED STATEMENT OF PROFIT AND LOSS

(Rs. in lakh)

	Particulars	Note	For the year ended March 31, 2019
I	**Revenue from operations**		
(i)	Interest Income	22	2,33,013
(ii)	Dividend Income		-
(iii)	Rental Income		-
(iv)	Fees and commission Income		3,281
(v)	Net gain on fair value changes	23	2,467
(vi)	Net gain on derecognition of investment		-
(vii)	Sale of services		-
II	**Other income**	24	5,240
III	**Total Income (I+II)**		**2,44,001**
IV	**Expenses**		
(i)	Finance costs	25	1,77,451
(ii)	Fees and commission expense		-
(iii)	Net loss on fair value changes		-
(iv)	Impairment of investment		-
(v)	Impairment on financial instruments	27	20,210
(vi)	Employee benefits expense	26	16,967
(vii)	Depreciation, amortisation expense and impairment	11	590
(viii)	Other expenses	28	16,046
	Total expenses (IV)		**2,31,264**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**12,737**
VI	**Exceptional Items**		**-**
VII	**Profit/(loss) before tax (V-VI)**		**12,737**
VIII	Tax expense		
	(1) Current tax	10.1	8,797
	(2) Deferred tax	10.1	(1,109)
	Net tax expense		7,688
IX	**Profit before the period from continuing operations (VII-VIII)**		**5,049**
X	Profit from discontinued operations before tax		-
XI	Tax expense of discontinued operations		-
XII	**Profit from discontinued operations (after tax) (X-XI)**		**-**
XIII	**Profit for the period (IX+XII)**		**5,049**
XIV	**Other Comprehensive Income**		
	(i) Items that will not be reclassified subsequently to statement of profit and loss		
	(a) Remeasurement of defined employee benefit plans	10.1	(76)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	10.1	27
	Total Other Comprehensive Income/(Losses)		**(49)**
XV	**Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit/(Loss) and Other Comprehensive Income for the period)**		**5,000**

TATA CAPITAL HOUSING FINANCE LIMITED

REFORMATTED STATEMENT OF PROFIT AND LOSS

(Rs. in lakh)

Particulars	**Note**	**For the year ended March 31, 2019**
XVI Earnings per equity share (for continuing operation):		
(1) Basic (Rs.)		**2.58**
(2) Diluted (Rs.)		**2.58**
XVII Earnings per equity share (for discontinuing operation):		
(1) Basic (Rs.)		**-**
(2) Diluted (Rs.)		**-**
XVIII Earnings per equity share(for discontinued and continuing operations)		
(1) Basic (Rs.)		**2.58**
(2) Diluted (Rs.)		**2.58**
Significant accounting policies	2	
See accompanying notes forming part of the financial statements	1-39	

In terms of our report of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

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

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

Sagar Lakhani
Partner
Membership No: 111855

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

Place: Mumbai
Date : December 17, 2019

Place: Mumbai
Date : December 17 , 2019

TATA CAPITAL HOUSING FINANCE LIMITED

Annexure III

REFORMATTED STATEMENT OF CHANGES IN EQUITY

a. Equity share capital

Particulars	Note	Rs. in Lakh
Balance at April 1, 2018	20	**25,333**
Changes in equity share capital during the year		**5,638**
Balance at March 31, 2019	20	**30,971**

b. Other equity (Refer Note 21 below)

(Rs. in lakh)

Particulars	Equity component of compound financial instruments	Reserves and surplus					Items of OCI	Total "Other equity"
		Securities premium	Special Reserve Account	Retained earnings	ESOP Reserve	General Reserve	Remeasurement of defined benefit liability /asset	
Balance at April 1, 2018	**-**	**2,267**	**15,019**	**9,105**	**201**	**79**	**33**	**26,704**
Profit for the year	-	-	-	5,049	-	-	-	**5,049**
Transfer from ESOP Reserve	-	-	-	-	(22)	-	-	**(22)**
Transfer to General Reserve	-	-	-	-	-	79	-	**79**
Other comprehensive income for the year, net of income tax	-	-	-	-	-		(49)	**(49)**
Total	**-**	**-**	**-**	**5,049**	**(22)**	**79**	**(49)**	**5,057**
Transfer to Special Reserve Account	-	-	2,792	(2,792)	-	-	-	**-**
Addition to Securities Premium Account	-	35,162	-	-	-	-	-	**35,162**
Balance at March 31, 2019	**-**	**37,429**	**17,811**	**11,362**	**179**	**158**	**(16)**	**66,923**

See accompanying notes forming part of the financial statements

In terms of our report of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
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Firms Registration No – 101248W/W-100022

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Place: Mumbai
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Place: Mumbai
Date : December 17, 2019

TATA CAPITAL HOUSING FINANCE LIMITED

Annexure IV

REFORMATTED STATEMENT OF CASH FLOW

(Rs. in lakh)

Particulars	**For the year ended March 31, 2019**
1 CASH FLOW FROM OPERATING ACTIVITIES	
Profit before tax	12,737
Adjustments for :	
Amortisation of Ancillary borrowing cost	597
Depreciation and amortisation	590
Loss/(profit) on sale of property, plant & equipment (net)	2
Interest expenses	1,52,242
Discounting charges on commercial paper	24,624
Discounting charges on debentures	585
Interest income	(2,33,013)
Net gain on fair value changes	(2,467)
Unrealised exchange loss	375
Provision for leave encashment	117
Impairment allowance - stage I, II & III	20,164
Provision against trade receivables	46
	(23,401)
Adjustments for :	
(Increase) in trade receivables	(66)
(Increase) in Loans	(6,21,646)
(Increase) / Decrease in - Other financial asset	(168)
(Increase) in - Other non-financial assets	(1,854)
Increase in Trade payables	2,112
(Decrease) in Other financial liabilities	(458)
Increase / (Decrease) in Provisions	(27)
Increase in Other non-financial liabilities	4,640
Cash used in operations before adjustments for interest received and interest paid	(6,40,867)
Interest paid	(1,69,858)
Interest received	2,25,162
Cash used in operations	(5,85,563)
Taxes paid (net off refunds)	(8,715)
Net Cash Used In Operating Activities (A)	**(5,94,278)**
2 CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of property, plant & equipment (including capital advances)	(838)
Purchase of investment property	-
Proceeds from sale of property, plant & equipment	10
Purchase of long-term investments	-
Purchase of mutual fund units	(87,89,366)
Proceeds from redemption of mutual fund units	87,91,770
Proceeds from sale of long-term investments	-
Fixed deposits with banks having maturity over 3 months	(51,615)
Net Cash Used In Investing Activities (B)	**(50,039)**

TATA CAPITAL HOUSING FINANCE LIMITED

REFORMATTED STATEMENT OF CASH FLOW

(Rs. in lakh)

Particulars	**For the year ended March 31, 2019**
3 CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Issue of Compulsory Convertible Cumulative Preference share capital	55,500
Payment of Ancillary borrowing cost	(1,585)
Interim dividend paid on equity and preference shares (including dividend distribution tax)	(8,924)
Proceeds from borrowings (Other than debt securities)	33,48,440
Proceeds from Debt Securities	90,430
Repayment of Borrowings (Other than debt securities)	(27,15,191)
Repayment of Debt Securities	(1,15,530)
Repayment of Subordinated liabilities	(2,500)
Net Cash Generated From Financing Activities (C)	**6,50,641**
Net Increase / (Decrese) In Cash And Cash Equivalents (A+B+C)	**6,324**
Cash And Cash Equivalents As At The Beginning Of The Year	**6,952**
Cash And Cash Equivalents As At The End Of The Year	**13,276**
Significant accounting policies	
See accompanying notes forming part of the financial statements	

In terms of our report of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
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(DIN No. : 00644761)

Place: Mumbai
Date : December 17, 2019

Place: Mumbai
Date : December 17, 2019

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Reformatted Standalone Financial Statements

1. CORPORATE INFORMATION

Tata Capital Housing Finance Limited (the "Company") is a wholly owned subsidiary of Tata Capital Limited and a Systemically Important Non Deposit Accepting Housing Finance Company ("HFC"), holding a Certificate of Registration from the National Housing Bank ("NHB") dated April 2, 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

i. Statement of compliance

The Reformatted Financial Statements of the Company as at 31 March 2019, Reformatted Profit and Loss (including other comprehensive income), Reformatted Statement of Changes in Equity, Reformatted Cash Flow Statement for the year ended 31 March 2019 and Summary of significant accounting policies and other explanatory information (together referred as "Reformatted Financials Information") have been extracted by Management from the audited financial statements (herein after referred as financial statements) of the company as at and for the year ended 31 March 2019.

The Reformatted Financial Information have been prepared by management in accordance with the requirements of Section 26 of Part I of Chapter III of the companies Act, 2013 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI").

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has adopted Ind AS from April 1, 2018 with effective transition date as April 1, 2017. These 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 Companies Act, 2013 (the "Act"). The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP").

The Company is regulated by the National Housing Bank ('NHB'). The NHB periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its financial statements. The financial statements for the current and previous year may need to undergo changes in measurement and / or presentation upon receipt of clarifications on the Regulatory Framework or changes thereto.

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 Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees in Lakh.

iii. Basis of preparation and presentation

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

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.

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 value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which 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 measurement date

b) Level 2: inputs are 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 measurement date.

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

Refer note 36A and 36B.

iv. Use of estimates and judgements

The preparation of financial statements 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 ix - 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, 2019 are included in the following notes:

- Note x - impairment test of non-financial assets: key assumption underlying recoverable amounts.
- Note x - useful life of property, plant, equipment and intangibles.
- Note xvii – recognition of deferred tax assets: availability of future taxable profit against which carry forward deferred tax asset can be set off.
- Notes xx – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 35 – measurement of defined benefit obligations: key actuarial assumptions.
- Note 36C – determination of the fair value of financial instruments with significant unobservable inputs.
- Note 37 A (iii) – impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit loss (ECL).
- Note 37 A (iii) – impairment of financial instruments: key assumptions used in estimating recoverable cash flows.

v. 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 and expense are 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 or amortised cost of the financial liability.

The calculation of the EIR includes all fees paid or received that are incremental and directly attributable to the acquisition or issue of a financial asset or liability.

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

The interest cost is calculated by applying the EIR to the amortised cost of the financial liability.

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

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

vi. Income from services and distribution of financial products

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

vii. Dividend income

Income from dividend on investment in equity shares of corporate bodies and units of mutual funds is accounted when the Company's right to receive dividend is established.

viii. Leases

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 rentals under operating leases (excluding amount for services such as insurance and maintenance) are recognised on a straight-line basis over the lease term, except for increase in line with expected inflationary cost.

ix. Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet on trade date when the Company becomes a party to the contractual provisions of the instrument. Loan is recorded upon remittance of the funds.

Recognised 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 FVTPL) 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 directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

a) if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

b) in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

a) Financial assets

Classification

On initial recognition, depending on the Company’s business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

1) amortised cost;

2) fair value through other comprehensive income (FVTOCI); or

3) fair value through profit and loss (FVTPL).

Initial recognition and measurement

Financial asset is recognised on trade date initially at cost of acquisition net of transaction cost and income that is attributable to the acquisition of the financial asset. Cost equates the fair value on acquisition. Financial asset measured at amortised cost and Financial asset measured at fair value through other comprehensive income is presented at gross carrying value in the Financial statements. Unamortised transaction cost and incomes and impairment allowance on Financial asset is shown separately under the heading "Other non-financial asset", “Other non-financial liability" and "Provisions" respectively.

Assessment of Business model

An assessment of the applicable business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company’s business model does not depend on management’s intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company could have more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. The Company takes into account all relevant evidence available such as:

1) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel and board of directors;

2) the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed;

3) 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)

4) At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

Based on the assessment of the business models, the Company has identified the three following choices of classification of financial assets:

a) Financial assets that are held within a business model whose objective is to collect the contractual cash flows ("Asset held to collect contractual cash-flows"), and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are measured at amortised cost;

b) Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ("Contractual cash flows of Asset collected through hold and sell model") and that have contractual cash flows that are SPPI, are measured at FVTOCI.

c) All other financial assets (e.g. managed on a fair value basis or held for sale) and equity investments are measured at FVTPL.

Financial asset at amortised cost

Amortised cost of financial asset is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Contractual cash flows that do not introduce exposure to risks or volatility in the contractual cash flows on account of changes such as equity prices or commodity prices and are related to a basic lending arrangement, do give rise to SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial asset at fair value through Other Comprehensive Income (FVTOCI)

After initial measurement, basis assessment of the business model as "Contractual cash flows of Asset collected through hold and sell model and SPPI", such financial assets are classified to be measured at FVTOCI. Contractual cash flows that do introduce exposure to risks or volatility in the contractual cash flows due to changes such as equity prices or commodity prices and are unrelated to a basic lending arrangement, do not give rise to SPPI.

The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. The carrying value of the financial asset is fair valued by discounting the contractual cash flows over contractual tenure basis the internal rate of return of a new similar asset originated in the month of reporting and such unrealised gain/loss is recorded in other comprehensive income (OCI). Where such a similar product is not originated in the month of reporting, the closest product origination is used as a proxy. Upon sale of the financial asset, actual gain/loss realised is recorded in the Statement of Profit and Loss and the unrealised gain/losses is recorded in OCI are recycled to the Statement of Profit and Loss.

Financial asset at fair value through profit and loss (FVTPL)

Financial asset, which does not meet the criteria for categorization at amortized cost or FVTOCI, is classified as at FVTPL. In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investments in equity and mutual fund

Investment in equity and mutual fund are classified as FVTPL and measured at fair value with all changes recognised in the Statement of Profit and Loss. Upon initial recognition, the Company, on an instrument-by-instrument basis, may elect to classify equity instruments other than held for trading either as FVTOCI or FVTPL. Such election is subsequently irrevocable. If FVTOCI is elected, all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the gains or losses from OCI to the Statement of Profit and Loss, even upon sale of investment. However, the Company may transfer the cumulative gain or loss within other equity upon realisation.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the new classification will be applied. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment of Financial Asset

Impairment approach

The Company is required to recognise expected credit losses (ECLs) based on forward-looking information for all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. No impairment loss is applicable on equity investments.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognised for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVTOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

1. Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 29 days are classified as stage 1. The Company has identified zero bucket and bucket with DPD less than or equal to 29 days as two separate buckets.

2. Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company has identified cases with DPD equal to or more than 30 days and less than or equal to 59 days and cases with DPD equal to or more than 60 days and less than or equal to 89 days as two separate buckets.

3. Stage 3: Lifetime ECL – credit impaired

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. ECL is recognised on EAD as at period end. If the terms of a financial asset are renegotiated or modified due to financial difficulties of the borrower, then such asset is moved to stage 3, lifetime ECL under stage 3 on the outstanding amount is applied.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

1. Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.

2. Qualitative test: Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring. High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress.

3. Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the National Housing Bank definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due. The Company continues to incrementally provide for the asset post initial recognition in Stage 3, based on its estimate of the recovery.

In line with the above policy, the Company has thus fully provided for/ written off the entire receivables in the current financial year as per table below:

Product	**Overdue criteria**
Home Loans	15 months and above
Loan against property	15 months and above
Construction Finance	15 months and above

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

Inputs, assumptions and estimation techniques used for estimating ECL:

Refer note 37 A (iii)

Impairment of Trade receivable

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

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 the asset, or the Company has neither transferred nor retained substantially all the risks and rewards 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.

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 income statement.

Presentation of ECL allowance for financial asset:

<table>
<tr><th>Type of Financial asset</th><th>Disclosure</th></tr>
<tr><td>Financial asset measured at amortised cost</td><td rowspan="2">shown separately under the head "provisions" and not as a deduction from the gross carrying amount of the assets</td></tr>
<tr><td>Financial assets measured at FVTOCI</td></tr>
<tr><td>Loan commitments and financial guarantee contracts</td><td>shown separately under the head "provisions"</td></tr>
</table>

Where a financial instrument includes both a drawn and an undrawn component and the Company cannot identify the ECL on the loan commitment separately from those on the drawn component, the Company presents a combined loss allowance for both components under "provisions".

Financial liability, Equity and Compound Financial Instruments

Financial liabilities and equity

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.

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).

Initial recognition and measurement

Financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that is attributable to the acquisition of the financial liability. Cost equates the fair value on acquisition. Company may irrevocably designate a financial liability that meet the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

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 component parts of compound instruments (e.g. cumulative compulsorily convertible preference shares CCCPS) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital and share premium. 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.

A Cumulative Compulsorily Convertible Preference Shares (CCCPS), with an option to holder to convert the instrument in to variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

b) Derivative Financial Instruments

The Company uses derivative financial instrument such as foreign currency forward cover contract to mitigate foreign exchange rate risk. Derivatives are initially recognised at fair value as on the date of entering into a derivative contract and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain/loss is recognised in profit or loss immediately since the derivative is not designated as a hedging instrument. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

c) Cash, Cash equivalents and bank balances

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

x. Property, plant and equipment

a. Tangible

Tangible property, plant and equipment (PPE) acquired by the Company are reported at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. 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.

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. Intangible

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

d. Intangible assets under development

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

e. Depreciation and Amortisation

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

Depreciation on tangible property, plant and equipment deployed for own use has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Buildings, Computer Equipment networking assets, Plant & Machinery and Vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation for additions to/deductions from owned assets is calculated pro rata to the remaining period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. All capital assets with individual value less than Rs. 5,000 are depreciated fully in the year in which they are purchased.

Purchased software / licenses are amortised over the estimated useful life during which the benefits are expected to accrue, 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	10 years
Computer Equipment	4 years
Office Equipment	5 years
Vehicles	4 years

Software Licenses	1 to 10 years
Buildings	25 years
Plant & Machinery	10 years

f. Investment property

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

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

g. Impairment of assets

Upon an observed trigger or at the end of each accounting year, 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.

xi. **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.

xii. Employee Benefits

Defined Employee benefits include provident fund, superannuation fund, employee state insurance scheme.

Defined contribution benefits includes gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employee's Provident Scheme, 1952 is recognised as an expense in the year in which it is determined.

The Company's contribution to superannuation fund and employee state insurance scheme are considered as defined contribution plans and are 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

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. Re-measurement 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 immediately in OCI. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

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

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the 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.

Share based payment transaction

The stock options of the Parent Company are granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The amount recognised as expense is based on the estimate of the number of options for which the related service and non-market and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service and non-market vesting conditions at the vesting date. For share-based options with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value of the options is treated as discount and accounted as employee compensation cost 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 an expense in respect of such grant is transferred to the general reserve within other equity, which a free reserve in nature.

xiii.Securities premium account

The Company records premium:

1. On issuance of new equity shares above par value;

2. On conversion of CCCPS into equity shares above par value.

The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

xiv. Foreign currencies 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.

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.

xv. Operating Segments

The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc., of houses/ flats to individuals and corporate bodies and has it's operations within India. The Chief Operating Decision Maker (CODM) of the Company is the Board of Directors.

xvi. Earnings per share

Basic earnings per share has been computed by adding back the dividend on CCCPS along with dividend distribution tax (DDT) to the net income and dividing the same by the weighted average number of shares outstanding during the year including potential weighted average number of equity shares that could arise on conversion of preference shares. 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

xvii. 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 loss) 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 income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

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

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

xix. Goods and Services Input Tax Credit

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

xx. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

(i) an entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. 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.

Contingent assets are not recognised in the financial statements

xxi. Commitments

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

a) estimated amount of contracts remaining to be executed on capital account and not provided for;

b) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

c) other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

d) commitments under Loan agreement to disburse Loans

xxii. Statement of Cash Flows

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

i. changes during the period in operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. all other items for which the cash effects are investing or financing cash flows.

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

xxiii. Dividend payable (including dividend distribution tax)

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 Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

xxiv. Standard issued and applicable from April 1, 2019:

Ind AS 116 Leases:

The new standard has impact on accounting treatment of an asset taken on lease by the Company. The Company has to measure a right-of-use of asset similar to other non-financial asset such as property, plant and equipment and lease liability similar to other financial liability. As a consequence, the Company will recognise the depreciation of right-of-use asset and interest on the lease liability, and also classify cash repayments of the lease liability into a principal portion and an interest portion and present them in the statement of cash flows applying Ind AS 7, Statement of Cash Flows. Under Ind AS 17, for operating lease, the Company is required to recognise the lease payment as an expense on a straight-line basis unless another systematic basis is representative of the time pattern of the user's benefit.

The Company is evaluating the following list of policies, choices, exemptions and practical expedients:

Area	**policy to be adopted**
Definition of lease term:	Grandfather its previous assessment of which existing contracts are, or contain, leases on date of initial application (April 1, 2019). The definition of lease under the new standard will only be applied prospectively (including modifications to existing contracts).
Recognition exemption – short	avail exemption on short term leases on transition and subsequently

term leases:	
Recognition exemption – leases of low value items:	avail exemption on leases of low value items on transition and subsequently. Low value items may be considered as items with a value of less than or equal to INR 5 lacs
Transition approach:	elected to apply modified retrospective method for all leases. This means that - Right of use asset (ROU) would be measured as if standard had always been applied but using incremental borrowing date on - April 1, 2019 - Lease liability would be measured on 1 April 2019 as the present value of the remaining lease payments and using incremental borrowing rate on April 1, 2019 - Standard would be applied on April 1, 2019 and equity adjustment (difference between the ROU asset and lease liability computed above) would be recognised on April 1, 2019 - Comparative period would not be restated - Disclosures to be made as applicable
Discount rates	elected to apply a single discount rate to a portfolio of leases with reasonably similar characteristics
Leases with a short remaining term	elected to account for leases for which the lease term ends within 12 months of date of initial application (April 1, 2019) as short-term leases
Initial direct costs	elected to exclude initial direct costs from measurement of right of use asset on date of initial application (April 1, 2019)
Use of hindsight	elected to use hindsight in estimating lease term if the contract contains options to extend or terminate the lease

xxv. FIRST TIME ADOPTION OF IND AS (read with note 2(i))

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2018, with a transition date of April 01, 2017. The financial statements for the year ended March 31, 2019 are the first financial statements, the Company has prepared under Ind AS. For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for the year ended March 31, 2018 and the opening Ind AS Balance Sheet as at April 1, 2017, the date of transition to Ind AS and also as at March 31, 2018.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as in Note 3. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). Note 3 explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Statement of Profit and ;Loss account for the year ended March 31, 2018 and the Balance Sheet as at April 1, 2017 and as at March 31, 2018.

4. CASH AND CASH EQUIVALENTS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
(a) Cash on Hand	4
(b) Cheques on Hand	251
(c) Balances with banks	
- in current accounts	13,021
Total	**13,276**

4.1 Of the above, the balances that meet the definition of Cash and Cash Equivalents as per Ind AS 7 Cash Flow Statements is Rs. 13,276 lakh

5. OTHER BALANCES WITH BANKS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
a) Balances with banks	
- In deposit accounts (Refer note below)	51,708
Total	**51,708**

5.1 Balance with banks in deposit accounts comprises deposits that have an original maturity exceeding 1 month at balance sheet date.

6. TRADE RECEIVABLES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
(i) Receivables considered good - Secured	-
(ii) Receivables considered good - Unsecured	462
(iii) Receivables which have significant increase in Credit Risk	46
	508
Less: Allowance for impairment loss	(46)
Total	**462**

6.1 Trade receivables include amounts due from the related parties Rs. 9 lakh.

7. LOANS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
At amortised cost	
(I) Term loans	
(a) Housing Loans	20,47,095
(b) Non Housing Loans	5,98,857
(c) Retained portion of assigned loans	3,345
(d) Loan to TCL Employee Welfare Trust	57
Total - I	**26,49,354**
(II)	
(a) Secured by tangible assets	26,45,756
(b) Secured by intangible assets	-
(c) Covered by bank / government guarantees	-
(d) Unsecured	3,598
Total - II	**26,49,354**
(III)	
Loans in India	
(a) Public sector	-
(b) Others	26,49,354
Total - III	**26,49,354**
(IV)	
Secured	25,63,570
Unsecured	3,542
Significant increase in credit risk (SICR)	58,336
Credit impaired	23,906
Total - IV	**26,49,354**

8. INVESTMENTS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
Investments carried at fair value through profit or loss	
Mutual funds (unquoted) (in lieu of leave encashment)	369
Total	**369**

8.1 Scrip-wise details of Investments:

(Rs. in lakh)

Particulars	Face value Per Unit	No. of Units	As at March 31, 2019
Investment in Others			
Unquoted :			
Investment in Mutual Fund			
Tata Money Market Fund	1,000	12,597	369
Total			**369**

8.2 Investments

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
Value of Investments	
(i) Gross value of Investments	369
(a) In India	369
(b) Outside India	-
(ii) Provisions for Depreciation	-
(a) In India	-
(b) Outside India	-
(iii) Net value of Investments	369
(a) In India	369
(b) Outside India	-
Movement of provisions held towards depreciation on investments	
(i) Opening balance	-
(ii) Add: Provisions made during the year	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-
(iv) Closing balance	-

9. OTHER FINANCIAL ASSETS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
(a) Security deposits	338
Total	**338**

10. DEFERRED TAX ASSET

The major components of deferred tax assets and liabilities as at March 31, 2019 are as follows:

(Rs. in lakh)

Particulars	Opening Balance	Recognised / reversed through profit and loss	Change in Tax Rate	Closing Balance
Deferred Tax Assets :-				
(a) Impairment loss allowance - stage III	5,007	(673)	49	4,383
(b) Impairment loss allowance - stage I & II	6,027	435	59	6,521
(c) Employee benefits	89	41	1	131
(d) Deferred income	3,684	1,607	36	5,327
(e) Other deferred tax assets	52	2	0	54
(f) Depreciation on property, plant & equipment	33	(11)	1	23
Deferred Tax Liabilities :-				
(a) Deduction u/s 36(1)(viii)	(3,992)	(396)	(39)	(4,426)
(b) Fair value measurement of investments	(8)	(2)	(0)	(10)
Net deferred tax asset	**10,892**	**1,004**	**106**	**12,001**

Gross deferred tax assets and liabilities are as follows:

(Rs. in lakh)

Particulars	As at March 31, 2019
Deferred Tax Assets :-	
(a) Impairment loss allowance - stage III	4,383
(b) Impairment loss allowance - stage I & II	6,521
(c) Employee benefits	131
(d) Deferred income	5,327
(e) Other deferred tax assets	54
(f) Depreciation on property, plant & equipment	23
Deferred Tax Liabilities :-	
(a) Deduction u/s 36(1)(viii)	(4,426)
(b) Fair value of investments	(10)
Net deferred tax asset	**12,001**

10.1 INCOME TAXES

A. The income tax expense consist of the following:

(Rs. in lakh)

Particulars	For the year ended March 31, 2019
Current tax:	
Current tax expense for the period	8,797
Current tax expense / (benefit) pertaining to prior years	-
	8,797
Deferred tax benefit	
Origination and reversal of temporary differences	(1,003)
Change in tax rates	(106)
	(1,109)
Total income tax expense recognised in the period	**7,688**

B. Amounts recognised in OCI

(Rs. in lakh)

Particulars	For the year ended March 31, 2019		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability (asset)	(76)	27	(49)
Total	**(76)**	**27**	**(49)**

11. PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTY

(Rs. in lakh)

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2018	Additions/ Adjustments	Deletions	Written off during the year	Closing balance as at March 31, 2019	Opening balance as at April 1, 2018	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2019	As at March 31, 2019
Buildings	248	-	-	-	248	11	11	-	22	226
Leasehold Improvements	493	176	8	-	661	102	119	8	213	448
Furniture & Fixtures	174	82	2	-	254	44	53	2	95	159
Computer Equipment	578	382	-	-	960	141	236	-	377	583
Office Equipment	224	74	1	-	297	71	80	1	150	147
Plant & Machinery	123	54	1	-	176	15	20	-	35	141
Vehicles	41	135	20	-	156	16	28	11	33	123
PROPERTY, PLANT AND EQUIPMENT - TOTAL	**1,881**	**903**	**32**	**-**	**2,752**	**400**	**547**	**22**	**925**	**1,827**
Software	-	739	-	-	739	-	25	-	25	714
INTANGIBLE ASSETS - TOTAL	**-**	**739**	**-**	**-**	**739**	**-**	**25**	**-**	**25**	**714**
Total	**1,881**	**1,642**	**32**	**-**	**3,491**	**400**	**572**	**22**	**950**	**2,541**
Investment Property #	432	-	-	-	432	16	19	-	35	397
Capital work-in-progress										66
Intangible Assets under Development										9
PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTY										**3,013**

Fair value of investment property as on March 31, 2019 Rs. 694 lakh. Pursuant to Ind AS transition, the Company has carried out valuation of investment property as March 31, 2019. The fair value of the property has been assessed based on the market rate for a similar property in the locality.

12. OTHER NON-FINANCIAL ASSETS (UNSECURED - CONSIDERED GOOD)

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
(a) Capital advances	34
(b) Prepaid Expenses	429
(c) Gratuity Asset (Net)	81
(d) Balances with government authorities	310
(e) Unamortised loan sourcing costs	6,123
(f) Other advances	144
Total	**7,121**

13. TRADE PAYABLES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
Others	
(i) Accrued expenses	5,862
(ii) Payable to Related Parties	-
(iii) Payable to Dealers/Vendors	496
(iv) Others	131
Total	**6,489**

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

13.1 Total outstanding dues of micro enterprises and small enterprises

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
(a) Amounts outstanding but not due as at year end	-
(b) Amounts due but unpaid as at year end	-
(c) Amounts paid after appointed date during the year	-
(d) Amount of interest accrued and unpaid as at year end	-
(e) The amount of further interest due and payable even in the succeeding year	-
Total	**-**

14. DEBT SECURITIES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
At amortised cost	
Secured - In India	
Privately Placed Non-Convertible Debentures (Refer note 14.1 and 14.2 below)	3,93,162
Privately Placed Non-Convertible Debentures - ZCB [Net of unamortised discount of Rs. 241 lakh] (Refer note 14.1 and 14.3)	8,759
Total	**4,01,921**
Note: The Company has not defaulted in the repayment of Debt Securities and interest for the year ended March 31, 2019.	

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

14.2 Particulars of Privately placed Secured Non-Convertible Debentures.

Description of Secured Redeemable Non Convertible Debentures	Issue Date	Redemption Date	As at March 31, 2019	
			No. of NCDs	Rs. In Lakh
TCHFL NCD "J" FY 2016-17	30-Jun-16	30-Jun-26	100	1,000
TCHFL NCD "AU" FY 2015-16 Option I	30-Mar-16	30-Mar-26	150	1,500
TCHFL NCD "AM" FY 2015-16 - Option I	06-Nov-15	06-Nov-25	350	3,500
TCHFL NCD "AG" FY 2015-16	08-Oct-15	08-Oct-25	75	750
TCHFL NCD "AE" FY 2015-16	31-Aug-15	29-Aug-25	200	2,000
TCHFL NCD"O" FY 2015-16	16-Jun-15	16-Jun-25	200	2,000
TCHFL NCD V FY 2014-15	23-Jan-15	23-Jan-25	1,500	15,000
TCHFL NCD R FY 2014-15	09-Dec-14	09-Dec-24	2,000	20,000
TCHFL NCD "AP" FY 2015-16 - Option II	12-Jan-16	12-Jan-24	150	1,500
TCHFL NCD "E" FY 2016-17	04-May-16	04-May-23	200	2,000
TCHFL NCD U FY 2012-13	12-Mar-13	10-Mar-23	100	1,000
TCHFL NCD R FY 2012-13	18-Jan-13	18-Jan-23	150	1,500
TCHFL NCD "AP" FY 2015-16 - Option I	12-Jan-16	12-Jan-23	150	1,500
TCHFL NCD Q FY 2012-13	28-Dec-12	28-Dec-22	100	1,000
TCHFL NCD "X" FY 2015-16	29-Jul-15	29-Jul-22	750	7,500
TCHFL NCD G FY 2012-13	18-May-12	18-May-22	100	1,000
TCHFL NCD "C" FY 2018-19	07-Dec-18	13-Apr-22	993	9,930
TCHFL C Series FY 18-19 Reissue	09-Jan-19	13-Apr-22	700	7,000
TCHFL NCD "W" FY 2016-17	28-Dec-16	28-Dec-21	4,080	40,800
TCHFL NCD "T" FY 2016-17	15-Sep-16	15-Sep-21	100	1,000
TCHFL NCD "K" FY 2016-17	05-Jul-16	05-Jul-21	200	2,000
TCHFL NCD "A" FY 2016-17	12-Apr-16	12-Apr-21	1,200	12,000
TCHFL NCD "AS" FY 2015-16	22-Jan-16	22-Jan-21	200	2,000
TCHFL NCD "AM" FY 2015-16 - Option II	06-Nov-15	06-Nov-20	50	500
TCHFL NCD "AI" FY 2015-16	16-Oct-15	16-Oct-20	500	5,000
TCHFL NCD "AH" FY 2015-16	14-Oct-15	14-Oct-20	200	2,000
TCHFL NCD "I" FY 2017-18	31-Aug-17	31-Aug-20	3,500	35,000
TCHFL NCD "AB" FY 2015-16	20-Aug-15	20-Aug-20	100	1,000
TCHFL NCD "AA" FY 2015-16	17-Aug-15	17-Aug-20	1,000	10,000
TCHFL NCD "Z" FY 2015-16	07-Aug-15	07-Aug-20	300	3,000
TCHFL NCD"T" FY 2015-16 - Option I	09-Jul-15	09-Jul-20	100	1,000
TCHFL NCD "E" FY 2017-18	07-Jun-17	30-Jun-20	50	500
TCHFL NCD "D" FY 2018-19	19-Mar-19	26-Jun-20	750	7,500
TCHFL NCD "F" FY 2017-18	14-Jun-17	15-Jun-20	550	5,500
TCHFL NCD "C" FY 2017-18	20-Apr-17	29-Apr-20	50	500
TCHFL NCD "Y" FY 2016-17	17-Mar-17	17-Mar-20	3,000	30,000
TCHFL NCD Z FY 2014-15	12-Feb-15	12-Feb-20	100	1,000
TCHFL NCD "X" FY 2016-17	10-Feb-17	07-Feb-20	514	5,140
TCHFL NCD "G" FY 2016-17 Option -II	10-Jun-16	23-Dec-19	130	1,300
TCHFL NCD G FY 2014-15	22-Oct-14	22-Oct-19	550	5,500
TCHFL NCD K FY 2012-13	03-Oct-12	03-Oct-19	100	1,000
TCHFL NCD "B" FY 2018-19	20-Jul-18	30-Sep-19	5,700	57,000
TCHFL NCD "R" FY 2016-17	30-Aug-16	30-Aug-19	250	2,500
TCHFL NCD D FY 2014-15 - Option-II	22-Aug-14	22-Aug-19	100	1,000
TCHFL NCD "P" FY 2016-17	08-Aug-16	08-Aug-19	250	2,500

TCHFL NCD "N" FY 2016-17	29-Jul-16	29-Jul-19	100	1,000
TCHFL NCD B FY 2014-15 - Option-II	22-Jul-14	22-Jul-19	100	1,000
TCHFL NCD "H" FY 2017-18	21-Jul-17	19-Jul-19	1,250	12,500
TCHFL NCD "M" FY 2016-17	14-Jul-16	12-Jul-19	100	1,000
TCHFL NCD "G" FY 2017-18	13-Jul-17	12-Jul-19	1,000	10,000
TCHFL NCD "G" FY 2016-17 Option I	10-Jun-16	24-Jun-19	20	200
TCHFL NCD "H" FY 2016-17	14-Jun-16	14-Jun-19	50	500
TCHFL NCD A FY 2014-15 - Option-II	13-Jun-14	13-Jun-19	100	1,000
TCHFL NCD "D" FY 2017-18	30-May-17	30-May-19	250	2,500
TCHFL NCD "AT" FY 2015-16	02-Mar-16	16-May-19	220	2,200
TCHFL NCD "AU" FY 2015-16 Option II	30-Mar-16	18-Apr-19	100	1,000
TCHFL NCD "B" FY 2016-17	18-Apr-16	18-Apr-19	150	1,500
TCHFL NCD "B" FY 2017-18	17-Apr-17	17-Apr-19	1,750	17,500
TCHFL NCD "A" FY 2017-18	05-Apr-17	05-Apr-19	2,550	25,500
Total				**3,93,320**
Add: Unamortised premium				79
Total				**79**
Less: Unamortised borrowing cost				(237)
Total				**(237)**
Privately Placed Non-Convertible Debentures				**3,93,162**
Note: Coupon rate of above outstanding as on March 31, 2019 varies from 7.40% to 10.10%				

14.3 Particulars of Privately placed Secured Non-Convertible Debentures - ZCB.

Description of Secured Redeemable Non Convertible Debentures - ZCB	**Issue Date**	**Redemption Date**	**As at March 31, 2019**	
			No. of NCDs	**Rs. In Lakh**
TCHFL NCD "A" FY 2018-19	30-May-18	30-Jul-19	900	9,000
Total				**9,000**
Less: Unamortised discount				(241)
Total				**(241)**
Privately Placed Non-Convertible Debentures - ZCB				**8,759**

Note: Coupon rate of above outstanding as on March 31, 2019 varies from 8.60% to 8.60%

15. BORROWINGS (OTHER THAN DEBT SECURITIES)

(Rs. in lakh)

PARTICULARS	**As at March 31, 2019**
At amortised cost	
(a) Term loans	
Secured - In India	
(i) From Banks (Refer note 15.1 and 15.2 below)	6,96,533
(ii) From National Housing Bank (Refer notes 15.3)	5,84,659
Secured - Outside India	
From Banks (Refer note 15.1 and 15.2 below)	51,048
Unsecured - In India	
From Banks	84,999
(b) Loans repayable on demand	
Secured - In India	
From Banks	
(i) Cash credit (Refer note 15.5 below)	78,112
(ii) Working capital demand loan (Refer note 15.5 below)	1,71,000
(iii) Bank Overdraft (Refer note 15.5 below)	29,453
(c) Loan from related parties	
Unsecured - In India	
(i) 1,272,000,000 Compulsorily Convertible Cumulative Preference shares of Rs.10 each fully paid up (Refer note 15.7 below)	1,27,200
(ii) Inter corporate deposits from related parties (Refer note 15.6 below)	20,118
(d) Other loans	
Unsecured - In India	
Commercial paper (Refer note 15.4 below) [Net of unamortised discount of Rs. 6,884 lakh]	2,50,572
Total	**20,93,694**

Note: The Company has not defaulted in the repayment of Borrowings and interest for the year ended March 31, 2019.

15.1 Loans and advances from banks are secured by pari passu charge on the book debt of the Company.

15.2 Loans and advances from bank are repayable at maturity ranging between 3 month to 5 years from the date of loan taken. Rate of Interest payable on Term Loans varies between 8.30% to 9.15%

15.3 Loan from National Housing Bank is secured by way of hypothecation of book debt and guarantee / Letter of comfort from Tata Capital Limited and is repayable in 28-60 quarterly installments. Rate of Interest payable on Term loan varies between 4.61% to 9.80%.

15.4 Discount on Commercial Paper varies between 7.56% to 9.10%

15.5 Rate of Interest payable on Cash Credit / Over Draft & Working Capital Demand Loan varies between 8.25% to 8.95%

15.6 Rate of Interest payable on Inter Corporate Deposit as at March 31, 2019 8.84%

15.7 During the year ended March 31, 2019, the Company has issued 555,000,000, 8.50% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of face value Rs. 10/- each aggregating Rs. 55,500 lakh, which are mandatorily convertible into equity shares after the completion of 9 years from the date of allotment. The CCCPS holders have a right to receive dividend, prior to the equity shareholders. The dividend proposed by the Board of Directors on the CCCPS is subject to the approval of the shareholders at an Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding.

The CCCPS holders have an option to convert all or any part of the holding into equity shares at any time prior to the completion of 9 years. Conversion of CCCPS into equity shares will be based on the fair value to be determined by an independent valuer closer to the conversion date. In the year in which CCCPS are converted to equity shares, the dividend on such CCCPS, if declared by the Board, shall be paid on pro-rata basis. On February 1, 2019, the Company has converted CCCPS aggregating Rs. 40,800 lakh of face value of Rs. 10/- each into Equity Shares of Rs. 5,638 lakh at a premium of Rs. 35,162 lakh. The Board had not declared dividend on the CCCPS prior to conversion to equity shares.

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

(Rs. in Lakh)

Allotment Date	Conversion Date	As at March 31, 2019	
		No. of Shares	Amount
26-Mar-19	26-Mar-28	27,00,00,000	27,000
28-Dec-18	28-Dec-27	15,00,00,000	15,000
05-Sep-18	05-Sep-27	5,00,00,000	5,000
01-Aug-18	01-Aug-27	8,50,00,000	8,500
21-Mar-18	21-Mar-27	19,00,00,000	19,000
31-Jul-17	31-Jul-26	11,10,00,000	11,100
22-Nov-16	22-Nov-25	10,00,00,000	10,000
30-Sep-16	30-Sep-25	3,50,00,000	3,500
30-Jun-16	30-Jun-25	3,00,00,000	3,000
23-Mar-16	23-Mar-25	10,00,00,000	10,000
30-Nov-15	30-Nov-24	5,70,00,000	5,700
25-May-15	25-May-24	7,80,00,000	7,800
30-Apr-15	30-Apr-24	1,00,00,000	1,000
31-Mar-15	31-Mar-24	60,00,000	600
Total		**1,27,20,00,000**	**1,27,200**

15.8 The CCCPS holders may, at any time prior to the aforesaid period of conversion, make such request to convert all or any part of its holding into Equity Shares.

a) During the year ended March 31, 2019, the Company has declared and paid, a final dividend for financial year 2017-18 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 49 lakh and dividend distribution tax thereon of Rs. 10 lakh.

b) During the year ended March 31, 2019, the Company has declared and paid, an interim dividend for financial year 2018-19 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 7,354 lakh and dividend distribution tax thereon of Rs. 1,512 lakh.

16. SUBORDINATED LIABILITIES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
At amortised cost	
Unsecured - In India	
Debentures	
Non-Convertible Subordinated Debentures (Refer note 16.1 below)	62,283
Total	**62,283**

Note: The Company has not defaulted in the repayment of Subordinated Liabilities and interest for the year ended March 31, 2019.

16.1 Particulars of Unsecured Redeemable Non-Convertible Subordinated Debentures

Description of Unsecured Redeemable Non Convertible Subordinated Debentures	Issue Date	Redemption Date	As at March 31, 2019	
			No. of NCDs	Rs. In Lakh
TCHFL Tier II Bond A Series FY 2016-17	04-Aug-16	04-Aug-26	2,000	20,000
TCHFL Tier II Bond H Series FY 2015-16	15-Mar-16	13-Mar-26	200	2,000
TCHFL Tier II Bond G Series FY 2015-16	17-Dec-15	17-Dec-25	250	2,500
TCHFL Tier II Bond F Series FY 2015-16	15-Dec-15	15-Dec-25	250	2,500
TCHFL Tier II Bond E Series FY 2015-16	04-Nov-15	04-Nov-25	300	3,000
TCHFL Tier II Bond D Series FY 2015-16	21-Sep-15	19-Sep-25	150	1,500
TCHFL Tier II Bond C Series FY 2015-16	16-Sep-15	16-Sep-25	100	1,000
TCHFL Tier II Bond B Series FY 2015-16	22-Jul-15	22-Jul-25	350	3,500
TCHFL TIER-II BOND A SERIES FY 2015-16	28-Apr-15	28-Apr-25	400	4,000
TCHFL Tier II Bond A Series FY 2014-15	26-Sep-14	26-Sep-24	480	4,800
TCHFL Tier II Bond E Series FY 2013-14	18-Mar-14	18-Mar-24	4	40
TCHFL Tier II Bond D Series FY 2013-14	10-Jan-14	10-Jan-24	77	770
TCHFL Tier II Bond C Series FY 2013-14	20-May-13	19-May-23	10	100
TCHFL Tier II Bonds B FY-2013-14	23-Apr-13	23-Apr-23	21	210
TCHFL Tier II Bonds A FY-2013-14	15-Apr-13	15-Apr-23	250	2,500
TCHFL Tier II Bonds E FY-2012-13	28-Mar-13	28-Mar-23	150	1,500
TCHFL Tier II Bonds D FY-2012-13	22-Aug-12	22-Aug-22	330	3,300
TCHFL Tier II Bonds C FY-2012-13	30-May-12	30-May-22	300	3,000
TCHFL Tier II Bonds B FY-2012-13	30-May-12	30-May-22	3	30
TCHFL Tier II Bonds A FY-2012-13	10-May-12	10-May-22	10	100
TCHFL Tier II Bonds F FY-2011-12	12-Mar-12	12-Mar-22	102	1,020
TCHFL Tier II Bonds E FY-2011-12	25-Jan-12	25-Jan-22	135	1,350
TCHFL Tier II Bonds D FY-2011-12	04-Nov-11	04-Nov-21	101	1,010
TCHFL Tier II Bonds C FY-2011-12	28-Oct-11	28-Oct-21	11	110
TCHFL Tier II Bonds B FY-2011-12	29-Sep-11	29-Sep-21	253	2,530
Total				**62,370**
Less: Unamortised borrowing cost				(87)
Total				**(87)**
Non-Convertible Subordinated Debentures				**62,283**

Note: Coupon rate of above outstanding as on March 31, 2019 varies from 8.92% to 10.25%

17. OTHER FINANCIAL LIABILITIES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
(a) Payable for capital expenditure	128
(b) Advances from customers	179
(c) Accrued employee benefit expense	2,379
(d) Amounts payable - assigned loans	944
(e) Interest accrued but not due on borrowings	20,214
Total	**23,844**

18. PROVISIONS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
(a) Provision for compensated absences	375
(b) Provision for long-term service award	26
(c) Impairment loss allowance	
- Stage I & II	18,657
- Stage III	13,871
Total	**32,929**

19. OTHER NON-FINANCIAL LIABILITIES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
(a) Statutory dues	1,071
(b) Income received in advance	14,549
(c) Others	355
Total	**15,975**

20. SHARE CAPITAL

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
AUTHORISED	
2,500,000,000 Equity shares of Rs.10 each	2,50,000
2,000,000,000 Preference shares of Rs.10 each	2,00,000
	4,50,000
ISSUED, SUBSCRIBED & PAID UP	
309,710,300 Equity shares of Rs.10 each fully paid up	30,971
Total	**30,971**

20.1 Reconciliation of number of shares outstanding

Particulars	No. of shares	Rs in lakh
Equity Shares, Face Value Rs. 10 fully paid up		
Closing Balance as on April 1, 2018	25,33,33,332	25,333
Additions during the year	5,63,76,968	5,638
Closing Balance as on March 31, 2019	**30,97,10,300**	**30,971**

20.2 Rights, preferences and restrictions attached to shares

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

20.3 Investment by Tata Capital Limited (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 (Holding Company)	Opening Balance as on April 1, 2018	25,33,33,332	25,333
Equity Shares	Additions during the year	5,63,76,968	5,638
	Closing Balance as on March 31, 2019	**30,97,10,300**	**30,971**

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

20.5 There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

21. OTHER EQUITY

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
(a) Securities Premium Account (Refer note 15.7 above)	37,429
(b) Special Reserve Account (Refer note 21.1 and 21.2 below)	17,811
(c) Surplus in Statement of Profit and Loss	11,362
(d) Other Comprehensive Income	(16)
(e) Share options outstanding account	179
(f) General Reserve	158
Total	**66,923**

21.1 As required by Section 29C of National Housing Bank Act 1987,and Section 36 (1) (viii) of the Income Tax Act,1961, the Company has transferred an amount of Rs.2,792 Lakh to Special Reserve.

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

(Rs. in lakh)

	Particulars	As at March 31, 2019
Balance at the beginning of the year		
	a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987	3,489
	b) Amount of Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve under section 29C of NHB Act, 1987	11,530
	Total (A)	**15,019**
Addition / Appropriation / withdrawal during the year		
Add:	a) Amount transferred u/s 29C of the NHB Act,1987	1,660
	b) Amount of Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve under section 29C of NHB Act, 1987	1,132
Less:	a) Amount appropriated from the Statutory Reserve u/s 29 C of the NHB Act 1987	
	b) Amount withdrawn from the Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 which has been taken into account for the purpose of provision u/s 29C of NHB Act, 1987	
	Total (B)	**2,792**
Balance at the end of the year		
	a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	5,149
	b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	12,662
	Total (A+B)	**17,811**

21.2 The Company has transferred an amount of Rs.1,132 Lakh to Special Reserve Account in terms of section 36(1)(viii) of the Income Tax Act, 1961, which has also been considered as a transfer of profit to a reserve fund for the purpose of compliance with section 29 C (i) of the National Housing Bank Act 1987 (The Company is required to transfer at least 20% of net profits every year to a reserve).

21.3 OTHER EQUITY

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	
(a) Securities Premium Account		
Opening Balance		2,267
Add : Premium on issue of equity shares (Refer note 15.7 above)	35,162	
Less : Share issue expenses written-off	-	35,162
Closing Balance		**37,429**
(b) Special Reserve Account		
Opening Balance		15,019
Add: Transfer from Surplus in the Statement of Profit and Loss (Refer note 21.1 & 21.2 above)		2,792
Closing Balance		**17,811**
(c) Surplus in Statement of Profit and Loss		
Opening Balance		**9,105**
Add: Profit for the year		5,049
Amount available for Appropriations		**14,154**
Less : Appropriations		
- Transfer to Special Reserve Account	(2,792)	
		(2,792)
Closing Balance		**11,362**
(d) Other Comprehensive Income		
Opening Balance		33
Add: Remeasurement of defined employee benefit plans transferred to Statement of Profit and Loss		(76)
Less: Income tax relating to items that will not be reclassified to profit or loss		27
Closing Balance		**(16)**
(e) Share options outstanding account		
Opening Balance		201
Addition during the period (net)		(22)
Closing Balance		**179**
(f) General Reserve		
Opening Balance		79
Addition / (deduction) during the period (net)		79
Closing Balance		**158**
TOTAL		**66,923**

21.4 Nature and Purpose of Reserves as per Para 79 of Ind AS 1

Sr. No.	Particulars	Nature and purpose of Reserves
1	Securities Premium Account	Premium received upon issuance of equity shares
2	Special Reserve Account/Statutory Reserve	As prescribed by Section 29C of National Housing Bank Act 1987,and Section 36 (1) (viii) of the Income Tax Act,1961
3	Surplus in profit and loss account	Created out of accretion of profits
4	General Reserve	Created upon completion of the vesting period of employees stock option or upon forfeiture of options granted
5	Share Options Outstanding Account	Created upon grant of options to employees
6	Other Comprehensive Income	Created on account of items measured through other comprehensive income

22. INTEREST INCOME

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2019
(a) Interest on loans (measured at amortised cost)	2,32,946
(b) Interest Income on deposits with Banks (measured at amortised cost)	67
Total	**2,33,013**

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

(Rs. in lakh)

PARTICULARS		For the year ended March 31, 2019
(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	2,467
(C)	Total Net gain/(loss) on fair value changes	**2,467**
(D)	Fair value changes :	
	-Realised	2,470
	-Unrealised	(3)
	Total Net gain/(loss) on fair value changes	**2,467**

24. OTHER INCOME

(Rs. in lakh)

PARTICULARS		For the year ended March 31, 2019
(a)	Branch advertisement income	5,073
(b)	Net gain / (loss) on derecognition of property, plant & equipment	2
(c)	Miscellaneous Income	165
Total		**5,240**

25. FINANCE COSTS

(Rs. in lakh)

PARTICULARS	**For the year ended March 31, 2019**
Amortised cost	
(a) Interest on borrowings	1,04,463
(b) Interest on debt securities	32,791
(c) Interest on subordinated liabilities	5,989
(d) Dividend on Compulsorily Convertible Cumulative Preference Shares (including dividend distribution tax thereon) (refer note 15.8 above)	8,999
(e) Discounting Charges	
(i) On commercial paper	24,624
(ii) On debentures	585
Total	**1,77,451**

26. EMPLOYEE BENEFIT EXPENSES

(Rs. in lakh)

PARTICULARS	**For the year ended March 31, 2019**
(a) Salaries, wages and bonus	15,207
(b) Contribution to provident and other fund (refer note 26.1 below)	908
(c) Staff welfare expenses	654
(d) Expenses related to post-employment defined benefit plans	140
(e) Share based payments to employees	58
Total	**16,967**

26.1 The Supreme Court of India in its judgement in the case of THE REGIONAL PROVIDENT FUND COMMISSIONER (II) WEST BENGAL v/s VIVEKANANDA VIDYAMANDIR AND OTHERS on February 28, 2019 has clarified that any emolument paid universally, necessarily and ordinarily to all employees across the board is to be considered as basic wage and accordingly needs to be considered for calculation of Provident Fund contribution. The Company has made an estimate of the liability and as a matter of caution, the Company has made a provision Rs 390 lakh for the year ended March 31, 2019. The Company would record any further effect in its financial statements, in the period in which it receives additional clarity on the said subject.

27. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2019	
(a) Loans - at amortised cost		
(i) Impairment allowance - stage III (net of recoveries)		18,919
(ii) Write off - Loans	21,519	
Less : Reversal of Impairment allowance on write off - Loans	(21,519)	-
(iii) Impairment allowance - stage I & II		1,245
(b) Trade receivables		46
Total		**20,210**

28. OTHER EXPENSES

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2019
(a) Advertisements and publicity	287
(b) Brand Equity and Business Promotion	682
(c) Corporate social responsibility cost (Refer Note No 28.3 below)	642
(d) Donations	530
(d) Incentive / commission/ brokerage	30
(e) Information technology expenses	2,234
(f) Insurance charges	366
(g) Legal and professional fees	2,120
(h) Loan processing fees	2,176
(i) Printing and stationery	252
(j) Power and fuel	153
(k) Repairs and maintenance	42
(l) Rent	1,835
(m) Rates and taxes	12
(n) Stamp charges	7
(o) Service providers' charges	2,073
(p) Training and recruitment	252
(q) Telephone, telex and leased line	116
(r) Travelling and conveyance	943
(s) Foreign currency translation loss	375
(t) Directors remuneration	64
(u) Audit Fees (Refer Note No 28.1 below)	43
(v) Other expenses	813
Total	**16,046**

28.1 Auditors Remuneration (including out of pocket expenses and excluding taxes) as below.

(Rs. in lakh)

Particulars	For the year ended March 31, 2019
Audit Fees	35
Tax Audit Fees	4
Other Services	4
Total	**43**

28.2 Expenditure in foreign currency

(Rs. in lakh)

Particulars	For the year ended March 31, 2019
Legal and professional fees	93
Information Technology Expenses	18
Training and recruitment	12
Total	**123**

28.3 Corporate social responsibility expenses

(a) Gross amount required to be spent by the company during the year was Rs. 642 Lakh
(b) Amount spent and paid during the year on:

(Rs. in lakh)

Particulars	For the year ended March 31, 2019
(i) Construction/acquisition of any asset	-
(ii) On purposes other than above (i)	642

29 Contingent Liabilities and Commitments (to the extent not provided for):

(a) Contingent Liabilities Rs. Nil

(b) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances given).

- Tangible: Rs. 260 Lakh
- Intangible: Rs. 20 Lakh

(c) Undrawn Commitment given to Borrowers

- As on March 31, 2019 Rs. 2,98,894 lakh

30 Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

A. List of related parties and relationship:

Ultimate holding Company	Tata Sons Private Limited (formerly Tata Sons Limited)
Holding Company	Tata Capital Limited
Subsidiaries of Holding Company	Tata Capital Pte. Limited Tata Capital Growth Fund I Tata Capital Special Situation Fund Tata Capital Healthcare Fund I Tata Capital Innovations Fund Tata Capital Growth Fund II (w.e.f. 28.09.2018) Tata Capital Growth II General Partners LLP (w.e.f.20.09.2018) Tata Capital Markets Pte. Ltd. Tata Capital Advisors Pte. Ltd. Tata Capital Plc Tata Capital General Partners LLP Tata Capital Healthcare General Partners LLP Tata Opportunities General Partners LLP Tata Securities Limited Tata Capital Financial Services Limited Tata Cleantech Capital Limited
Subsidiaries of ultimate holding company (with which the company had transactions)	Tata Consultancy Services Limited Infiniti Retail Limited Tata Teleservices Maharashtra Limited Tata Teleservices Limited
Other Related Parties (with which the company had transactions)	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited) Concorde Motors (India) Limited Nelco Limited Roots Corporation Ltd Tata AIA Life Insurance Company Limited Tata AIG General Insurance Company Limited Tata Communications Limited Tata Motors Finance Limited Titan Company Ltd Voltas Limited Tata Capital Limited Employees Provident Fund
Key Management Personnel	Mr. R. Vaithianathan (Ceased to be Managing Director w.e.f. 21st May 2018) Mr. Anil Kaul (Managing Director w.e.f. 18th July 2018) Mr. Rajiv Sabharwal (Director) Mr. Ankur Verma (Director) Mr. Mehernosh B. Kapadia (Director) Ms. Anuradha E. Thakur (Director) Mr. Govind Sankaranarayan (Ceased to be Director w.e.f. 24th August 2018) Mr. S. Balakrishna Kamath (Chief Financial Officer) Mr. Jinesh Meghani (Company Secretary)

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

(Rs. in Lakh)

Sr. No.	Party Name	Nature of transaction	2018-19
1	Tata Sons Private Limited (formerly Tata Sons Limited)	a) Expenses	
		- Brand equity and business promotion	682
		- Legal and professional fees	-
		- Staff Welfare *	1
		- Training Expenses *	1
		b) Balance payable	682
2	Tata Capital Limited	a) Amount raised by issue of Compulsorily Convertible Cumulative Preference Shares	55,500
		b) Inter-Corporate Deposit accepted / repaid	
		- Inter-Corporate Deposit received during year	4,78,207
		- Inter-Corporate Deposit repaid during year	4,58,089
		c) Interest expense on	
		-Inter-Corporate Deposit	1,394
		-Debentures	-
		d) Reimbursement of expenses to TCL	7
		e) Service providers charges	1,179
		f) Interim dividend paid on Preference Shares	7,403
		g) Receipt of Security Deposit	-
		h) Repayment of Security Deposit	-
		i) Guest house income *	0
		i) Balance Outstanding	
		- Expenses Payable	94
		- Borrowings (Inter-Corporate Deposit)	20,118
		- Borrowings (Compulsorily Convertible Cumulative Preference Shares)	1,27,200
3	Tata Capital Financial Services Limited	a) Transfer from	
		-Fixed Assets	11
		-Salary *	-
		b) Transfer to	
		-Fixed Assets / CWIP *	-
		c) Expenses	
		-Reimbursement of expenses	
		-Rent expenses	1,076
		-Guest house expenses	27
		-Loan sourcing fee	15
		d) Income	
		-Loan sourcing fee	-
		-Rent recovery	70
		-Guest House Recovery	7
		-Reimbursement of expenses	
		e) Balance payable	205
4	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)	a) Expenses	
		- Service provider charges	1,865
		b) Balance payable	-
5	TC Travel and Services Limited	a) Expenses	
		- Travel related services	-
6	Tata Consultancy Services Limited	a) Expenses	
		- Information technology expenses	1,549
		- Advertisements and publicity	200
		b) Balance payable	884
7	Tata AIA Life Insurance Company Limited	a) Expenses	
		- Insurance Expense for Employees	12
		b) Advance given	27
8	Tata AIG General Insurance Company Limited	a) Expenses	
		- Insurance expenses	4
		b) Advertisement Income	-
		c) Advance given	-
9	Infiniti Retail Limited	a) Fixed Asset purchased	2
		b) Gift Expenses *	-
		c) Advance given *	1

10	Tata Cleantech Capital Limited	a) Reimbursement of Expenses * b) Guest House Income* c) Outstanding Receivable*	- - -
11	Tata Teleservices Limited	a) Telephone, telex and leased line b) Advance given *	17 -
12	Tata Teleservices Maharashtra Limited	a) Telephone, telex and leased line	7
13	Tata Capital Forex Limited	a) Travelling and conveyance *	-
14	Key Management Personnel	a) Remuneration to KMP	
		- Short Term Employee Benefits	458
		- Post Employment Benefits	202
		- Share based payments (No. of Shares)	
		(i) Options granted	6,35,000
		(ii) Options exercised	25,000
		- Director sitting fees	31
		- Director commission	27
		b) Home Loans given	
		- Disbursement made against home loans	161
		- Repayment received against home loans	5
		- Outstanding amount of home loans	369
15	Concorde Motors (India) Limited	a) Fixed asset purchased	11
16	Nelco Limited	a) Information technology expenses *	0
17	Roots Corporation Ltd	a) Training expenses *	0
18	Tata Communications Limited	a) Information technology expenses	26
19	Tata Motors Finance Limited	a) Rent expenses	2
20	Titan Company Ltd	a) Staff welfare b) Advance given	5 39
21	Voltas Limited	a) Fixed asset purchased b) Repairs and maintenance expenses c) Advance given *	5 6 0
22	Tata Capital Limited Employees Provident Fund Trust	a) Contribution towards Provident Fund	810
23	Tata Capital Limited Superannuation Scheme	a) Contribution towards Superannuation Fund	14

*Less than Rs.50,000/-

31 Earnings per Share (EPS):

Particulars		2018-19
Profit after tax	Rs. in Lakh	5,049
Add: Preference dividend (including dividend distribution tax)	Rs. in Lakh	8,911
Profit after tax attributable to parent company	Rs. in Lakh	13,960
Weighted average number of Equity shares used in computing Basic / Diluted EPS	Nos	54,12,12,806
Face value of equity shares	Rupees	10
Earnings per share (Basic and Diluted)	Rupees	**2.58**

32 Lease Payments

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

(Rs. in Lakh)

Lease Payments	2018-19
-Within one year	284
-Later than one year and not later than five years	971
-Later than five years	-

The amount charged towards lease rental as part of Rent expenditure is Rs. 1,835 Lakh

33 Movement in Impairment loss allowance - Stage I & II (provisions against standard assets) during the year is as under:

(Rs. in Lakh)

Particulars	2018-19
Opening Balance	17,412
Additions during the year	1,245
Utilised during the year	-
Closing Balance	**18,657**

34. Share based payment

A. Description of share based payments:

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018
i. Vesting requirements	**1/3rd at the end of each 12, 24 and 36 months from the date of grant**	**1/3rd at the end of each 12, 24 and 36 months from the date of grant**	**100% at the end of 12 months from the date of grant**	**100% at the end of 12 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	**6 years**	**6 years**	**2 years**	**2 years**	**7 years**
iii. Method of settlement	**Equity Settled**	**Equity Settled**	**Equity Settled**	**Equity Settled**	**Equity Settled**
iv. Modifications to share based payment plans	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**
v. Any other details as disclosed in the audited Ind AS financial statements	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**

B. Summary of share based payments
31 March 2019

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Outstanding balance at the beginning of the period	**-**	**1,06,805**	**-**	**24,60,000**	**-**	25,66,805
Options granted	-	-	-	-	10,20,000	10,20,000
Options forfeited	-	53,958	-	6,70,000	-	7,23,958
Options exercised	-	19,445	-	2,96,500	-	3,15,945
Options expired	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-
Options outstanding at the end of the period	**-**	**33,402**	**-**	**14,93,500**	**10,20,000**	**25,46,902**
Options exercisable at the end of the period	-	33,402	-	14,93,500	-	15,26,902
For share options exercised:						
Weighted average exercise price at date of exercise						32.88
Money realized by exercise of options						1,03,89,225
For share options outstanding						
Range of exercise prices	17.77	25.00	30.00	33.40	50.60	
Average remaining contractual life of options	-	0.33	-	0.00	6.51	2.61

C. Valuation of stock options

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018
Share price:	**17.77**	**25**	**30**	**33.4**	**50.6**
Exercise Price:	**17.77**	**25**	**30**	**33.4**	**50.6**
Expected Volatility:	0.49	0.37	0.38	0.35	0.38
Contractual Option Life (years):	3.00	3.00	2.00	2.00	7.00
Expected dividends:	-	-	-	-	-
Risk free interest rate:	8.00%	8.00%	8.00%	6.57%	8.04%
Vesting Dates					
	33.33% vesting on August 31, 2012	33.33% vesting on July 29, 2014	100% vesting on March 31, 2017	100% vesting on April 2, 2018	20% vesting on September 30, 2019
	66.67% vesting on August 31, 2013	66.67% vesting on July 29, 2015	-	-	40% vesting on September 30, 2020
	100% vesting on August 31, 2014	100% vesting on July 29, 2016	-	-	70% vesting on September 30, 2021
	-	-	-	-	100% vesting on September 30, 2022
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
The Company is required to present the following terms of the ESOPs, for the key managerial employees and other employees
As at March 31, 2019

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Fair value at grant date	17.77	25.00	30.00	33.40	50.60	
Share price at grant date	17.77	25.00	30.00	33.40	50.60	
Exercise price	17.77	25.00	30.00	33.40	50.60	
Expected volatility (weighted average volatility)	0.49	0.37	0.38	0.35	0.38	
Expected life (expected weighted average life)	0.00	0.33	0.00	0.00	6.51	
Expected dividends	0.00	0.00	0.00	0.00	0.00	
Risk-free interest rate (based on government bonds)	8.00%	8.00%	8.00%	6.57%	8.04%	
Key managerial employees						
Mr. Anil Kaul, Managing Director						
Options granted	-	-	-	-	6,00,000	6,00,000
Options exercised	-	-	-	-	-	-
Mr. S. Balakrishna Kamath, Chief Financial Officer						
Options granted	-	-	10,000	10,000	-	20,000
Options exercised	-	-	10,000	10,000	-	20,000
Mr. Jinesh Meghani, Company Secretary						
Options granted	-	-	5,000	10,000	-	15,000
Options exercised	-	-	5,000	-	-	5,000

E) Amount recognised in P&L. (Refer note no 26)

35. Employee benefit expenses

A. Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a Trust by the Company. The Company is generally 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 under the employee provident scheme, 1952 is recognised as an expense in the year in which it is determined.

The Company recognised a charge of Rs. 504 Lakh towards provident fund and family pension fund contribution and Rs.14 Lakh towards contribution to superannuation fund in the Statement of Profit and Loss during the current year.

B. Defined benefit plan

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount), (Included as part of contribution to provided fund, superannuation fund and other funds as referred in Note 26 of Employee Benefit Expenses). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. On adoption of the Indian Accounting Standard (Ind AS 19) on "Employee Benefits", actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are recognised in other comprehensive income.

The Company offers the following employee benefit schemes to its employees:

i. Gratuity
ii. Post-employment medical benefits
iii. Other defined benefit plans

The following table sets out the funded / unfunded status of the defined benefit schemes and the amount recognised in the financial statements:

Movement in net defined benefit (asset) liability

a) Reconciliation of balances of Defined Benefit Obligations. **(Rs. in lakh)**

	Year ended March 31, 2019	
Particulars	**Total Funded**	**Total Unfunded**
Defined Obligations at the beginning of the year	721	-
Current service cost	148	-
Interest cost	46	-
Plan participant's contributions		-
Exchange (gain) / loss		-
Benefits paid	-	-
Past service cost		-
Amalgamations / Acquisitions	11	-
Liabilities assumed on transfer of employees		-
Settlement cost / (credit)	-	-
Curtailment cost / (credit)	-	-
Plan amendments	-	-
Change in secured pensioner value		-
		-
Due to company ceasing to be a subsidiary		
Due to company becoming subsidiary		
Actuarial (Gains)/ Losses on obligations		-
arising from:		
a. Due to change in financial assumptions	105	-
		-
b. Due to change in experience adjustments	22	
c. Due to experience adjustments	(61)	-
Others (please specify below)		-
Benefits paid directly by the Company	(258)	-
Defined Obligations at the end of the year	**734**	**-**

b) Reconciliation of balances of Fair Value of Plan Assets (Rs. in lakh)

Particulars	Year ended March 31, 2019 Total Funded	Total Unfunded
As on 31 March 2019		
Fair Value at the beginning of the year	**756**	**-**
Expected return on plan assets	(9)	-
Actuarial gain / (loss) on plan assets		-
Exchange gain/(loss)		-
Employer contributions	-	-
Plan participant's contributions		-
Benefits paid	-	-
Amalgamations / Acquisitions	11	-
Assets transferred on transfer of employees		-
Adjustment on plan settlement		
Change in secured pensioner value	-	-
Others (please specify below)		-
Interest Income on Plan Assets	58	-
		-
Due to company ceasing to be a subsidiary		-
Fair Value of Plan Assets at the end of the year	**815**	**-**

c) Funded status (Rs. in lakh)

Particulars	Year ended March 31, 2019 Total Funded	Total Unfunded
Deficit of plan assets over obligations		
Surplus of plan assets over obligations	81	
Unrecognised asset due to asset ceiling		
Total	81	-

d) Categories of plan assets (Rs. in lakh)

Particulars	Year ended March 31, 2019 Total Funded	Total Unfunded
Corporate bonds	351	-
Equity shares	85	-
Government securities	371	-
Insurer managed funds		-
PSU bonds		-
Equity mutual funds		-
Bank balances		-
Cash	7	-
Equities		-
Special deposit scheme		-
Index linked gilt		-
Secured pensions		-
Others (please specify)	-	-
Total	**815**	**-**

e) Amount recognised in Balance sheet

(Rs. in lakh)

Particulars	Year ended March 31, 2019 Total Funded	Year ended March 31, 2019 Total Unfunded
Present value of the defined benefit obligation	734	-
Fair value of plan assets	815	-
Unrecognised asset due to asset ceiling		
Unrecognised past service costs		
Net asset / (liability) recognised in the Balance Sheet	**81**	**-**

f) Amount recognised in Statement of Profit and Loss

(Rs. in lakh)

Particulars	Year ended March 31, 2019 Total Funded	Year ended March 31, 2019 Total Unfunded
Current Service Cost	148	-
Past Service cost	-	-
Interest Cost (net)	(9)	-
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Received from intra-group company on transfer of employees		
Expected return on plan assets		
Actuarial loss/(gain) recognised during the year		
Others (please specify)		
Expenses for the year	**140**	**-**

g) Amount recognised in OCI

(Rs. in lakh)

Particulars	Year ended March 31, 2019 Total Funded	Year ended March 31, 2019 Total Unfunded
a. Due to change in financial assumptions	**105**	**-**
b. Due to change in experience adjustments	**22**	**-**
c. Due to experience adjustments	**(61)**	**-**
d. (Return) on plan assets (excl. interest income)	9	-
e. Change in Asset Ceiling		
Total remeasurements in OCI	**76**	**-**
Total defined benefit cost recognized in P&L and OCI	**216**	**-**

h) Expected cash flows for the following year

(Rs. in lakh)

Particulars	Year ended March 31, 2019
Expected total benefit payments	**1,293**
Year 1	**73**
Year 2	**75**
Year 3	**89**
Year 4	**97**
Year 5	**127**
Next 5 years	**832**

i) Major Actuarial Assumptions

(Rs. in lakh)

Particulars	Year ended March 31, 2019
Discount Rate (%)	7.20%
Salary Escalation/ Inflation (%)	Non CRE : 8.25% CRE and J Grade : 6%
Expected Return on Plan assets (%)	8.00%
Mortality Table	**Indian assured lives Mortality (2006-08) (modified) Ult.**
Withdrawal (rate of employee turnover)	CRE and J Grade : 40% Non CRE : Service Rate Less than 5 years 25% More than 5 years 10%
Retirement Age	**60 years**
Estimate of amount of contribution in the immediate next year	73

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

i) Sensitivity analysis

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

	March 31, 2019	
Particulars	**Increase**	**Decrease**
Discount rate (1% movement)	(0.5)	0.6
Future salary growth (1% movement)	0.6	(0.5)
Others (Withdrawal rate 5% movement)	(0.5)	0.8

j) Provision for leave encashment

	March 31, 2019	
Particulars	**Non current**	**Current**
Liability for compensated absences	242	123

Experience adjustments	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
Funded					
2018-19	734	815	81	(22)	(9)
Unfunded					
2018-19	-	-	-	-	-

Each year an 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.

36. Fair values of financial instruments

See accounting policy in Note 2(iii).

A. Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

b) Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

c) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at measurement date. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. Valuation techniques include net present value and discounted cash flow models, income approach, comparison with similar instruments for which observable market prices exist, option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free returns, benchmark interest rates and credit spreads used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company uses widely recognised valuation models to determine the fair value of financial instruments, such as forward rate agreement, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

For more complex instruments, the Company uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and may be derived from market prices or rates or estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, determination of expected volatilities and correlations and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Company believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counterparty where appropriate. Model inputs and values are calibrated against historical data, where possible, against current or recent observed transactions in different instruments. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management uses judgement to select the most appropriate point in the range.

Discounting of the cash flows of financial asset/ financial liability for computing the fair value of such instrument: the future contractual cash flows of instrument over the remaining contractual life of the instrument are discounted using comparable rate of lending/borrowing as applicable to financial asset/ financial liability in the month of reporting for a similar class of instruments.

Derivatives held for risk management :
The Company enters into structured derivatives to mitigate the currency exchange risk and interest rate risk on account of fluctuation in the foreign exchange rates and floating rates towards the principal and interest repayments of external commercial borrowing. Some of these instruments are valued using models with significant unobservable inputs, principally expected long-term volatilities and expected correlations between different underlyings.

36. Fair values of financial instruments

See accounting policy in Note 2(iii).

B. Valuation framework

The Company has a established a policy for the measurement of fair values addressing the requirement to independently verify the results of all significant fair value measurements. Specific controls include:
1) verification of observable pricing basis actual market transactions;
2) re-performance of model valuations;
3) a review and approval process for new models and changes to models
4) annual calibration and back-testing of models against observed market transactions;
5) analysis and investigation of significant annual valuation movements; and
6) review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous year.

When third party information, such as valuation agency report is used to measure fair value, the Company assesses the documents and evidence used to support the conclusion that the valuations meet the requirements of Ind AS. This includes:
1) understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
2) when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
3) if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

Significant valuation issues are reported to the Audit Committee.

36. Fair values of financial instruments

C. The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(i) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	13,276	13,276
Other balances with banks	-	-	-	-	51,708	51,708
Derivative financial instruments					347	347
Trade receivables	-	-	-	-	462	462
Loans	-	-	-	-	26,49,354	26,49,354
Investments	369	-	-	-	-	369
Other financial assets	-	-	-	-	338	338
Total	**369**	**-**	**-**	**-**	**27,15,485**	**27,15,854**
Financial Liabilities:						
Derivative financial instruments					372	372
Trade and other payables	-	-	-	-	6,489	6,489
Borrowings	-	-	-	-	25,57,898	25,57,898
Other financial liabilities	-	-	-	-	23,844	23,844
Total	**-**	**-**	**-**	**-**	**25,88,603**	**25,88,603**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2019, aproximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For mutual funds, published net asset value (NAV) is used for the purpose of computation of fair value.

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
a) Fair value is computed for financial asset carried at amortised cost by comparing the contracted internal rate of return with the weighted average coupon rate for the loans disbursed in the reporting month.
b) For all other financial assets and financial liabilities, the carrying value approximates the fair value of the instrument.

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

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	-	369	-	369
Total	-	369	-	369

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

Measured at Level 3	As at March 31, 2019	
	Carrying Value	Fair value
Financial Assets at amortised cost:		
Loans	26,49,354	26,63,620
Total	**26,49,354**	**26,63,620**
Financial Liabilities at amortised cost:		
Borrowings	25,57,898	25,51,222
Total	**25,57,898**	**25,51,222**

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	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2019				
Loans	26,63,620	Level 3	Discounted cash flows	NA	NA
Financial Assets at amortised cost	**26,63,620**				

Financial instruments	Fair value as at	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2019				
Borrowings	25,51,222	Level 3	Discounted cash flows	NA	NA
Financial Liabilities at amortised cost	**25,51,222**				

37 Financial risk 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 38

A. Credit risk
   - i. Credit quality analysis
   - ii. Collateral held and other credit enhancements
   - iii. Amounts arising from ECL
   - iv. Concentration of credit risk

B. Liquidity risk
   - i. Exposure to liquidity risk
   - ii. Maturity analysis for financial liabilities and financial assets
   - iii. Financial assets available to support future funding
   - iv. Financial assets pledged as collateral

C. Market risk
   - i. Exposure to interest rate risk – Non-trading portfolios
   - ii. Exposure to currency risks – Non-trading portfolios

D. Capital management
   - i. Regulatory capital
   - ii. Capital allocation

A. Credit risk

For the definition of credit risk and information on how credit risk is mitigated by the Company, see Note 38.

i. Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost and fair value through other comprehensive income. The amounts in the table represent gross carrying amounts for financial assets, impairment allowance and net carrying amounts for financial assets.

Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 2(ix).

37. **Financial risk review(continued)**

A. **Credit risk**

Loans by Division

i. Credit quality analysis continued

1) **Loan exposure by Financing division**

(Rs. in lakh)

PARTICULARS	**As at March 31, 2019**
	Amortised Cost
Loans by division	
(i) Housing	20,47,095
(ii) Non Housing	6,02,202
Gross carrying amount	**26,49,297**
Less : Impairment loss allowance	32,528
Net Carrying amount	**26,16,769**

Note : Gross Carrying amount does not include Loan commitments Rs. 2,98,894 lakh

2) **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.

(Rs. in lakh)

a)

Outstanding Gross Loans	**As at March 31, 2019**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Days past due				
Zero overdue	23,79,035		586	23,79,621
1-29 days	1,88,021		229	1,88,250
30-59 days		24,271	7	24,278
60-89 days		34,065	70	34,135
90 or more days			23,014	23,014
Total	**25,67,056**	**58,336**	**23,906**	**26,49,297**

Note : Gross Carrying amount does not include Loan commitments Rs. 2,98,894 lakh

(Rs. in lakh)

3)

Impairment allowance on Loans	**As at March 31, 2019**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Days past due				
Zero overdue	9,165		515	9,680
1-29 days	1,013		111	1,124
30-59 days		2,789	3	2,792
60-89 days		5,690	30	5,720
90 or more days			13,212	13,212
Total	**10,178**	**8,479**	**13,871**	**32,528**

Note : Include impairment allowance on Loan commitments Rs. 1,231 lakh

37. Financial risk review(continued)

A. **Credit risk**

Loans by Division

i. Credit quality analysis continued

(Rs. in lakh)

As at March 31, 2019		Asset group	Days past due	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	0	23,79,035	0.39%	9,165	23,69,870
			1-29	1,88,021	0.54%	1,013	1,87,008
			Total	25,67,056	0.40%	10,178	25,56,877
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans	30-59	24,271	11.49%	2,789	21,482
			60-89	34,065	16.70%	5,690	28,375
			Total	58,336	14.53%	8,479	49,857
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans	0	586	87.88%	515	71
			1-29	229	48.47%	111	118
			30-59	7	42.86%	3	4
			60-89	70	42.86%	30	40
			90 days and above	23,014	57.41%	13,212	9,802
			Total	23,906	58.02%	13,871	10,035
			Total	**26,49,297**	**1.23%**	**32,528**	**26,16,769**

Note 1 : Gross Carrying amount does not include Loan commitments Rs. 2,98,894 lakh

Note 2 : Include impairment allowance on Loan commitments Rs. 1,231 lakh

37. Financial risk review(continued)

A. **Credit risk**

i. Credit quality analysis continued

Derivative Financial Instruments

The Company enters into derivatives contract for risk management purposes. 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.

(Rs. in lakh)

Derivatives held for Risk management purposes	As at March 31, 2019		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Foreign Exchange Forward contracts	64,112	347	-
Interest rate swap	51,615	-	372
Total	1,15,727	347	372

Derivatives held for risk management purposes:

The Company is exposed to foreign currency risk related to external commercial borrowings and the primary risk of change in the floating interest rate and payment in foreign currency towards principal and interest at future date is managed by entering into a interest rate swap and foreign exchange forward rate purchase agreement respectively.

The Corporation's risk management strategy and how it is applied to manage risk is explained in Note 38.

The Interest rate swap and foreign exchange forward currency agreements are entered to fully hedge the risk on account of change in interest rate and foreign exchange fluctuations on account of the external commercial borrowings.

37. Financial risk review(continued)

A. **Credit risk**

ii Collateral held and other credit enhancements

The Company holds collateral and other credit enhancements against certain of its credit exposures

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

The main types of collateral obtained are as follows:

For housing loans, mortgage against residential property is obtained. For loan against property, mortgage against residential and commercial property is obtained. For Construction finance, additionally mortgage over residential and commercial project is obtained.

The table show the maximum exposure to credit risk by class of financial asset.

(Rs. in lakh)

Particulars	**Category of collateral available**	**As at March 31, 2019**
Financial assets		
Loans		
Housing Loans	Mortgages over residential properties	20,47,095
Non housing loan	Charges over: i) real estate properties (including residential and commercial), ii) land iii) Under construction flat	6,02,202
Total		**26,49,297**

Assets obtained by taking possession of collateral

The Company's collection policy is to pursue timely realisation of the collateral in an orderly manner.The Company upon a customer account becoming delinquent, undertakes the process to physically repossess properties with the help of legal proceeding to recover funds and settle outstanding debt. Any surplus funds if any received are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale. Asset in the form of real estate property received upon final settlement of the loan is recorded as non-current assets held for sale.

Management monitors the market value of collateral as per the Credit monitoring process and will request additional collateral in accordance with the underlying agreement as applicable.

37. Financial risk review(continued)

A. **Credit risk**

ii Collateral held and other credit enhancements (continued)

The table show the value of the credit impaired asset and the value of the collateral available.

(Rs. in lakh)

Particulars	As at March 31, 2019	
	Credit Impaired	Security held
Loans		
Housing Loans	18,633	59,255
Non housing loan	5,271	24,057
Total	**23,904**	**83,312**

37. **Financial risk review(continued)**

A. **Credit risk**

iii Amounts arising from ECL

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

(Rs. in lakh)

a)

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**19,63,464**	**55,656**	**24,801**	**20,43,921**
New assets originated or purchased	10,71,375	-	-	10,71,375
Assets derecognised or repaid (excluding write offs)	(4,24,442)	(8,293)	(1,214)	(4,33,948)
Transfers to Stage 1	15,956	(17,552)	(2,114)	(3,710)
Transfers to Stage 2	(43,307)	39,401	(444)	(4,350)
Transfers to Stage 3	(14,902)	(9,530)	22,728	(1,705)
Amounts written off *	(1,088)	(1,346)	(19,851)	(22,285)
Gross carrying amount closing balance	**25,67,056**	**58,336**	**23,906**	**26,49,297**

(Rs. in lakh)

b)

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**9,591**	**7,822**	**16,471**	**33,883**
New assets originated or purchased	3,735	-	-	3,735
Assets derecognised or repaid (excluding write offs)	(2,141)	(1,173)	(685)	(3,999)
Transfers to Stage 1	66	(2,382)	(1,102)	(3,418)
Transfers to Stage 2	(488)	5,862	(231)	5,142
Transfers to Stage 3	(581)	(1,439)	13,279	11,258
Amounts written off *	(3)	(210)	(13,860)	(14,073)
ECL allowance - closing balance	**10,178**	**8,479**	**13,871**	**32,528**

* The above amount written off is subject to the enforcement of the security.

37. Financial risk review(continued)

A. **Credit risk**

iii Amounts arising from ECL

Modified financial assets

Exposure to modified financial assets

(Rs. in lakh)

PARTICULARS	As at March 31, 2019
	Amortised Cost
Loan exposure to modified financial assets	
(i) **Gross carrying amount**	2,972
(ii) Impairment allowance	656
(iii) Net carrying amount	**2,316**

37. Financial risk review(continued)

A. **Credit risk**

iii **Amounts arising from ECL**

Impairment allowance on financial asset is covered in note (ix)

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 and reschedulement of loans. These factors are applied uniformly for each lending product. Additionally, the Company reviews the account with high risk and consider the same for classification as stage 2. 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.

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(ix) 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 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.

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 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.

The below table indicates the macro economic variables used for determination of the One year probability of default and life time probability of default:

Marco economic parameters used*	Measurement metric (% change / value)	Scenarios	Base case ranges between				
			Year 1	Year 2	Year 3	Year 4	Year 5
a) Housing Price Index	Housing Price Index (change in % change)	Base	-0.40	-0.15	-0.14	-0.14	-0.13
		Optimistic	0.77	1.01	1.02	1.03	1.04
		Pessimistic	-1.57	-1.32	-1.31	-1.31	-1.30
b) Lending interest rate	Lending Interest Rate (%)	Base	9.60	9.00	9.10	9.30	9.89
		Optimistic	9.91	9.31	9.41	9.61	10.20
		Pessimistic	9.29	8.69	8.79	8.99	9.58
c) Average real wages	Average real wages (% change pa)	Base	4.40	4.80	5.20	5.60	2.17
		Optimistic	5.15	5.55	5.95	6.35	2.92
		Pessimistic	3.65	4.05	4.45	4.85	1.43
d) Housing Price	Housing Price Index (%	Base	0.06	0.05	0.05	0.04	0.03

Index	change)						
		Optimistic	-0.00	-0.01	-0.02	-0.03	-0.03
		Pessimistic	0.13	0.12	0.11	0.10	0.10

Note: The Company has applied more weights to the pessimistic case as compared to the Optimistic case while computing the probability of default.

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.

i) Credit risk monitoring techniques

Exposures are subject to ongoing monitoring, which may indicate that a significant increase in credit risk has occurred on an exposure. The monitoring typically involves use of the following data for Corporate and Retail exposures:

ii) Overdue status

iii) Restructuring, reschedulement of loans and requests for granting of forbearance

iv) Fraudulent customer

v) Marked as high risk by the Risk Management Committee

vi) Techniques for determining PD

Days past due are a primary input for the determination of the PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by product. For some portfolios, information published in Basel IRB (Basel internal rating based approach refers to set of credit measurement techniques proposed by the Basel committee on Bank Supervision (BCBS)) norms is also used.

The Company employs statistical models to analyse the data collected and generate estimates of the remaining lifetime -PD of exposures and how these are expected to change as a result of the passage of time. Such statistical models are selected considering the availability of information related to the probability of default for each product.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors. Key macro-economic indicators includes but is not limited to;

a) Private consumption;

b) contribution to real GDP growth;

c) Housing Price Index;

d) Lending interest rate;

e) Average real wages;

f) Real agriculture;

g) Recorded unemployment;

h) Consumer prices;

i) Real GDP.

Based on advice from the external risk management experts, the Company considered variety of external actual and forecast information to formulate a ‘base case’ view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. Such forecasts are adjusted to estimate the PDs.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

A maximum of a 12-month PD or actual contractual tenure is considered for financial assets for which credit risk has not significantly increased. The Company measures ECL for stage 2 and stage 3 assets considering the risk of default over the maximum contractual period over which it is exposed to credit risk.

The portfolio is subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

For portfolios in respect of which the Company has limited historical data, external benchmark information is used to supplement the internally available data.

vii) Techniques for determining LGD:

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates against defaulted counterparties. The LGD models consider the cash flow received, assets received in lieu of settlement of loan and collateral available for subsequent recovery that is integral to the financial asset. LGD estimates are calculated on a discounted cash flow basis using the internal rate of return as the discounting factor. Company has observed challenges in the resolution of defaulted accounts with ageing more than two years and accordingly a higher LGD estimate is applied assuming nil recoveries towards such accounts.

viii) Techniques for computation of EAD

a) EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on credit conversion factor prescribed by NHB for various loan commitments. For financial assets in stage 2, EAD is determined by estimating the possible exposure in future using linear amortisation techniques.

b) For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company if the holder of the commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down. Outstanding exposure for utilised limit as well as un-utilised limit post applying the credit conversion factor as prescribed under NHB guidelines, absent availability of information of past history of conversion of un-utilised limits into utilised limits is considered as exposure at default for non-fund-based facilities.

37. Financial risk review(continued)

A. **Credit risk**

Loans by Division

iv. Credit concentration by division under various stages:

1) **Loan exposure by division**

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification of Loans by division. The amounts presented are gross of impairment allowances.

a)

Gross carrying amount of	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Division				
Housing	19,87,742	40,721	18,633	20,47,095
Non Housing	5,79,314	17,615	5,273	6,02,202
Total	**25,67,056**	**58,336**	**23,906**	**26,49,297**

Note : Gross Carrying amount does not include Loan commitments Rs. 2,98,894 lakh

b

Impairment allowance on	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Days past due				
Housing	6,456	6,878	11,373	24,707
Non Housing	3,723	1,601	2,498	7,822
Total	**10,178**	**8,479**	**13,871**	**32,528**

Note : Include impairment allowance on Loan commitments Rs. 1,231 lakh

37. **Financial risk review(continued)**

A. **Credit risk**

(Rs in lakh)

v.

PARTICULARS	As at March 31, 2019
LOANS	
- Amortised Cost	26,49,354
Total - Gross Loans	**26,49,354**
Less: Un-Amortized DMA & Processing Fees	6,970
Total - Carrying Value of Loans	**26,42,384**
Less : Impairment Allowance	32,528
Total - Net Loans	**26,09,856**

37. Financial risk review(continued)

B. Liquidity risk

For the definition of liquidity risk and information on how liquidity risk is managed by the Company, see Note 38.

i. Exposure to liquidity risk

The Company has set tolerance limits in the light of the Company's business objectives, strategic direction and overall risk appetite. The tolerance limits reflects balance between profitability and managing liquidity risk and considers Company's current financial condition and funding capacity. The Company maintains liquidity buffer of unencumbered highly liquid assets (if required) to insure against liquidity stress events.

37. **Financial risk review(continued)**

B. **Liquidity risk**

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets:

As at March 31, 2019	Carrying amount	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial liability by type								
Derivative financial instruments	372	-	-	-	372	-	-	372
Trade payables	6,489	-	6,489	-	-	-	6,489	-
Debt securities	4,01,921	45,442	6,281	1,41,399	1,63,284	45,750	1,93,123	2,09,034
Borrowings	20,93,694	2,63,240	2,18,511	2,84,485	9,17,325	4,11,274	7,66,237	13,28,599
Subordinated liabilities	62,283	-	-	-	17,570	44,800	-	62,370
Other financial liabilities	23,844	6,471	4,360	12,523	490	-	23,354	490
	25,88,603	**3,15,153**	**2,35,641**	**4,38,408**	**10,99,041**	**5,01,824**	**9,89,202**	**16,00,864**
Financial asset by type								
Cash and cash equivalents	13,276	13,276	-	-	-	-	13,276	-
Balances with bank in deposit account	51,708	8,009	16,020	27,651	-	28	51,680	28
Derivative financial instruments	347	1	2	8	336	-	11	336
Receivables	462	-	462	-	-	-	462	-
Loans	26,49,354	31,083	63,927	3,20,334	7,25,995	15,08,014	4,15,345	22,34,009
Investments	369	-	-	-	-	369	-	369
Other Financial Assets	338	-	209	-	129	-	209	129
	27,15,854	**52,369**	**80,620**	**3,47,993**	**7,26,460**	**15,08,411**	**4,80,983**	**22,34,871**
Type of Borrowings								
Borrowings from Banks		1,93,212	1,40,317	1,61,975	9,16,725	2,84,674	4,95,504	12,01,399
Market Borrowings		1,15,471	84,476	2,63,909	1,80,854	90,550	4,63,856	2,71,404
Total Borrowings excluding CCCPS		**3,08,683**	**2,24,793**	**4,25,884**	**10,97,579**	**3,75,224**	**9,59,360**	**14,72,803**

37. Financial risk review(continued)

B. **Liquidity risk**

ii. Maturity analysis for financial liabilities and financial assets

The amounts in the table above have been compiled as follows.

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Derivative financial liabilities and financial assets held for risk management purposes	The Derivative liability/asset amount represents the mark to market(MTM) gain/loss.

The Company's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal differences are as follows:

a) Unrecognised loan commitments are not all expected to be drawn down immediately; and

b) retail loans have an original contractual maturity of between 12 and 144 months but an average expected maturity of 84 months because customers take advantage of early repayment options.

As part of the management of liquidity risk arising from financial liabilities, the Company holds liquid assets comprising cash and cash equivalents to meet liquidity requirements. In addition, the Company maintains agreed lines of credit with other banks to maintain the liquidity requirements.

37. Financial risk review(continued)

B. **Liquidity risk**

ii. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have a actual contratual maturity of 12 months. 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.

(Rs. in lakh)

ASSETS	As at March 31, 2019		
	Within 12 months	After 12 months	Total
Financial assets			
Cash and cash equivalents	13,276	-	**13,276**
Balances with bank in deposit account	51,680	28	**51,708**
Derivatives financial instruments	11	336	**347**
Trade Receivables	462	-	**462**
Loans	1,87,244	24,62,110	**26,49,354**
Investments	-	369	**369**
Other financial assets	209	129	**338**
Non-financial Assets			
Current tax assets (Net)	-	312	**312**
Deferred tax Assets (Net)	-	12,001	**12,001**
Investment property	-	397	**397**
Property, Plant and Equipment	-	2,541	**2,541**
Capital work-in-progress	-	66	**66**
Intangible assets under development	-	9	**9**
Other non-financial assets	3,015	4,106	**7,121**
Total Assets	**2,55,897**	**24,82,404**	**27,38,301**

LIABILITIES	As at March 31, 2019		
	Within 12 months	After 12 months	Total
Financial Liabilities			
Derivative financial instruments	-	372	372
Trade Payables			
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,489	-	6,489
Debt Securities	1,93,051	2,08,870	4,01,921
Borrowings (Other than debt securities)	7,65,832	13,27,862	20,93,694
Subordinated liabilities	-	62,283	62,283
Other financial liabilities	23,354	490	23,844
Non-Financial Liabilities			
Current tax liabilities (Net)	2,900	-	2,900
Provisions	2,300	30,629	32,929
Other non-financial liabilities	9,508	6,467	15,975
Total liabilities	**10,03,434**	**16,36,973**	**26,40,407**
Net	**(7,47,537)**	**8,45,431**	**97,894**

37. Financial risk review(continued)

B. **Liquidity risk**

iii. Financial assets available to support future funding

The Company has assets which are not pledged as securities. Details of assets pledged/not pledged as securities are as follows:

(Rs. in lakh)

	As at March 31, 2019		
ASSETS	**Pledged**	**Not Pledged**	**Total**
Financial assets	**26,45,756**	**70,098**	**27,15,854**
Cash and cash equivalents		13,276	13,276
Balances with bank in deposit account		51,708	51,708
Derivatives financial instruments		347	347
Trade Receivables		462	462
Loans	26,45,756	3,598	26,49,354
Investments		369	369
Other financial assets		338	338
Non-financial Assets	**31**	**22,416**	**22,447**
Current tax asset		312	312
Deferred tax Assets (Net)		12,001	12,001
Investment property	31	366	397
Property, Plant and Equipment		2,541	2,541
Capital work-in-progress		66	66
Intangible assets under development		9	9
Other non-financial assets		7,121	7,121
Total Assets	**26,45,787**	**92,514**	**27,38,301**

iv. Financial assets pledged as collateral

The total financial assets recognised in the statement of financial position that had been pledged as collateral for liabilities as on March 31, 2019

Financial assets are pledged as collateral as part of the borrowings under terms that are usual and customary for such activities. In addition, as part of financial asset transactions, the Company has received collateral that it is permitted to sell in order to recover the customer dues and the same has not been considered for the purpose of computation of impairment allowance for credit impaired assets.

37. Financial risk review(continued)

C. Market risk

i For the definition of market risk and information on how the company manages the market risks of trading and non-trading portfolios, see Note 38(D).

The following table sets out the allocation of assets and liabilities to non-trading portfolios. The Company does not allocate the assets and liabilities to trading portfolios.

(Rs. in lakh)

Carrying amount	**Market risk measure**
Assets subject to market risk	**As at March 31, 2019**
Cash and cash equivalents	13,276
Balances with bank in deposit account	51,708
Derivative financial instruments	347
Receivables	462
Loans	26,49,354
Investments	369
Other Financial Assets	338
Liabilities subject to market risk	
Derivative financial instruments	372
Trade payables	6,489
Debt securities issued	4,01,921
Borrowings	20,93,694
Subordinated liabilities	62,283
Other financial liabilities	23,844

37 Financial risk review(continued)

C. Market risk (continued)

ii Company carries out EAR model analysis for rate sensitive asset and liabilities.

Below table illustrates impact on 100 bps change on Rate sensitive asset and Rate sensitive liability.

As at March 31, 2019 (Rs. in lakh)

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate Sensitive Asset	26,13,071	13,065	(13,065)
Rate Sensitive Liabilities	19,48,154	9,741	(9,741)
Net Gap (Asset - liability)	6,64,916	3,325	(3,325)

Exposure to foreign exchange fluctuation risk – Non-trading portfolios (continued)

The Company carries out assessment of impact on profitability due to change in the foreign exchange rate fluctuation towards external commercial borrowings.

As at March 31, 2019

Exposure (Amt in USD MN)	Foreign exchange rate sensitive	(Loss)/Gain impact Rs in lakh
75	100 paisa increase per USD	(750)
75	100 paisa decrease per USD	750

37. Financial risk review(continued)

D. Capital management

i Regulatory capital

The National Housing Bank (NHB) sets and monitors capital adequacy requirements for the Company from time to time.

The Company's regulatory capital consists of the sum of the following elements.

Tier 1 Capital includes:
1) ordinary share capital,
2) securities premium account,
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:
a) unrealised fair value gain booked for financial instruments measured at fair value through profit and loss statement; and
b) shares option outstanding account;
c) Remeasurement gain/loss of defined employee benefit plans
d) Fair value gain / (loss) on Financial Assets carried at FVTOCI

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 and stage 2 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

37. Financial risk review(continued)

D. Capital management

ii Regulatory capital

Amt. in lakh	**As at March 31, 2019**
Ordinary share capital	30,971
Securities premium reserve	37,429
Retained earnings	11,316
cumulative compulsorily convertible preference Shares (CCCPS),	1,27,200
special reserve	17,811
general reserve	158
Less:	
-Deferred Revenue Expenditure	(1,894)
-Software	(714)
-Intangible assets under development	(9)
-Unamortised Loan Acquisition Cost	(6,123)
-Deferred Tax Asset	(12,001)
Tier I Capital	**2,04,144**
Subordinate Debt	54,862
Standard Asset provision	18,657
Tier II Capital	**73,519**
Tier I + Tier II Capital	**2,77,663**

The Company policy is to maintain a strong capital base to maintain investor, creditor and shareholder confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' returns is also recognised and the Company recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a stronger capital position.

The Company has complied with the minimum stipulated capital requirements for Tier I and Tier II.

37. Financial risk review(continued)

D. Capital management

iii Capital allocation

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Asset and Liability Management Committee (ALCO).

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

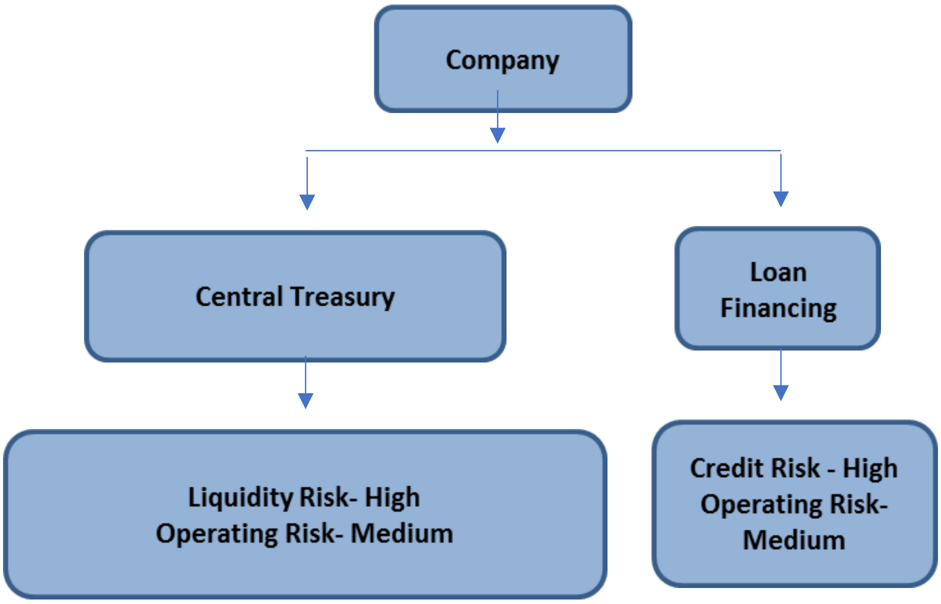
38. Financial risk management

A. Introduction and overview

Financial instruments of the Company have exposure to the following risks:

a) credit risk;
b) liquidity risk;
c) market risks; and
d) operational risk

The following chart provides a link between the Company's business units and the principal risks that they are exposed to. The significance of risk is assessed within the context of the Company as a whole and is measured based on allocation of the regulatory capital within the company.



Company's objectives, policies and processes for measuring and managing risk.

Risk management framework:

The Company's Board of Directors has 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. 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 Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements:

Risk	Exposure arising from	Measurement	Management
Credit risk	Financial assets measured at amortised cost. Trade receivables and derivative financial instruments	Ageing analysis	Diversification of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Payable in foreign currency for purchase of Assets given on operating lease		
Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.	

The Company's Credit risk and market risk management for lending business is carried out by the Credit and Risk management team and the liquidity and market risk management for the sources of funds is carried out by a central treasury department as per the policies approved by the board of directors. Company treasury identifies, evaluates and mitigates financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

B. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

Management of Credit risk:

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits. The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

The Company has additionally taken the following measures: -

1) Lower borrower group exposure limits
2) Establishment of a separate credit monitoring team to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required
3) Enhanced monitoring of retail product portfolios through periodic reviews.

For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure – e.g. individual obligor default risk, industry risk, market risk and sector risk.

Following type of risk are monitored by the Credit committee

a) Market risk:
The market risk in respect of changes in value in financial assets arising from changes in market credit spreads applied to loans are monitored by the Risk management committee.
b) Settlement risk:
The Company's activities may give rise to risk at the time of settlement of transactions and trades. 'Settlement risk' is the risk of loss due to the failure of a Company to honour its obligations to deliver cash, securities or other assets as contractually agreed. For certain types of transaction, the Company mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval/limit monitoring process described earlier.

Governance framework:

a) The Board of Directors has delegated responsibility for the oversight of credit risk to its Credit Committee. A separate Managing Credit Committee, reporting to the Credit Committee, is responsible for managing the Company's credit risk, including the following: a) Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, setting and adherence to internal and regulatory threshold limits, and compliance with regulatory and statutory requirements;
b) Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by Credit Committee, the Head of Credit, the Head of Risk or the Board of Directors, as appropriate. Review and assessment of credit risk is done by the Credit and Risk Team. Credit assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned.
c) Renewals and reviews of facilities are subject to the same review process;
d) Limiting concentrations of exposure to counterparties, geographies and industries for loans and advances;
e) Developing and maintaining the Company's risk gradings to categorise exposures according to the degree of risk of default. The responsibility for setting risk grades lies with the final approving executive or committee, as appropriate. Risk grades are subject to regular reviews by Risk Management Committee;
f) Developing and maintaining the Company's processes for measuring ECL:
This includes processes for:
   1) initial approval, regular validation and back-testing of the models used;
   2) incorporation of forward-looking information.
   3) Reviewing compliance of business units with agreed exposure limits to products, state and sector.
   4) Regular reports on the credit quality of product portfolios are provided to Credit Committee, which may require appropriate corrective action to be taken.
   5) These include reports containing estimates of ECL allowances.

6) Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk

Each business unit is required to implement Company’s credit policies and procedures, with credit approval authorities delegated from the Credit Committee. Each business unit has a Chief Credit Risk Officer who reports on all credit-related matters to Credit Committee and Chief Risk officer. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subjects to approval of Credit Committee. Regular audits of business units and credit processes are undertaken by Internal Audit.

Credit Risk Assessment Methodology

Retail Portfolio

Our customers for retail loans are primarily middle and high-income, salaried and self-employed individuals.

The Company's credit officers evaluate credit proposals on the basis of operating policies approved by the Board of Directors. The criteria typically include factors such as the borrower’s income and ability to repay, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including CIBIL score verification, visits to offices and homes in the case of loans made to retail borrowers. Dedupe procedures are carried out for the fraud risk assessment.

We mine data on our borrower account behaviour as well as static data regularly to monitor the portfolio performance of each product segment regularly and use these as inputs in revising our product programs, target market definitions and credit assessment criteria to meet our twin objectives of combining volume growth and maintenance of asset quality.

Risk Management and Portfolio Review

We ensure effective monitoring of credit facilities through a risk-based asset review framework under which the frequency of asset review is higher for cases with higher outstanding balances. For both Corporate and Retail borrowers, the Credit Monitoring team verifies adherence to the terms of the credit approval prior to the commitment and disbursement of credit facilities. The Credit Monitoring team/Operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and insurance policies for assets financed. The Credit Committee of the Company, apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Committee is submitted to the Board for its information.

C. Liquidity risk

‘Liquidity risk’ is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

The Company's Board of Directors sets the strategy for managing liquidity risk and delegates responsibility for oversight of the implementation of this policy to ALCO. ALCO approves the liquidity policies and procedures. Central Treasury manages the liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the Company. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key elements of the Company's liquidity strategy are as follows.

1) Maintaining a diversified funding base consisting of market borrowings such as debentures and commercial papers and bank borrowings and maintaining contingency facilities such as unutilised bank lines of credit. Carrying a portfolio of highly liquid mutual funds.
2) Monitoring liquidity ratios, maturity mismatches, behavioural characteristics of the Company's financial assets and financial liabilities, and the extent to which the assets are encumbered and so not available as potential collateral for obtaining funding.
3) Stress testing of the Company's liquidity position.
4) Central Treasury receives information from other business units regarding the liquidity profile of their financial assets and financial liabilities and details of other projected cash flows arising from projected future business. Central Treasury then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Company as a whole.
5) The liquidity requirements of business units and subsidiaries are met through loans from Central Treasury to cover any short-term fluctuations and longer-term funding to address any structural liquidity requirements.

The Central treasury monitors the ALM mismatches for all buckets on a periodic basis and addresses those gaps. Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The scenarios are developed taking into account both specific events (e.g. a rating downgrade) and market-related events (e.g. prolonged market illiquidity, significant adverse change in the industry scenarios, natural disasters or other catastrophes).

D. Market risks

'Market risk' is the risk that changes in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) – 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 parameters to ensure the solvency while optimising the return on risk.

a) Management of market risks

The Company monitors its exposure to market risks on account of non-trading portfolios. Overall authority for market risk is vested in ALCO. ALCO sets up limits for each type of risk in aggregate and for portfolios, with market liquidity being a primary factor in determining the level of limits set for trading portfolios. The Chief Market Risk officer is responsible for the development of detailed risk management policies (subject to review and approval by ALCO) and for the day-to-day review of their implementation. The Company employs a range of tools to monitor and limit market risk exposures. These are discussed below, separately for non-trading portfolios.

b) Exposure to market risk – Non-trading portfolios

- **Interest rate risk**

Our core business is borrowing and lending as permitted by the Reserve Bank of India. These activities expose us to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. We monitor interest rate risk through above measures on a monthly basis. The interest rate risk limits are approved by the Board of Directors.

- **Foreign exchange risk**

The Company's risk management policies is to hold derivatives instruments such as foreign currency forward to mitigate the risk of foreign currency payments for payments and interest rate swap to mitigate the risk of fluctuation in the interest rate applicable towards external commercial borrowings. The Company has a policy to enter in to the derivative position to ensure that the risk on account of fluctuation in foreign exchange rates and interest rates on external commercial borrowings is fully mitigated by entering into foreign exchange forward cover and interest rate swap.

c) Equity price risk

Equity price risk is subject to regular monitoring by Company Market Risk, but is not currently significant in relation to the Company's overall results and financial position.

E. Operational risk

'Operational risk' is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks – e.g. those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and innovation. In all cases, Company's policy requires compliance with all applicable legal and regulatory requirements. The Board of Directors has delegated responsibility for operational risk to its Company's Operational Risk Committee, which is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of overall Company's standards for the management of operational risk in the following areas:

1) requirements for appropriate segregation of duties, including the independent authorisation of transactions
2) requirements for the reconciliation and monitoring of transactions
3) compliance with regulatory and other legal requirements;
4) documentation of controls and procedures;
5) requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;

6) requirements for the reporting of operational losses and proposed remedial action; •• development of contingency plans;•• training and professional development;
7) ethical and business standards; and
8) risk mitigation, including insurance where this is cost-effective.

Compliance with Company's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the Operational Risk Committee, with summaries submitted to the Audit Committee and senior management of the Group.

39. Disclosure of details as required under notification issued by NHB dated February 09, 2017, NHB.HFC.CG-DIR.1/MD&CEO/2016.

39.1 Capital

(Rs. In Lakh)

Particulars		2018-19
		Ind AS
(i)	CRAR (%)	16.23%
(ii)	CRAR – Tier I Capital (%)	11.94%
(iii)	CRAR – Tier II Capital (%)	4.30%
(iv)	Amount of subordinated debt raised as Tier- II Capital	-
(v)	Amount raised by issue of Perpetual Debt Instruments	-

39.2 There were no unhedged foreign currency transactions during current year

39.3 The Company has not done any Securitisation during the financial year.

39.4 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction is Rs. Nil

39.5 Details of Assignment transactions undertaken by HFCs:

(Rs. In Lakh)

Particulars		2018-19
(i)	No. of accounts	Nil
(ii)	Aggregate value (net of provisions) of accounts sold *	Nil
(iii)	Aggregate consideration	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil
(v)	Aggregate gain / loss over net book value	Nil

39.6 The Company does not have purchase / sale transaction of non-performing financial asset

39.7 Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities as per NHB format
For the year 2018-19

(Rs. In Lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	1,93,212	1,15,471	-	31,083	-	-
Over One month to 2 months	61,500	63,542	-	31,953	-	-
Over 2 months unto 3 months	78,817	20,934	-	31,974	-	-
Over 3 months to 6 months	93,942	1,35,738	-	1,17,940	-	-
Over 6 months to 1 year	68,033	1,28,171	-	2,02,394	-	-
Over 1 year to 3 years	6,25,286	1,35,373	-	3,83,348	-	-
Over 3 years to 5 years	2,39,449	45,481	51,990	3,42,647	-	-
Over 5 to 7 years	1,01,874	69,550	-	2,68,016	-	-
Over 7 to 10 years	97,737	21,000	-	4,09,826	-	-
Over10 years	85,063	-	-	8,30,172	-	-
Total	**16,44,913**	**7,35,260**	**51,990**	**26,49,354**	**-**	**-**

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

39.8 Exposure

39.8.1 Exposure to Real Estate Sector

(Rs. In Lakh)

Category		2018-19
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:	
	(i) Individual housing loans up to Rs. 15 Lakh	4,01,651
	(ii) Other loans	22,99,570
(ii)	**Commercial Real Estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure includes non-fund based (NFB) limits.	2,49,174
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**	
	a. Residential	-
	b. Commercial Real Estate	-
b)	**Indirect Exposure** Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-
Total		**29,50,395**

Note : Exposure to Real Estate Sector Includes accrued interest and undrawn commitment given to borrowers.

39.8.2 Exposure to Capital Market

(Rs. In Lakh)

Particulars		2018-19
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-
Total Exposure to Capital Market		**-**

39.8.3 No Parent Company products were financed during the year

39.8.4 The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the NHB prudential norms applicable to HFC

39.9 Miscellaneous

39.9.1 The Company has following Registrations effective as on March 31, 2019:

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
National Housing Bank	04.0073.09	02-Apr-09	-	Housing finance institution without permission to accept public deposits.

39.9.2 No penalties has been imposed on the Company during the year

39.9.3 No loans granted against the collateral gold jewellery by the company

39.9.4 Ratings assigned by credit rating agencies and migration of ratings during the year.

(i)	Rating Assigned to	Short Term Debt, Long Term Debt, Tier II Debt
(ii)	Date of Rating	ICRA- 26th October 2018, CRISIL- 27th March, 2019, India Rating- 22nd August 2018
(iii)	Rating Valid up to	Till the Date of reaffirmation
(iv)	Name of the Rating Agency	ICRA Limited (ICRA), CRISIL Limited (CRISIL), INDIA RATINGS
(v)	Rating of products	
	(a) Commercial Paper	CRISIL A1+, ICRA A1+ Stable
	(b) Secured NCDs	CRISIL AAA/ Stable, [ICRA] AAA/Stable, IND AAA/ Stable
	(c) Subordinated Debt	CRISIL AAA/ Stable, [ICRA] AAA/Stable, IND AAA/ Stable
	(d) Market Linked Debentures	CRISIL PP-MLD AAAr/Stable
	(e) Bank loan facilities	CRISIL AAA/ Stable, IND AAA/ Stable

During the year under review, rating agencies upgraded the ratings and re-affirmed/issued ratings to the Company as above

39.10 Additional Disclosures

39.10.1 Provisions and Contingencies

(Rs. In Lakh)

	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	**2018-19**
(i)	Provision made / (reversed) towards income tax	7,688
(ii)	Provision made / (reversed) towards NPA [Impairment allowance - stage III (net of recoveries)]	18,919
(iii)	Provision made / (reversed) for standard assets [Impairment allowance - stage I & II]	1,245
(iv)	Provision made / (reversed) for depreciation on fixed assets	590
(v)	Provision made / (reversed) for gratuity	216
(vi)	Provision made / (reversed) for leave encashment	283
(vii)	Provision made / (reversed) for long term service benefit	(28)

The Company has assessed its obligations arising in the normal course of business, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Indian Accounting Standard (Ind AS) 37 on 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

39.10.3 The disclosure of the Concentration of Deposits taken is not applicable as the Company carries on the business of a housing finance institution without accepting public deposits

39.10.4 Concentration of Loans & Advances

(Rs. In Lakh)

Particulars	**2018-19**
Total Loans & Advances to twenty largest borrowers #	1,36,393
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	5.14%

Includes Loans & Advances and interest accrued thereon.

39.10.5 Concentration of all Exposure (including off-balance sheet exposure)

(Rs. In Lakh)

Particulars	**2018-19**
Total Exposure to twenty largest borrowers / customers #	1,91,029
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	6.47%

Includes Loans & Advances and interest accrued and undrawn exposure thereon.

39.10.6 Concentration of NPAs

(Rs. In Lakh)

Particulars	**2018-19**
Total Exposure to top ten NPA accounts	4,173

39.10.7 Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector
		2018-19
A.	**Housing**	**0.91%**
1.	Individuals	0.92%
2.	Builders/Project	0.72%
3.	Corporates	2.92%
4.	Others (specify)	0.00%
B.	**Non-Housing**	**0.88%**
1.	Individuals	0.84%
2.	Builders/Project	1.37%
3.	Corporates	0.72%
4.	Others (specify)	0.00%

39.10.8 Movement of NPAs

(Rs. In Lakh)

Particulars		**2018-19**
(I)	Net NPAs to Net Advances (%)	0.38%
(II)	Movement of NPAs (Gross)	
a)	Opening balance	24,852
b)	Additions during the year	25,203
c)	Reductions during the year	(26,151)
d)	Closing balance	23,904
(III)	Movement of Net NPAs	
a)	Opening balance	8,380
b)	Additions during the year	9,439
c)	Reductions during the year	(7,786)
d)	Closing balance	10,033
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)	
a)	Opening balance	16,472
b)	Additions during the year	13,286
c)	Reductions during the year	(15,887)
d)	Closing balance	13,871

Note: The movement of Gross NPA, Provisions for NPA and Net NPA presented above excludes NPA identified and regularized in the same financial year.

39.10.9 The company does not have overseas asset as at March 31st 2019

39.10.10 The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable

39.11 Customers Complaints

Particulars		**2018-19**
a)	No. of complaints pending at the beginning of the year	21
b)	No. of complaints received during the year	3747
c)	No. of complaints redressed during the year	3634
d)	No. of complaints pending at the end of the year	134

39.12 Derivative Instruments Exposures:

Derivative positions open as at March 31, 2019 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 (ix).

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, 2019	
		USD (Mio)	Rs. In lakh
Foreign exchange forward contracts i.e. Notional principal of Swap Agreements (Foreign currency amount payable at future date *forward rate on such date * USD)	Buy	83.36	64,112
Interest rate swap contract i.e. Notional principal of Swap Agreements (Spot rate on date of transaction * External commercial borrowings in USD)	Buy	75.00	51,615
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements (Closing rate - Spot Rate) * Fixed Asset cost in Euros	Buy	NA	NA
Collateral required by the NBFC upon entering into swaps	Buy	NA	NA
Concentration of credit risk arising from the swaps $	Buy	NA	NA
The fair value gain of the foreign exchange forward contract	Buy	NA	347
The fair value loss of the interest rate swap	Buy	NA	(372)

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
(i) Derivatives (Notional Principal Amount)	64,112	51,615
(ii) Marked to Market Positions [1]		
(a) Assets (+)	347	-
(b) Liability (-)	-	(372)
(iii) Credit Exposure [2]	-	-
(iv) Unhedged Exposures	-	-

39.13 Housing and non-housing loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank are as follows:

(Rs. in Lakh)

Category	Standard Assets	Sub-Standard Assets	Doubtful Assets	Loss Assets	Total
	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019
Housing Loan					
Gross Portfolio	20,28,462	17,619	471	543	20,47,095
Provision	13,334	10,359	471	543	24,707
Net Portfolio	20,15,128	7,260	-	-	20,22,388
Non Housing Loan					
Gross Portfolio	5,96,931	4,975	296	-	6,02,202
Provision	5,323	2,202	296	-	7,821
Net Portfolio	5,91,608	2,773	-	-	5,94,381
Total					
Gross Portfolio	26,25,393	22,594	767	543	26,49,297
Provision	18,657	12,561	767	543	32,528
Net Portfolio	26,06,736	10,033	-	-	26,16,769

39.14 Categories of Doubtful Assets are as follows:

(Rs. in Lakh)

Category	Doubtful 1	Doubtful 2	Doubtful 3	Total
	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019
Housing Loan				
Gross Portfolio	396	75		471
Provision	396	75		471
Net Portfolio	-	-	-	-
Non Housing Loan				
Gross Portfolio	293	3		296
Provision	293	3		296
Net Portfolio	-	-	-	-
Total				
Gross Portfolio	689	78	-	767
Provision	689	78	-	767
Net Portfolio	-	-	-	-

39.15 Loans granted by the company are secured against mortgage of property.

39.16 The company has reported frauds aggregating Rs. 1,556 Lakh based on management reporting to risk committee and to the NHB through prescribed returns.

39.17 **Asset Classification, NPA identification and Provisioning as per NHB Norms and Staging & Impairment allowance under Ind AS**

1) Classification of Asset as Standard Asset under NHB norms:

An Asset having DPD equal to or less than 89 days and not classified as default as per Ind AS 109 is reported as standard asset as per NHB norms. Provisioning made on stage 1 and stage 2 assets under Ind AS 109 is reported as standard asset provisioning.

2) Classification of an Asset as NPA Asset under NHB norms:

An Asset having DPD equal to or more than 90 days and classified as default as per Ind AS 109 is reported as NPA asset as per NHB norms. Such asset based on DPD as per NHB norms is further classified and presented into substandard, doubtful and loss assets in compliance with the NHB norms. Provisioning made on stage 3 assets under Ind AS 109 is reported as NPA provisioning.

In terms of our report of even date

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Sagar Lakhani
Partner
Membership No: 111855

Place: Mumbai
Date : December 17, 2019

For and on behalf of the Board of Directors

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

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

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

Place: Mumbai
Date : December 17, 2019

Annexure VI

Statement of Accounting Ratio

(Rs. In lakh)

Particulars	**For the year ended 31 March 2019**
Earnings Per Share : (In Rs.)	
- Basic	2.58
- Diluted	2.58
Debt / Equity Ratio	
Debt Securities	4,01,921
Borrowings (Other than debt securities) (Refer note below)	19,66,494
Subordinated liabilities	62,283
Interest accrued but not due on borrowings	20,169
Unamortised borrowing processing cost	1,465
Total debt funds (A)	**24,52,332**
Share capital (Refer note below)	1,58,171
Reserves and Surplus	66,923
Less: Unamortised share issue expenses, prepaid expenses, unamortised loan processing fees	8,017
Total shareholders' funds (B)	**2,17,076**
Debt Equity Ratio (A) / (B)	11.30

Note: Networth has been calculated as per section 2(57) of Companies Act, 2013 and includes Compulsorily Convertible Cumulative Preference Share (CCCPS) held entirely by the Holding Company of Rs. 1,27,200 lakh. Debt Equity Ratio has been calculated as: (Outstanding Debt - CCCPS and dividend accrued thereon) / (Networth). Under Ind AS 32 Financial Instruments: Presentation, the CCCPS and dividend accrued thereon of Rs. 1,27,245 lakh have been classified under borrowings and other financial liabilities in the financial statements.

For and on behalf of Tata Capital Housing Finance Limited

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

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

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

Annexure VII

Statement of Dividend

(Rs. In lakh)

Particulars	**For the year March 31, 2019**
Dividend paid on Preference Shares	7,403
Dividend distribution tax on dividend paid on preference shares	1,522

Note : The above dividend includes interim and final dividend

For and on behalf of Tata Capital Housing Finance Limited

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(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

Annexure VIII

Statement of Capitalisation

(Rs. In lakh)

Particulars	As at 31 March 2019		
	Prior to the issue	Proposed issue	Post the issue
Share Capital (Refer note 2)	1,58,171	-	1,58,171
Add: Reserves and Surplus	66,923	-	66,923
Less : Unamortised expenditure - Debenture issue expenses, Prepaid Expenses and Loan processing charges	8,017	-	8,017
Total Shareholder Funds / Net Worth (A)	**2,17,077**	**-**	**2,17,077**
Debt Securities	4,01,921	5,00,000	9,01,921
Borrowings (Other than debt securities) (Refer note 2)	19,66,494	-	19,66,494
Subordinated liabilities	62,283	-	62,283
Interest accrued but not due on borrowings	20,169	-	20,169
Unamortised borrowing processing cost	1,465	-	1,465
Total Debt Funds (B)	**24,52,332**	**5,00,000**	**29,52,332**
Debt: Equity Ratio (B / A)	**11.30**		**13.60**

Note:

1) The maximum amount proposed to be issued is assumed to be a secured borrowing by the Company.

2) Networth has been calculated as per section 2(57) of Companies Act, 2013 and includes Compulsorily Convertible Cumulative Preference Share (CCCPS) held entirely by the Holding Company of Rs. 1,27,200 lakh. Debt Equity Ratio has been calculated as: (Outstanding Debt - CCCPS and dividend accrued thereon) / (Networth). Under Ind AS 32 Financial Instruments: Presentation, the CCCPS and dividend accrued thereon of Rs. 1,27,245 lakh have been classified under borrowings and other financial liabilities in the financial statements.

For and on behalf of Tata Capital Housing Finance Limited

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Anil Kaul
(Managing Director)
(DIN No. : 00644761)

INDEPENDENT AUDITOR'S REPORT

To the Members of
Tata Capital Housing Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Tata Capital Housing Finance Limited (the 'Company'), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

<table>
<tr><td colspan="2">Transition date accounting policies</td></tr>
<tr><td colspan="2">Refer to the accounting policies in the Financial Statements: Significant Accounting Policies- 'Basis of preparation' and 'Note 3 to the Financial Statements: Explanation of transition to Ind AS'</td></tr>
<tr><td>Adoption of new accounting framework (Ind AS)

Effective 1 April 2018, the Company adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017.

The following are the major impact areas for the Company upon transition:

- Classification and measurement of financial assets and financial liabilities
- Measurement of loan losses (expected credit losses)
- Accounting for loan fees and costs
- Accounting for employee stock options

The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</td><td>Our key audit procedures included:

▪ Evaluated management's transition date choices and exemptions for compliance/acceptability under Ind AS 101.

▪ Understood the methodology implemented by management to give impact on the transition.

▪ Assessed the accuracy of the computations related to significant Ind AS adjustments

▪ Tested the select system reports with the help of our IT specialists to check the completeness and accuracy of the data and reports used to perform computations for giving effect to Ind AS transition adjustments.

▪ Confirmed the approvals of Audit Committee for the choices and exemptions made by the Company for compliance/acceptability under Ind AS 101.

▪ Assessed areas of significant estimates and management judgment in line with principles under Ind AS.

▪ Assessed the appropriateness of the disclosures made in the financial statement.</td></tr>
</table>

Key Audit Matters ***(Continued)***

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Impairment on financial instruments

Charge: INR 20,210 lakh for year ended 31 March 2019
Provision: INR 32,528 lakh at 31 March 2019</td></tr>
<tr><td colspan="2">Refer to the accounting policies in 'Note 2.ix to the Financial Statements: Financial Instruments' and 'Note 2.iv to the Financial Statements: Significant Accounting Policies- use of estimates and judgments' and 'Note 38' to the Financial Statements: Financial risk review: Credit risk 'Note 38(A)'</td></tr>
<tr><td>Subjective estimate

Recognition and measurement of impairment of loans involve significant management judgement.

With the applicability of Ind AS 109: Financial Instruments, credit loss assessment is now based on expected credit loss ('ECL') model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors.

The most significant areas are:

- Segmentation of loan book
- Loan staging criteria
- Calculation of probability of default / loss given default
- Consideration of probability weighted scenarios and forward looking macro-economic factors
- Management overlays</td><td>Our audit procedures included:

Design and operating effectiveness of controls

• Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice.

• We obtained an understanding of the management's new / revised processes, systems and controls implemented in relation to impairment allowance process.

• Assessed the design and implementation of key internal financial controls over loan impairment process used to determine the impairment charge.

• We used our internal specialist to test the model methodology and reasonableness of assumptions used.

• We tested the management review controls over measurement of impairment allowances and disclosures in financial statements.

Substantives tests

• We focused on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model.

• Test of details over calculation of impairment allowance to assess the completeness, accuracy and relevance of data.</td></tr>
</table>

Tata Capital Housing Finance Limited

Key Audit Matters ***(continued)***

Key audit matter	How the matter was addressed in our audit
Impairment on financial instruments (continued) There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.	• The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets and collateral.

Key audit matter	How the matter was addressed in our audit
Information technology	
IT systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. From a financial reporting perspective the Company uses and we have tested the financial accounting and reporting system and loan management systems and other tools for overall financial reporting. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	Our audit procedures included the following: • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these control remained unchanged during the year or were changed following the standard change management process. • Evaluated the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.

Key Audit Matters *(continued)*

Key audit matter	How the matter was addressed in our audit
Information technology (continued)	• Other areas that were independently assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. • Obtained report related to information technology audit carried out by the subject matter expert engaged by the management and assessed the impact if any on our audit procedures.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Board of Directors is also responsible for overseeing the Company's financial reporting process.

Tata Capital Housing Finance Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements *(continued)*

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

The comparative financial information of the Company for the transition date opening balance sheet as at 1 April 2017 included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report dated 28 April 2017 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;

   e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

Report on Other Legal and Regulatory Requirements ***(Continued)***

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

i. The Company does not have any pending litigations as at 31 March 2019 which would impact its financial position;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 36.10.1 and 36.12 to the financial statements;

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No. 046882

Mumbai
26 April 2019

Annexure A to the Independent Auditor’s Report of even date on the financial statements of Tata Capital Housing Finance Limited

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

b. The Company has a program of verification to cover all the items of fixed assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all the fixed assets were physically verified by management during the year ended 31 March 2017. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c. According the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property included in property, plant and equipment are held in the name of the Company.

(ii) The Company is a Housing Finance Company (‘HFC’) and does not have any inventories. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 (the ‘Act’). Accordingly, the provision of clause 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under Section 185 of the Act and has complied with the provisions of Section 186 (1) of the Act. The Company being a housing finance company, nothing contained in Section 186 is applicable, except subsection (1) of that section.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company.

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

(vii) a. According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income-tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of duty of customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report of even date on the financial statements of Tata Capital Housing Finance Limited *(Continued)*

b. According to the information and explanations given to us, the Company did not have any dues on account of income tax, sales tax, service tax, duty of customs, value added tax, goods and service tax and duty of excise which have not been deposited on account of dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to financial institutions, banks, or debenture holders during the year. During the year, the Company did not have any loans or borrowing from the Government.

(ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provision of clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the accompanying financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision of clause 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

Annexure A to the Independent Auditor's Report of even date on the financial statements of Tata Capital Housing Finance Limited *(Continued)*

(xvi) The Company is a HFC is registered with National Housing Bank and thus is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
26 April 2019

Annexure B to the Independent Auditor's Report of even date on the financial statements of Tata Capital Housing Finance Limited

Report on the Internal Financial Controls with reference to the aforesaid 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 Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Tata Capital Housing Finance Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

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

Auditor's Responsibility ***(Continued)***

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 Financial Reporting

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
26 April 2019

TATA CAPITAL HOUSING FINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in lakh)

Particulars	**Note**	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	4	13,276	6,952	8,318
(b) Bank balances other than (a) above	5	51,708	26	-
(c) Derivative financial instruments	39.12	347	-	-
(d) Receivables				
(i) Trade receivables	6	462	396	5
(ii) Other receivables		-	-	-
(e) Loans	7	2,649,354	2,043,987	1,700,371
(f) Investments	8	369	281	251
(g) Other financial assets	9	338	170	247
Total Financial assets		**2,715,854**	**2,051,812**	**1,709,192**
(2) Non-Financial assets				
(a) Current tax assets (Net)		312	80	309
(b) Deferred tax assets (Net)	10	12,001	10,892	7,085
(c) Investment Property	11	397	416	273
(d) Property, plant and equipment	11	2,541	1,481	1,124
(e) Capital work-in-progress	11	66	174	137
(f) Intangible assets under development	11	9	725	326
(g) Goodwill		-	-	-
(h) Other intangible assets		-	-	-
(i) Other non-financial assets	12	7,121	5,240	4,923
Total Non-Financial assets		**22,447**	**19,008**	**14,177**
Total Assets		**2,738,301**	**2,070,820**	**1,723,369**
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Derivative financial instruments	39.12	372	-	-
(b) Payables				
(i) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	13	6,489	4,913	3,769
(c) Debt Securities	14	401,921	427,138	504,769
(d) Borrowings (Other than debt securities)	15	2,093,694	1,444,486	1,032,683
(e) Deposits		-	-	-
(f) Subordinated liabilities	16	62,283	64,770	64,679
(g) Other financial liabilities	17	23,844	28,155	36,555
Total Financial liabilities		**2,588,603**	**1,969,462**	**1,642,455**
(2) Non-Financial liabilities				
(a) Current tax liabilities (Net)		2,900	2,613	1,571
(b) Provisions	18	32,929	34,194	24,650
(c) Other non-financial liabilities	19	15,975	12,514	11,730
Total Non-Financial liabilities		**51,804**	**49,321**	**37,951**
(3) Equity				
(a) Share capital	20	30,971	25,333	25,333
(b) Other equity	21	66,923	26,704	17,630
Total equity		**97,894**	**52,037**	**42,963**
Total Liabilities and Equity		**2,738,301**	**2,070,820**	**1,723,369**
Significant accounting policies	2			
See accompanying notes forming part of the financial statements	1-39			

In terms of our report of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Place: Mumbai
Date : April 26, 2019

Rajiv Sabharwal
(Chairman)
(DIN No. : 00057333)

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

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

S Balakrishna Kamath
(Chief Financial Officer)

Jinesh Meghani
(Company Secretary)

Place: Mumbai
Date : April 26, 2019

TATA CAPITAL HOUSING FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakh)

	Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
I	**Revenue from operations**			
(i)	Interest Income	22	233,013	185,577
(ii)	Dividend Income		-	-
(iii)	Rental Income		-	-
(iv)	Fees and commission Income		3,281	3,442
(v)	Net gain on fair value changes	23	2,467	210
(vi)	Net gain on derecognition of investment		-	-
(vii)	Sale of services		-	-
II	**Other income**	24	5,240	3,472
III	**Total Income (I+II)**		**244,001**	**192,701**
IV	**Expenses**			
(i)	Finance costs	25	177,451	135,165
(ii)	Fees and commission expense		-	-
(iii)	Net loss on fair value changes		-	-
(iv)	Impairment of investment		-	-
(v)	Impairment on financial instruments	27	20,210	13,915
(vi)	Employee benefits expense	26	16,967	11,745
(vii)	Depreciation, amortisation expense and impairment	11	590	418
(viii)	Other expenses	28	16,046	12,571
	Total expenses (IV)		**231,264**	**173,814**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**12,737**	**18,887**
VI	**Exceptional Items**		**-**	**-**
VII	**Profit/(loss) before tax (V-VI)**		**12,737**	**18,887**
VIII	Tax expense			
	(1) Current tax	10.1	8,797	13,933
	(2) Deferred tax	10.1	(1,109)	(3,807)
	Net tax expense		7,688	10,126
IX	**Profit before the period from continuing operations (VII-VIII)**		**5,049**	**8,761**
X	Profit from discontinued operations before tax		-	-
XI	Tax expense of discontinued operations		-	-
XII	**Profit from discontinued operations (after tax) (X-XI)**		**-**	**-**
XIII	**Profit for the period (IX+XII)**		**5,049**	**8,761**
XIV	**Other Comprehensive Income**			
	(i) Items that will not be reclassified subsequently to statement of profit and loss			
	(a) Remeasurement of defined employee benefit plans	10.1	(76)	50
	(ii) Income tax relating to items that will not be reclassified to profit or loss	10.1	27	(17)
	Total Other Comprehensive Income/(Losses)		**(49)**	**33**
XV	**Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit/(Loss) and Other Comprehensive Income for the period)**		**5,000**	**8,794**
XVI	**Earnings per equity share (for continuing operation):**			
	(1) Basic (Rs.)		**2.58**	**4.36**
	(2) Diluted (Rs.)		**2.58**	**4.36**
XVII	**Earnings per equity share (for discontinuing operation):**			
	(1) Basic (Rs.)		**-**	**-**
	(2) Diluted (Rs.)		**-**	**-**
XVIII	**Earnings per equity share(for discontinued and continuing operations)**			
	(1) Basic (Rs.)		**2.58**	**4.36**
	(2) Diluted (Rs.)		**2.58**	**4.36**
Significant accounting policies		2		
See accompanying notes forming part of the financial statements		1-39		

In terms of our report of even date

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Place: Mumbai
Date : April 26, 2019

For and on behalf of the Board of Directors

Rajiv Sabharwal
(Chairman)
(DIN No. : 00057333)

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

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

S Balakrishna Kamath
(Chief Financial Officer)

Jinesh Meghani
(Company Secretary)

Place: Mumbai
Date : April 26, 2019

TATA CAPITAL HOUSING FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

a. Equity share capital

Particulars	Note	Rs. in Lakh
Balance as at April 1, 2017	20	**25,333**
Changes in equity share capital during the year		**-**
Balance at March 31, 2018	20	**25,333**
Changes in equity share capital during the year		**5,638**
Balance at March 31, 2019	20	**30,971**

b. Other equity (Refer Note 21 below)

(Rs. in lakh)

Particulars	Equity component of compound financial instruments	Reserves and surplus					Items of OCI	Total "Other equity"
		Securities premium	Special Reserve Account	Retained earnings	ESOP Reserve	General Reserve	Remeasurement of defined benefit liability /asset	
Balance at April 1, 2017	**-**	2,267	10,735	4,628	**-**	**-**	**-**	**17,630**
Profit for the year	-	-	-	8,761	-	-	-	**8,761**
Transfer to ESOP Reserve	-	-	-	-	201	-	-	**201**
Transfer to General Reserve	-	-	-	-	-	79	-	**79**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	33	**33**
Total	**-**	**-**	**-**	**8,761**	**201**	**79**	**33**	**9,074**
Transfer to Special Reserve Account	-	-	4,284	(4,284)	-	-	-	**-**
Balance at March 31, 2018	**-**	**2,267**	**15,019**	**9,105**	**201**	**79**	**33**	**26,704**
Profit for the year	-	-	-	5,049	-	-	-	**5,049**
Transfer from ESOP Reserve	-	-	-	-	(22)	-	-	**(22)**
Transfer to General Reserve	-	-	-	-	-	79	-	**79**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(49)	**(49)**
Total	**-**	**-**	**-**	**5,049**	**(22)**	**79**	**(49)**	**5,057**
Transfer to Special Reserve Account	-	-	2,792	(2,792)	-	-	-	**-**
Addition to Securities Premium Account	-	35,162	-	-	-	-	-	**35,162**
Balance at March 31, 2019	**-**	**37,429**	**17,811**	**11,362**	**179**	**158**	**(16)**	**66,923**

See accompanying notes forming part of the financial statements

In terms of our report of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
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(DIN No. : 00644761)

S Balakrishna Kamath
(Chief Financial Officer)

Jinesh Meghani
(Company Secretary)

Place: Mumbai
Date : April 26, 2019

Place: Mumbai
Date : April 26, 2019

TATA CAPITAL HOUSING FINANCE LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1 CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	12,737	18,887
Adjustments for :		
Amortisation of Ancillary borrowing cost	597	746
Depreciation and amortisation	590	418
Loss/(profit) on sale of property, plant & equipment (net)	2	(0)
Interest expenses	152,242	116,455
Discounting charges on commercial paper	24,624	18,710
Discounting charges on debentures	585	-
Interest income	(233,013)	(185,577)
Net gain on fair value changes	(2,467)	(210)
Unrealised exchange loss	375	-
Provision for leave encashment	117	41
Impairment allowance - stage I, II & III	20,164	13,915
Provision against trade receivables	46	-
	(23,401)	(16,616)
Adjustments for :		
(Increase) in trade receivables	(66)	(391)
(Increase) in Loans	(621,646)	(347,251)
(Increase) / Decrease in - Other financial asset	(168)	77
(Increase) in - Other non-financial assets	(1,854)	(311)
Increase in Trade payables	2,112	1,279
(Decrease) in Other financial liabilities	(458)	(1,001)
Increase / (Decrease) in Provisions	(27)	7
Increase in Other non-financial liabilities	4,640	2,606
Cash used in operations before adjustments for interest received and interest paid	(640,867)	(361,600)
Interest paid	(169,858)	(134,849)
Interest received	225,162	182,419
Cash used in operations	(585,563)	(314,030)
Taxes paid (net off refunds)	(8,715)	(12,679)
Net Cash Used In Operating Activities (A)	**(594,278)**	**(326,709)**
2 CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (including capital advances)	(838)	(1,211)
Purchase of investment property	-	(159)
Proceeds from sale of property, plant & equipment	10	10
Purchase of long-term investments	-	-
Purchase of mutual fund units	(8,789,366)	(864,512)
Proceeds from redemption of mutual fund units	8,791,770	864,692
Proceeds from sale of long-term investments	-	-
Fixed deposits with banks having maturity over 3 months	(51,615)	(25)
Net Cash Used In Investing Activities (B)	**(50,039)**	**(1,205)**
3 CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Compulsory Convertible Cumulative Preference share capital	55,500	30,100
Payment of Ancillary borrowing cost	(1,585)	(282)
Interim dividend paid on equity and preference shares (including dividend distribution tax)	(8,924)	(9,685)
Proceeds from borrowings (Other than debt securities)	3,348,440	1,900,710
Proceeds from Debt Securities	90,430	109,500
Repayment of Borrowings (Other than debt securities)	(2,715,191)	(1,516,455)
Repayment of Debt Securities	(115,530)	(187,340)
Repayment of Subordinated liabilities	(2,500)	-
Net Cash Generated From Financing Activities (C)	**650,641**	**326,548**

TATA CAPITAL HOUSING FINANCE LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakh)

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Net Increase / (Decrese) In Cash And Cash Equivalents (A+B+C)	**6,324**	**(1,366)**
Cash And Cash Equivalents As At The Beginning Of The Year	**6,952**	**8,318**
Cash And Cash Equivalents As At The End Of The Year	**13,276**	**6,952**
Significant accounting policies See accompanying notes forming part of the financial statements		

In terms of our report of even date

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Place: Mumbai
Date : April 26, 2019

For and on behalf of the Board of Directors

Rajiv Sabharwal
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S Balakrishna Kamath
(Chief Financial Officer)

Jinesh Meghani
(Company Secretary)

Place: Mumbai
Date : April 26, 2019

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Standalone Financial Statements

1. CORPORATE INFORMATION

Tata Capital Housing Finance Limited (the "Company") is a wholly owned subsidiary of Tata Capital Limited and a Systemically Important Non Deposit Accepting Housing Finance Company ("HFC"), holding a Certificate of Registration from the National Housing Bank ("NHB") dated April 2, 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

i. Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has adopted Ind AS from April 1, 2018 with effective transition date as April 1, 2017. These 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 Companies Act, 2013 (the "Act"). The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP").

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note no 3.

The Company is regulated by the National Housing Bank ('NHB'). The NHB periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its financial statements. The financial statements for the current and previous year may need to undergo changes in measurement and / or presentation upon receipt of clarifications on the Regulatory Framework or changes thereto.

The financial statements have been authorised for issue by the Board of Directors on April 26, 2019.

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 Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees in Lakh.

iii. Basis of preparation and presentation

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

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.

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 value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which 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 measurement date

b) Level 2: inputs are 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 measurement date.

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

Refer note 36A and 36B.

iv. Use of estimates and judgements

The preparation of financial statements 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 ix - 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, 2019 are included in the following notes:

- Note x - impairment test of non-financial assets: key assumption underlying recoverable amounts.

- Note x - useful life of property, plant, equipment and intangibles.
- Note xvii – recognition of deferred tax assets: availability of future taxable profit against which carry forward deferred tax asset can be set off.
- Notes xx – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 35 – measurement of defined benefit obligations: key actuarial assumptions.
- Note 36C – determination of the fair value of financial instruments with significant unobservable inputs.
- Note 37 A (iii) – impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit loss (ECL).
- Note 37 A (iii) – impairment of financial instruments: key assumptions used in estimating recoverable cash flows.

v. 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 and expense are 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 or amortised cost of the financial liability.

The calculation of the EIR includes all fees paid or received that are incremental and directly attributable to the acquisition or issue of a financial asset or liability.

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

The interest cost is calculated by applying the EIR to the amortised cost of the financial liability.

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

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

vi. Income from services and distribution of financial products

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

vii. Dividend income

Income from dividend on investment in equity shares of corporate bodies and units of mutual funds is accounted when the Company's right to receive dividend is established.

viii. Leases

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 rentals under operating leases (excluding amount for services such as insurance and maintenance) are recognised on a straight-line basis over the lease term, except for increase in line with expected inflationary cost.

ix. Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet on trade date when the Company becomes a party to the contractual provisions of the instrument. Loan is recorded upon remittance of the funds.

Recognised 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 FVTPL) 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 directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

a) if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

b) in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

a) Financial assets

Classification

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

1) amortised cost;

2) fair value through other comprehensive income (FVTOCI); or

3) fair value through profit and loss (FVTPL).

Initial recognition and measurement

Financial asset is recognised on trade date initially at cost of acquisition net of transaction cost and income that is attributable to the acquisition of the financial asset. Cost equates the fair value on acquisition. Financial asset measured at amortised cost and Financial asset measured at fair value through other comprehensive income is presented at gross carrying value in the Financial statements. Unamortised transaction cost and incomes and impairment allowance on Financial asset is shown separately under the heading "Other non-financial asset", “Other non-financial liability" and "Provisions" respectively.

Assessment of Business model

An assessment of the applicable business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company’s business model does not depend on management’s intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company could have more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company’s business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. The Company takes into account all relevant evidence available such as:

1) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity’s key management personnel and board of directors;

2) the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed;

3) 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)

4) At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

Based on the assessment of the business models, the Company has identified the three following choices of classification of financial assets:

a) Financial assets that are held within a business model whose objective is to collect the contractual cash flows ("Asset held to collect contractual cash-flows"), and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are measured at amortised cost;

b) Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ("Contractual cash flows of Asset collected through hold and sell model") and that have contractual cash flows that are SPPI, are measured at FVTOCI.

c) All other financial assets (e.g. managed on a fair value basis or held for sale) and equity investments are measured at FVTPL.

Financial asset at amortised cost

Amortised cost of financial asset is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Contractual cash flows that do not introduce exposure to risks or volatility in the contractual cash flows on account of changes such as equity prices or commodity prices and are related to a basic lending arrangement, do give rise to SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial asset at fair value through Other Comprehensive Income (FVTOCI)

After initial measurement, basis assessment of the business model as "Contractual cash flows of Asset collected through hold and sell model and SPPI", such financial assets are classified to be measured at FVTOCI. Contractual cash flows that do introduce exposure to risks or volatility in the contractual cash flows due to changes such as equity prices or commodity prices and are unrelated to a basic lending arrangement, do not give rise to SPPI.

The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. The carrying value of the financial asset is fair valued by discounting the contractual cash flows over contractual tenure basis the internal rate of return of a new similar asset originated in the month of reporting and such unrealised gain/loss is recorded in other comprehensive income (OCI). Where such a similar product is not originated in the month of reporting, the closest product origination is used as a proxy. Upon sale of the financial asset, actual gain/loss realised is recorded in the Statement of Profit and Loss and the unrealised gain/losses is recorded in OCI are recycled to the Statement of Profit and Loss.

Financial asset at fair value through profit and loss (FVTPL)

Financial asset, which does not meet the criteria for categorization at amortized cost or FVTOCI, is classified as at FVTPL. In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). Financial assets included within the

FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investments in equity and mutual fund

Investment in equity and mutual fund are classified as FVTPL and measured at fair value with all changes recognised in the Statement of Profit and Loss. Upon initial recognition, the Company, on an instrument-by-instrument basis, may elect to classify equity instruments other than held for trading either as FVTOCI or FVTPL. Such election is subsequently irrevocable. If FVTOCI is elected, all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the gains or losses from OCI to the Statement of Profit and Loss, even upon sale of investment. However, the Company may transfer the cumulative gain or loss within other equity upon realisation.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the new classification will be applied. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment of Financial Asset

Impairment approach

The Company is required to recognise expected credit losses (ECLs) based on forward-looking information for all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. No impairment loss is applicable on equity investments.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognised for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVTOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

1. Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 29 days are classified as stage 1. The Company has identified zero bucket and bucket with DPD less than or equal to 29 days as two separate buckets.

2. Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company has identified cases with DPD equal to or more than 30 days and less than or equal to 59 days and cases with DPD equal to or more than 60 days and less than or equal to 89 days as two separate buckets.

3. Stage 3: Lifetime ECL – credit impaired

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.

A loan that has been renegotiated due to a deterioration in the borrower’s condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. ECL is recognised on EAD as at period end. If the terms of a financial asset are renegotiated or modified due to financial difficulties of the borrower, then such asset is moved to stage 3, lifetime ECL under stage 3 on the outstanding amount is applied.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

1. Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.
2. Qualitative test: Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring. High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress.
3. Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the National Housing Bank definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due. The Company continues to incrementally provide for the asset post initial recognition in Stage 3, based on its estimate of the recovery.

In line with the above policy, the Company has thus fully provided for/ written off the entire receivables in the current financial year as per table below:

Product	**Overdue criteria**
Home Loans	15 months and above
Loan against property	15 months and above
Construction Finance	15 months and above

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

Inputs, assumptions and estimation techniques used for estimating ECL:

Refer note 37 A (iii)

Impairment of Trade receivable

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

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 the asset, or the Company has neither transferred nor retained substantially all the risks and rewards 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.

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 income statement.

Presentation of ECL allowance for financial asset:

<table>
<tr><th>Type of Financial asset</th><th>Disclosure</th></tr>
<tr><td>Financial asset measured at amortised cost</td><td rowspan="2">shown separately under the head "provisions" and not as a deduction from the gross carrying amount of the assets</td></tr>
<tr><td>Financial assets measured at FVTOCI</td></tr>
<tr><td>Loan commitments and financial</td><td>shown separately under the head</td></tr>
</table>

guarantee contracts	“provisions”

Where a financial instrument includes both a drawn and an undrawn component and the Company cannot identify the ECL on the loan commitment separately from those on the drawn component, the Company presents a combined loss allowance for both components under “provisions”.

Financial liability, Equity and Compound Financial Instruments

Financial liabilities and equity

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.

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).

Initial recognition and measurement

Financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that is attributable to the acquisition of the financial liability. Cost equates the fair value on acquisition. Company may irrevocably designate a financial liability that meet the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

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 component parts of compound instruments (e.g. cumulative compulsorily convertible preference shares CCCPS) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital and share premium. 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.

A Cumulative Compulsorily Convertible Preference Shares (CCCPS), with an option to holder to convert the instrument in to variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

b) Derivative Financial Instruments

The Company uses derivative financial instrument such as foreign currency forward cover contract to mitigate foreign exchange rate risk. Derivatives are initially recognised at fair value as on the date of entering into a derivative contract and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain/loss is recognised in profit or loss immediately since the derivative is not designated as a hedging instrument. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

c) Cash, Cash equivalents and bank balances

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

x. Property, plant and equipment

a. Tangible

Tangible property, plant and equipment (PPE) acquired by the Company are reported at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. 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.

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. Intangible

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

d. Intangible assets under development

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

e. Depreciation and Amortisation

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

Depreciation on tangible property, plant and equipment deployed for own use has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Buildings, Computer Equipment networking assets, Plant & Machinery and Vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation for additions to/deductions from owned assets is calculated pro rata to the remaining period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. All capital assets with individual value less than Rs. 5,000 are depreciated fully in the year in which they are purchased.

Purchased software / licenses are amortised over the estimated useful life during which the benefits are expected to accrue, 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	10 years
Computer Equipment	4 years
Office Equipment	5 years
Vehicles	4 years
Software Licenses	1 to 10 years
Buildings	25 years
Plant & Machinery	10 years

f. Investment property

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

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

g. Impairment of assets

Upon an observed trigger or at the end of each accounting year, 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.

xi. **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.

xii. Employee Benefits

Defined Employee benefits include provident fund, superannuation fund, employee state insurance scheme.

Defined contribution benefits includes gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employee's Provident Scheme, 1952 is recognised as an expense in the year in which it is determined.

The Company's contribution to superannuation fund and employee state insurance scheme are considered as defined contribution plans and are 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

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. Re-measurement 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 immediately in OCI. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

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

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the 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.

Share based payment transaction

The stock options of the Parent Company are granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The amount recognised as expense is based on the estimate of the number of options for which the related service and non-market and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service and non-market vesting conditions at the vesting date. For share-based options with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value of the options is treated as discount and accounted as employee compensation cost 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 an expense in respect of such grant is transferred to the general reserve within other equity, which a free reserve in nature.

xiii. Securities premium account

The Company records premium:

1. On issuance of new equity shares above par value;

2. On conversion of CCCPS into equity shares above par value.

The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

xiv. Foreign currencies 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.

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.

xv. Operating Segments

The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc., of houses/ flats to individuals and corporate bodies and has it's operations within India. The Chief Operating Decision Maker (CODM) of the Company is the Board of Directors.

xvi. Earnings per share

Basic earnings per share has been computed by adding back the dividend on CCCPS along with dividend distribution tax (DDT) to the net income and dividing the same by the weighted average number of shares outstanding during the year including potential weighted average number of equity shares that could arise on conversion of preference shares. 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

xvii. 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 loss) 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 income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

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

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

xix. Goods and Services Input Tax Credit

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

xx. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

(i) an entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. 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.

Contingent assets are not recognised in the financial statements

xxi. Commitments

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

a) estimated amount of contracts remaining to be executed on capital account and not provided for;

b) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

c) other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

d) commitments under Loan agreement to disburse Loans

xxii. Statement of Cash Flows

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

i. changes during the period in operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. all other items for which the cash effects are investing or financing cash flows.

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

xxiii. Dividend payable (including dividend distribution tax)

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 Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

xxiv. Standard issued and applicable from April 1, 2019:

Ind AS 116 Leases:

The new standard has impact on accounting treatment of an asset taken on lease by the Company. The Company has to measure a right-of-use of asset similar to other non-financial asset such as property, plant and equipment and lease liability similar to other financial liability. As a consequence, the Company will recognise the depreciation of right-of-use asset and interest on the lease liability, and also classify cash repayments of the lease liability into a principal portion and an interest portion and present them in the statement of cash flows applying Ind AS 7, Statement of Cash Flows. Under Ind AS 17, for operating lease, the Company is required to recognise the lease payment as an expense on a straight-line basis unless another systematic basis is representative of the time pattern of the user's benefit.

The Company is evaluating the following list of policies, choices, exemptions and practical expedients:

Area	**policy to be adopted**
Definition of lease term:	Grandfather its previous assessment of which existing contracts are, or contain, leases on date of initial application (April 1, 2019). The definition of lease under the new standard will only be applied prospectively (including modifications to existing contracts).
Recognition exemption – short term leases:	avail exemption on short term leases on transition and subsequently
Recognition exemption – leases of low value items:	avail exemption on leases of low value items on transition and subsequently. Low value items may be considered as items with a value of less than or equal to INR 5 lacs
Transition approach:	elected to apply modified retrospective method for all leases. This means that - Right of use asset (ROU) would be measured as if standard had always been applied but using incremental borrowing date on - April 1, 2019 - Lease liability would be measured on 1 April 2019 as the present value of the remaining lease payments and using incremental borrowing rate on April 1, 2019 - Standard would be applied on April 1, 2019 and equity adjustment (difference between the ROU asset and lease liability computed above) would be recognised on April 1, 2019 - Comparative period would not be restated - Disclosures to be made as applicable
Discount rates	elected to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

Leases with a short remaining term	elected to account for leases for which the lease term ends within 12 months of date of initial application (April 1, 2019) as short-term leases
Initial direct costs	elected to exclude initial direct costs from measurement of right of use asset on date of initial application (April 1, 2019)
Use of hindsight	elected to use hindsight in estimating lease term if the contract contains options to extend or terminate the lease

xxv. FIRST TIME ADOPTION OF IND AS (read with note 2(i))

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2018, with a transition date of April 01, 2017. The financial statements for the year ended March 31, 2019 are the first financial statements, the Company has prepared under Ind AS. For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for the year ended March 31, 2018 and the opening Ind AS Balance Sheet as at April 1, 2017, the date of transition to Ind AS and also as at March 31, 2018.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as in Note 3. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). Note 3 explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Statement of Profit and ;Loss account for the year ended March 31, 2018 and the Balance Sheet as at April 1, 2017 and as at March 31, 2018.

3. EXPLANATION OF TRANSITION TO IND AS

These financial statements have been prepared in accordance with Ind AS as notified by Ministry of Corporate Affairs (the "MCA") under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act.

In accordance with the notification issued by the MCA, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2018. Previous period have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“IGAAP”) to Ind AS of Shareholders’ equity as at March 31, 2018 and April 1, 2017 and of the comprehensive net income for the year ended March 31, 2018..

This note explains the principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018 and how the transition from IGAAP to Ind AS has affected the Company’s financial position, financial performance.

Reconciliations between IGAAP and Ind AS

(i) Equity reconciliation **(Rs. in lakh)**

Particulars	As at March 31, 2018	As at April 1, 2017
Equity as reported under IGAAP	177,270	135,446
Adjusted for Ind AS transition:		
a Reclassification of Cumulative Compulsorily Convertible Preference shares (CCCPS) to Borrowings	(112,500)	(82,400)
b Dividend accrued on CCCPS and dividend distribution tax thereon	(59)	-
c Impairment allowance on Financial Instruments measured at amortised cost	(8,740)	(7,657)
d Impact of EIR method on Financial Instruments measured at amortised cost	(10,645)	(7,753)
e Impact of EIR method on other financial assets	(15)	(11)
f Net Fair value gain/(loss) on Investment measured at FVTPL	23	6
g Net Deferred tax asset/(liability) on above adjustments	6,702	5,332
Equity under Ind AS	**52,037**	**42,963**

(ii) Total Comprehensive income reconciliation **(Rs. in lakh)**

Particulars	For the year ended March 31, 2018
Net profit as reported under IGAAP	21,420
Add /(Less) :	
Impairment allowance on Financial Instruments measured at amortised cost	(1,083)
Impact of EIR method on Financial Instruments measured at amortised cost	(2,892)
Impact of EIR method on other financial assets	(4)
Dividend accrued on CCCPS and dividend distribution tax thereon	(9,755)
Net Fair value gain/(loss) on Investment measured at FVTPL	17
Amortisation of Option cost for Equity settled ESOP's	(279)
Remeasurement of defined benefit obligation	(50)
Net changes in fair values of time value of cash flow hedges	-
Current tax adjustment	17
Net Deferred tax asset/(liability) on above adjustments	1,370
Net profit under Ind AS	**8,761**
Net changes in fair values of time value of cash flow hedges	
Remeasurement of defined benefit obligation	50
Income tax relating to items that will not be reclassified to profit or loss	(17)
Total Comprehensive income under Ind AS	**8,794**

(iii) Reconciliation of Statement of Cash Flow

There are no material adjustments to the Statements of Cash Flows as reported under the Previous GAAP.

(iv) Exemption applied

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of property, plant & equipment, capital work in progress and investment property measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2017

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3. (v) EXPLANATION OF TRANSITION TO IND AS

Note: Explanation to IND AS adjustments:

a. Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and expected realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018. Retained earnings has decreased by Rs. 23 lakh as at 31 March 31, 2018 (April 01, 2017 - Rs. 6 lakh). Consequent to the above, the total equity as at March 31, 2018 decreased by Rs. 23 lakh (April 01, 2017 Rs. 6 lakh) and profit and other comprehensive income for the year ended March 31, 2018 decreased by Rs. 17 lakh.

b. Fair valuation of security deposits

Under IGAAP, interest free security deposit given to landlord for premises rented, is recorded as an asset. Under IndAS, the security deposit is discounted based on the internal cost of borrowings.The difference between the present value of the security deposit and the actual value of the security deposit is recorded as prepaid rent. Interest income is recorded on the security deposit as per IndAS 109 and correspondingly prepaid rent is amortised over the life of the security deposit as per IndAS 17. Interest income net of rent expense recognised in the Statement of Profit and Loss for the year ended March 31, 2018 is Rs. 4 lakh.

c. Impairment allowance on Financial Instruments at Amortised cost and trade receivables

Under IGAAP, the provisioning for standard loan assets (assets with days past due (dpd) less than or equal to 89 days) is provided at rates ranging from 0.25% to 1% (0.4% to 1% as on March 31, 2017) as prescribed by NHB norms. For NPA assets (assets with dpd equal to 90 days or more as on March 31, 2018 and March 31, 2017 respectively), the minimum provisioning is made as per the NHB norms and additional provisioning is made as per management judgement and estimates. As per Ind AS 109, the company is required to apply expected credit loss model for stage 1 assets (dpd less than or equal to 29 days), stage 2 assets (dpd equal to 30 days and less than 89 days) and stage 3 assets (dpd equal to 90 days or more) based on assessment of level of credit risk and recognise the impairment allowance on loans. Under IGAAP, the provisioning for trade receivables is made based on the assessment of the recovery from the receivables based on management judgement and estimates. Under IndAS 109, based on the past trend of the write off's against the receivables, a provision is made at a rate of average write off's over the past years as compared to the revenue recognised. Such provision is in addition to provision made based on actual expected losses under IGAAP. As a result, the impairment allowance increased by Rs. 8,740 lakh as at March 31, 2018 (April 01, 2017 Rs. 7,657 lakh). Consequently, the total equity as at March 31, 2018 decreased by Rs. 8,740 lakh (April 01, 2017 Rs. 7,657 lakh) and profit for the year ended March 31, 2018 decreased by Rs. 1,083 lakh.

d. Remeasurement of defined benefit obligation

Gain/Loss on remeasurement of defined benefit obligation is recognised as part of the gratuity cost in the Statement of Profit and Loss under IGAAP. Under IndAS, such gain/loss is recognised under other comprehensive income statement along with consequent current tax charge. Employee cost recorded in the Statement of Profit and Loss has increased by Rs. 50 lakh for the period ended as at 31 March 31, 2018 and corresponding other comprensive income has increased by Rs. 50 lakh.

e. Investment property

Under the previous GAAP, there was no concept of investment properties. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

f. Employee share based payment adjustments

The grant date fair value of equity settled share-based payment options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the options. The amount recognised as expense is based on the estimate of the number of options for which the related service and non-market and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service and non-market vesting conditions at the vesting date. Employee cost recorded in the Statement of Profit and Loss has increased by Rs. 279 lakh for the period ended as at March 31, 2018 and a corresponding ESOP outstanding reserve is created of Rs. 279 lakh.

g. Interest as per effective interest rate on financial assets measured at amortised cost

Under IGAAP, processing fees is booked upfront and direct sourcing cost is amortised over the contractual tenure. Under IndAS, such income and expenses are amortised over the behavioural tenure. As a result, the interest income decreased by Rs. 10,645 lakh as at March 31, 2018 (April 01, 2017 Rs. 7,753 crore). Consequently, the total equity as at March 31, 2018 decreased by Rs. 10,645 lakh (April 01, 2017 Rs. 7,753 lakh) and profit for the year ended March 31, 2018 decreased by Rs. 2,892 lakh.

The unamortised processing fees is recorded as a liability and correspondingly equity is decreased. The unamortised direct sourcing agency cost is decreased and accordingly the equity is reduced. Consequently, the total equity as at March 31, 2018 decreased by Rs. 10,645 lakh (April 01, 2017 Rs. 7,753 lakh) and corresponding unamortised processing fees increased by Rs. 8,447 lakh and unamortised direct sourcing agency cost decreased by Rs. 2,198 lakhas to March 31, 2018.

h. Reclassification of Compulsorily Convertible Cumulative Preference shares (CCCPS) to Borrowings

Compulsorily Convertible Cumulative Preference shares (CCCPS) forms part of the Share Capital under IGAAP. As per IndAS 32, since the terms of conversion of the CCCPS on the date of issuance does not mandate fixed number of instruments at a fixed rate, such instrument are classified as a liability and interest cost is accrued at the rate of dividend applicable along with dividend distribution tax (DDT). Equity has decreased by Rs. 1,12,500 lakh as on March 31, 2018 (April 01. 2017 Rs. 82,400 lakh) with a corresponding increase in borrowings. Interest cost on account of dividend on CCCPS along with DDT has increased in the Statement of Profit and Loss Account for the year ended March 31, 2018 by Rs. 9,755 lakh. Liability for dividend accrued on CCCPS along with DDT has increased as on March 31, 2018 by Rs. 59 lakh.

i. Amortisation of Option cost for Equity settled ESOP's

Under IGAAP, the ESOPs of the holding company given to employees of the company is recorded at intrinsic value. Under Ind AS, the option fair value cost is amortised over the vesting period in the statement of profit and loss account and a corresponding liability for ESOP outstanding is created. As a result, the manpower cost has increased by Rs. 279 lakh for the year ended March 31, 2018. Consequently profit for the year ended March 31, 2018 decreased by Rs. 279 lakh.

j. Other Comprehensive Income

Gain/Loss on remeasurement of defined benefit obligation is recognised as part of the gratuity cost in the Statement of Profit and Loss under IGAAP. Under IndAS, such gain/loss is recognised under other comprehensive income statement along with consequent current tax charge.Employee cost recorded in the Statement of Profit and Loss has increased by Rs. 50 lakh for the period ended March 31, 2018 and corresponding other comprensive income has increased by Rs. 50 lakh. Accordingly the current tax has decreased in the statement of profit and loss account by Rs. 17 lakh and increased in the statement of other comprehensive income.

k. Tax effects of adjustments

Deferred tax asset/liability have been recognised on the adjustments made on transition to Ind AS. Deferred tax asset has increased by Rs. 6,702 lakh as at March 31, 2018 (April 01, 2017 - Rs. 5,332 lakh). Consequent to the above, the total equity as at March 31, 2018 increased by Rs. 6,702 lakh (April 01, 2017 Rs. 5,332 lakh) and profit and other comprehensive income for the year ended March 31, 2018 decreased by Rs. 1,370 lakh respectively.

(vi) Reconciliation of Balance Sheet as at March 31, 2018

(Rs. in lakh)

Particulars	Note	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents		6,952	-	6,952
(b) Bank balances other than (a) above		26	-	26
(c) Derivative financial instruments		-	-	-
(d) Receivables				
(i) Trade receivables		396	-	396
(ii) Other receivables		-	-	-
(e) Loans		2,043,987	-	2,043,987
(f) Investments	3(v)(a)	258	23	281
(g) Other financial assets		798	(628)	170
Total financial assets		**2,052,417**	**(605)**	**2,051,812**
(2) Non-financial assets				
(a) Current tax assets (Net)		80	-	80
(b) Deferred tax assets (Net)	3(v)(k)	4,190	6,702	10,892
(c) Investment Property	3(v)(e)	-	416	416
(d) Property, plant and equipment	3(v)(e)	1,897	(416)	1,481
(e) Capital work-in-progress		174	-	174
(f) Intangible assets under development		725	-	725
(g) Goodwill		-	-	-
(h) Other intangible assets		-	-	-
(i) Other non-financial assets	3(v)(g)	7,396	(2,156)	5,240
Total non-financial assets		**14,462**	**4,546**	**19,008**
Total Assets		**2,066,879**	**3,941**	**2,070,820**

Particulars	Note	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Derivative financial instruments		-	-	-
(b) Payables				
(i) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		4,913	-	4,913
(c) Debt Securities		427,420	(282)	427,138
(d) Borrowings (Other than debt securities)	3(v)(h)	1,332,175	112,311	1,444,486
(e) Deposits		-	-	-
(f) Subordinated liabilities		64,870	(100)	64,770
(g) Other financial liabilities	3(v)(h)	28,097	58	28,155
Total financial liabilities		**1,857,475**	**111,987**	**1,969,462**
(2) Non-Financial liabilities				
(a) Current tax liabilities (Net)		2,613	-	2,613
(b) Provisions	3(v)(c)	25,454	8,740	34,194
(c) Other non-financial liabilities	3(v)(g)	4,065	8,449	12,514
Total non-financial liabilities		**32,132**	**17,189**	**49,321**
(3) Equity				
(a) Share capital	3(v)(h)	137,833	(112,500)	25,333
(b) Other equity	3(v)	39,439	(12,735)	26,704
Total equity		**177,272**	**(125,235)**	**52,037**
Total Liabilities and Equity		**2,066,879**	**3,941**	**2,070,820**

(vii) Reconciliation of Balance Sheet as at April 1, 2017

(Rs. in lakh)

Particulars	Note	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents		8,318	-	8,318
(b) Bank balances other than (a) above		-	-	-
(c) Derivative financial instruments		-	-	-
(d) Receivables				
(i) Trade receivables		5	-	5
(ii) Other receivables		-	-	-
(e) Loans		1,700,371	-	1,700,371
(f) Investments	3(v)(a)	245	6	251
(g) Other financial assets		1,245	(998)	247
Total financial assets		**1,710,184**	**(992)**	**1,709,192**
(2) Non-financial assets				
(a) Current tax assets (Net)		309	-	309
(b) Deferred tax assets (Net)	3(v)(k)	1,753	5,332	7,085
(c) Investment Property	3(v)(e)	-	273	273
(d) Property, plant and equipment	3(v)(e)	1,397	(273)	1,124
(e) Capital work-in-progress		137	-	137
(f) Intangible assets under development		326	-	326
(g) Goodwill		-	-	-
(h) Other intangible assets		-	-	-
(i) Other non-financial assets	3(v)(g)	6,456	(1,533)	4,923
Total non-financial assets		**10,378**	**3,799**	**14,177**
Total Assets		**1,720,562**	**2,807**	**1,723,369**

Particulars	Note	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Derivative financial instruments		-	-	-
(b) Payables				
(i) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,769	-	3,769
(c) Debt Securities		505,260	(491)	504,769
(d) Borrowings (Other than debt securities)	3(v)(h)	950,647	82,036	1,032,683
(e) Deposits		-	-	-
(f) Subordinated liabilities		64,870	(191)	64,679
(g) Other financial liabilities		36,555	-	36,555
Total financial liabilities		**1,561,101**	**81,354**	**1,642,455**
(2) Non-Financial liabilities				
(a) Current tax liabilities (Net)		1,571	-	1,571
(b) Provisions	3(v)(c)	16,993	7,657	24,650
(c) Other non-financial liabilities	3(v)(g)	5,449	6,281	11,730
Total non-financial liabilities		**24,013**	**13,938**	**37,951**
(3) Equity				
(a) Share capital	3(v)(h)	107,733	(82,400)	25,333
(b) Other equity	3(v)	27,715	(10,085)	17,630
Total equity		**135,448**	**(92,485)**	**42,963**
Total Liabilities and Equity		**1,720,562**	**2,807**	**1,723,369**

(viii) Reconciliation of profit or loss for the year ended March 31, 2018

(Rs. in lakh)

	Particulars	Note	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
I	**Revenue from operations**				
(i)	Interest Income	3(v)(g)	188,469	(2,892)	185,577
(iv)	Fees and commission Income		3,442	-	3,442
(v)	Net gain on fair value changes	3(v)(a)	193	17	210
II	**Other income (to be specified)**		3,472	-	3,472
III	**Total Income (I+II)**		**195,576**	**(2,875)**	**192,701**
IV	**Expenses**				
(i)	Finance costs	3(v)(h)	125,410	9,755	135,165
(v)	Impairment on financial instruments	3(v)(c)	12,832	1,083	13,915
(vi)	Employee benefits expense	3(v)(d,f)	11,415	330	11,745
(vii)	Depreciation and amortisation and impairment		418	-	418
(viii)	Other expenses	3(v)(b)	12,567	4	12,571
	Total expenses (IV)		**162,643**	**11,172**	**173,814**
VII	**Profit/(loss) before tax (V-VI)**		**32,933**	**(14,046)**	**18,887**
VIII	**Tax expense**				
	(1) Current tax	3(v)(j)	13,950	(17)	13,933
	(2) Deferred tax	3(v)(k)	(2,437)	(1,370)	(3,807)
	Net tax expense		11,513	(1,387)	10,126
XIII	**Profit for the period (IX+XII)**		**21,420**	**(12,659)**	**8,761**
XIV	**Other Comprehensive Income**				
	(i) Items that will not be reclassified subsequently to statement of profit and loss				
	- Remeasurement of defined employee benefit plans	3(v)(d,j)	-	50	50
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3(v)(j)	-	(17)	(17)
	Total Other Comprehensive Income/(Losses)		**-**	**33**	**33**
XV	**Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit/(Loss) and Other Comprehensive Income for the period)**		**21,420**	**(12,626)**	**8,794**

4. CASH AND CASH EQUIVALENTS

(Rs. in lakh)

PARTICULARS	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
(a) Cash on Hand	4	73	67
(b) Cheques on Hand	251	2,430	1,746
(c) Balances with banks			
- in current accounts	13,021	4,449	6,505
Total	**13,276**	**6,952**	**8,318**

4.1 Of the above, the balances that meet the definition of Cash and Cash Equivalents as per Ind AS 7 Cash Flow Statements is Rs. 13,276 lakh (as at March 31, 2018, Rs. 6,952 lakh and April 1, 2017 Rs. 8,318 lakh)

5. OTHER BALANCES WITH BANKS

(Rs. in lakh)

PARTICULARS	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
a) Balances with banks			
- In deposit accounts (Refer note below)	51,708	26	-
Total	**51,708**	**26**	**-**

5.1 Balance with banks in deposit accounts comprises deposits that have an original maturity exceeding 1 month at balance sheet date.

6. TRADE RECEIVABLES

(Rs. in lakh)

PARTICULARS	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
(i) Receivables considered good - Secured	-	-	-
(ii) Receivables considered good - Unsecured	462	396	5
(iii) Receivables which have significant increase in Credit Risk	46	-	-
	508	396	5
Less: Allowance for impairment loss	(46)	-	-
Total	**462**	**396**	**5**

6.1 Trade receivables include amounts due from the related parties Rs. 9 lakh (as at March 31, 2018 Rs. 6 lakh, as at April 1, 2017 Nil).

7. LOANS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
(I) Term loans			
(a) Housing Loans	2,047,095	1,598,876	1,389,580
(b) Non Housing Loans	598,857	439,915	304,342
(c) Retained portion of assigned loans	3,345	5,130	6,383
(d) Loan to TCL Employee Welfare Trust	57	66	66
Total - I	**2,649,354**	**2,043,987**	**1,700,371**
(II)			
(a) Secured by tangible assets	2,645,756	2,042,431	1,699,869
(b) Secured by intangible assets	-	-	-
(c) Covered by bank / government guarantees	-	-	-
(d) Unsecured	3,598	1,556	502
Total - II	**2,649,354**	**2,043,987**	**1,700,371**
(III)			
Loans in India			
(a) Public sector	-	-	-
(b) Others	2,649,354	2,043,987	1,700,371
Total - III	**2,649,354**	**2,043,987**	**1,700,371**
(IV)			
Secured	2,563,570	1,962,004	1,642,066
Unsecured	3,542	1,526	492
Significant increase in credit risk (SICR)	58,336	55,656	42,266
Credit impaired	23,906	24,801	15,547
Total - IV	**2,649,354**	**2,043,987**	**1,700,371**

8. INVESTMENTS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Investments carried at fair value through profit or loss			
Mutual funds (unquoted) (in lieu of leave encashment)	369	281	251
Total	**369**	**281**	**251**

8.1 Scrip-wise details of Investments:

(Rs. in lakh)

Particulars	Face value Per Unit	No. of Units	As at March 31, 2019	No. of Units	As at March 31, 2018
Investment in Others					
Unquoted :					
Investment in Mutual Fund					
Tata Money Market Fund	1,000	12,597	369	10,300	281
Total			**369**		**281**

(Rs. in lakh)

Particulars	Face value Per Unit	No. of Units	As at April 1, 2017
Investment in Others			
Unquoted :			
Investment in Mutual Fund			
Tata Money Market Fund	1,000	9,848	251
Total			**251**

8.2 Investments

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Value of Investments			
(i) Gross value of Investments	369	281	251
(a) In India	369	281	251
(b) Outside India	-	-	-
(ii) Provisions for Depreciation	-	-	-
(a) In India	-	-	-
(b) Outside India	-	-	-
(iii) Net value of Investments	369	281	251
(a) In India	369	281	251
(b) Outside India	-	-	-
Movement of provisions held towards depreciation on investments			
(i) Opening balance	-	-	-
(ii) Add: Provisions made during the year	-	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-	-
(iv) Closing balance	-	-	-

9. OTHER FINANCIAL ASSETS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Security deposits	338	170	247
Total	**338**	**170**	**247**

10. DEFERRED TAX ASSET

The major components of deferred tax assets and liabilities as at March 31, 2019 are as follows:

(Rs. in lakh)

Particulars	Opening Balance	Recognised / reversed through profit and loss	Change in Tax Rate	Closing Balance
Deferred Tax Assets :-				
(a) Impairment loss allowance - stage III	5,007	(673)	49	4,383
(b) Impairment loss allowance - stage I & II	6,027	435	59	6,521
(c) Employee benefits	89	41	1	131
(d) Deferred income	3,684	1,607	36	5,327
(e) Other deferred tax assets	52	2	0	54
(f) Depreciation on property, plant & equipment	33	(11)	1	23
Deferred Tax Liabilities :-				
(a) Deduction u/s 36(1)(viii)	(3,992)	(396)	(39)	(4,426)
(b) Fair value measurement of investments	(8)	(2)	(0)	(10)
Net deferred tax asset	**10,892**	**1,004**	**106**	**12,001**

The major components of deferred tax assets and liabilities as at March 31, 2018 are as follows:

(Rs. in lakh)

Particulars	Opening Balance	Recognised / reversed through profit and loss	Closing Balance
Deferred Tax Assets :-			
(a) Impairment loss allowance - stage III	2,714	2,293	5,007
(b) Impairment loss allowance - stage I & II	5,217	810	6,027
(c) Employee benefits	75	14	89
(d) Deferred income	2,683	1,001	3,684
(e) Other deferred tax assets	22	30	52
(f) Depreciation on property, plant & equipment	31	2	33
Deferred Tax Liabilities :-			
(a) Deduction u/s 36(1)(viii)	(3,655)	(337)	(3,992)
(b) Fair value measurement of investments	(2)	(6)	(8)
Net deferred tax asset	**7,085**	**3,807**	**10,892**

The major components of deferred tax assets and liabilities as at April 1, 2017 are as follows:

(Rs. in lakh)

Particulars	Opening Balance	Recognised / reclassified directly in equity	Closing Balance
Deferred Tax Assets :-			
(a) Impairment loss allowance - stage III	2,165	549	2,714
(b) Impairment loss allowance - stage I & II	3,115	2,102	5,217
(c) Employee benefits	75	-	75
(d) Deferred income	-	2,683	2,683
(e) Other deferred tax assets	22	-	22
(f) Depreciation on property, plant & equipment	31	-	31
Deferred Tax Liabilities :-			
(a) Deduction u/s 36(1)(viii)	(3,655)	-	(3,655)
(b) Fair value measurement of investments	-	(2)	(2)
Net deferred tax asset	**1,753**	**5,332**	**7,085**

Gross deferred tax assets and liabilities are as follows:

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred Tax Assets :-			
(a) Impairment loss allowance - stage III	4,383	5,007	2,714
(b) Impairment loss allowance - stage I & II	6,521	6,027	5,217
(c) Employee benefits	131	89	75
(d) Deferred income	5,327	3,684	2,683
(e) Other deferred tax assets	54	52	22
(f) Depreciation on property, plant & equipment	23	33	31
Deferred Tax Liabilities :-			
(a) Deduction u/s 36(1)(viii)	(4,426)	(3,992)	(3,655)
(b) Fair value of investments	(10)	(8)	(2)
Net deferred tax asset	**12,001**	**10,892**	**7,085**

10.1 INCOME TAXES

A. The income tax expense consist of the following:

(Rs. in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax:		
Current tax expense for the period	8,797	13,011
Current tax expense / (benefit) pertaining to prior years	-	922
	8,797	**13,933**
Deferred tax benefit		
Origination and reversal of temporary differences	(1,003)	(3,807)
Change in tax rates	(106)	-
	(1,109)	**(3,807)**
Total income tax expense recognised in the period	**7,688**	**10,126**

B. Amounts recognised in OCI

(Rs. in lakh)

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	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)	(76)	27	(49)	50	(17)	33
Total	**(76)**	**27**	**(49)**	**50**	**(17)**	**33**

11. PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTY

(Rs. in lakh)

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2018	Additions/ Adjustments	Deletions	Written off during the year	Closing balance as at March 31, 2019	Opening balance as at April 1, 2018	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2019	As at March 31, 2019
Buildings	248	-	-	-	248	11	11	-	22	226
	(248)	-	-	-	(248)	-	(11)	-	(11)	(237)
Leasehold Improvements	493	176	8	-	661	102	119	8	213	448
	(303)	(190)	-	-	(493)	-	(102)	-	(102)	(391)
Furniture & Fixtures	174	82	2	-	254	44	53	2	95	159
	(87)	(87)	-	-	(174)	-	(44)	-	(44)	(130)
Computer Equipment	578	382	-	-	960	141	236	-	377	583
	(205)	(373)	-	-	(578)	-	(141)	-	(141)	(437)
Office Equipment	224	74	1	-	297	71	80	1	150	147
	(155)	(69)	-	-	(224)	-	(71)	-	(71)	(153)
Plant & Machinery	123	54	1	-	176	15	20	-	35	141
	(73)	(50)	-	-	(123)	-	(15)	-	(15)	(108)
Vehicles	41	135	20	-	156	16	28	11	33	123
	(53)	-	(12)	-	(41)	-	(18)	(2)	(16)	(25)
PROPERTY, PLANT AND EQUIPMENT - TOTAL	**1,881**	**903**	**32**	**-**	**2,752**	**400**	**547**	**22**	**925**	**1,827**
	(1,124)	(769)	(12)	-	(1,881)	-	(402)	(2)	(400)	(1,481)
Software	-	739	-	-	739	-	25	-	25	714
	-	-	-	-	-	-	-	-	-	-
INTANGIBLE ASSETS - TOTAL	**-**	**739**	**-**	**-**	**739**	**-**	**25**	**-**	**25**	**714**
	-	-	-	-	-	-	-	-	-	-
Total	**1,881**	**1,642**	**32**	**-**	**3,491**	**400**	**572**	**22**	**950**	**2,541**
	(1,124)	(769)	(12)	-	(1,881)	-	(402)	(2)	(400)	(1,481)
Investment Property #	432	-	-	-	432	16	19	-	35	397
	(273)	(159)	-	-	(432)	-	(16)	-	(16)	(416)
Capital work-in-progress										66
										(174)
Intangible Assets under Development										9
										(725)
PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTY										**3,013**
										(2,796)

Note : Figures in bracket relate to March 31, 2018.

Fair value of investment property as on March 31, 2019 Rs. 694 lakh. Pursuant to Ind AS transition, the Company has carried out valuation of investment property as March 31, 2019 and the same is applicable to March 31, 2018 and April 01, 2017. The fair value of the property has been assessed based on the market rate for a similar property in the locality.

12. OTHER NON-FINANCIAL ASSETS (UNSECURED - CONSIDERED GOOD)

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Capital advances	34	7	1
(b) Prepaid Expenses	429	484	100
(c) Gratuity Asset (Net)	81	35	69
(d) Balances with government authorities	310	272	10
(e) Unamortised loan sourcing costs	6,123	4,182	4,646
(f) Other advances	144	260	97
Total	**7,121**	**5,240**	**4,923**

13. TRADE PAYABLES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Others			
(i) Accrued expenses	5,862	4,388	2,744
(ii) Payable to Related Parties	-	-	235
(iii) Payable to Dealers/Vendors	496	356	576
(iv) Others	131	169	214
Total	**6,489**	**4,913**	**3,769**

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

13.1 Total outstanding dues of micro enterprises and small enterprises

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Amounts outstanding but not due as at year end	-	-	-
(b) Amounts due but unpaid as at year end	-	-	-
(c) Amounts paid after appointed date during the year	-	-	-
(d) Amount of interest accrued and unpaid as at year end	-	-	-
(e) The amount of further interest due and payable even in the succeeding year	-	-	-
Total	**-**	**-**	**-**

14. DEBT SECURITIES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost **Secured - In India** Privately Placed Non-Convertible Debentures (Refer note 14.1 and 14.2 below)	393,162	427,138	504,769
Privately Placed Non-Convertible Debentures - ZCB [Net of unamortised discount of Rs. 241 lakh (as at March 31, 2018 : Nil and as at April 1, 2017: Nil)] (Refer note 14.1 and 14.3)	8,759	-	-
Total	**401,921**	**427,138**	**504,769**

Note: The Company has not defaulted in the repayment of Debt Securities and interest for the year ended March 31, 2019.

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

14.2 Particulars of Privately placed Secured Non-Convertible Debentures.

Description of Secured Redeemable Non Convertible Debentures	Issue Date	Redemption Date	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
			No. of NCDs	Rs. In Lakh	No. of NCDs	Rs. In Lakh	No. of NCDs	Rs. In Lakh
TCHFL NCD "J" FY 2016-17	30-Jun-16	30-Jun-26	100	1,000	100	1,000	100	1,000
TCHFL NCD "AU" FY 2015-16 Option I	30-Mar-16	30-Mar-26	150	1,500	150	1,500	150	1,500
TCHFL NCD "AM" FY 2015-16 - Option I	06-Nov-15	06-Nov-25	350	3,500	350	3,500	350	3,500
TCHFL NCD "AG" FY 2015-16	08-Oct-15	08-Oct-25	75	750	75	750	75	750
TCHFL NCD "AE" FY 2015-16	31-Aug-15	29-Aug-25	200	2,000	200	2,000	200	2,000
TCHFL NCD"O" FY 2015-16	16-Jun-15	16-Jun-25	200	2,000	200	2,000	200	2,000
TCHFL NCD V FY 2014-15	23-Jan-15	23-Jan-25	1,500	15,000	1,500	15,000	1,500	15,000
TCHFL NCD R FY 2014-15	09-Dec-14	09-Dec-24	2,000	20,000	2,000	20,000	2,000	20,000
TCHFL NCD "AP" FY 2015-16 - Option II	12-Jan-16	12-Jan-24	150	1,500	150	1,500	150	1,500
TCHFL NCD "E" FY 2016-17	04-May-16	04-May-23	200	2,000	200	2,000	200	2,000
TCHFL NCD U FY 2012-13	12-Mar-13	10-Mar-23	100	1,000	100	1,000	100	1,000
TCHFL NCD R FY 2012-13	18-Jan-13	18-Jan-23	150	1,500	150	1,500	150	1,500
TCHFL NCD "AP" FY 2015-16 - Option I	12-Jan-16	12-Jan-23	150	1,500	150	1,500	150	1,500
TCHFL NCD Q FY 2012-13	28-Dec-12	28-Dec-22	100	1,000	100	1,000	100	1,000
TCHFL NCD "X" FY 2015-16	29-Jul-15	29-Jul-22	750	7,500	750	7,500	750	7,500
TCHFL NCD G FY 2012-13	18-May-12	18-May-22	100	1,000	100	1,000	100	1,000
TCHFL NCD "C" FY 2018-19	07-Dec-18	13-Apr-22	993	9,930	-	-	-	-
TCHFL C Series FY 18-19 Reissue	09-Jan-19	13-Apr-22	700	7,000	-	-	-	-
TCHFL NCD "W" FY 2016-17	28-Dec-16	28-Dec-21	4,080	40,800	4,080	40,800	4,080	40,800
TCHFL NCD "T" FY 2016-17	15-Sep-16	15-Sep-21	100	1,000	100	1,000	100	1,000
TCHFL NCD "K" FY 2016-17	05-Jul-16	05-Jul-21	200	2,000	200	2,000	200	2,000
TCHFL NCD "A" FY 2016-17	12-Apr-16	12-Apr-21	1,200	12,000	1,200	12,000	1,200	12,000
TCHFL NCD "AS" FY 2015-16	22-Jan-16	22-Jan-21	200	2,000	200	2,000	200	2,000
TCHFL NCD "AM" FY 2015-16 - Option II	06-Nov-15	06-Nov-20	50	500	50	500	50	500
TCHFL NCD "AI" FY 2015-16	16-Oct-15	16-Oct-20	500	5,000	500	5,000	500	5,000
TCHFL NCD "AH" FY 2015-16	14-Oct-15	14-Oct-20	200	2,000	200	2,000	200	2,000
TCHFL NCD "I" FY 2017-18	31-Aug-17	31-Aug-20	3,500	35,000	3,500	35,000	-	-
TCHFL NCD "AB" FY 2015-16	20-Aug-15	20-Aug-20	100	1,000	100	1,000	100	1,000
TCHFL NCD "AA" FY 2015-16	17-Aug-15	17-Aug-20	1,000	10,000	1,000	10,000	1,000	10,000
TCHFL NCD "Z" FY 2015-16	07-Aug-15	07-Aug-20	300	3,000	300	3,000	300	3,000
TCHFL NCD"T" FY 2015-16 - Option I	09-Jul-15	09-Jul-20	100	1,000	100	1,000	100	1,000
TCHFL NCD "E" FY 2017-18	07-Jun-17	30-Jun-20	50	500	50	500	-	-
TCHFL NCD "D" FY 2018-19	19-Mar-19	26-Jun-20	750	7,500	-	-	-	-
TCHFL NCD "F" FY 2017-18	14-Jun-17	15-Jun-20	550	5,500	550	5,500	-	-
TCHFL NCD "C" FY 2017-18	20-Apr-17	29-Apr-20	50	500	50	500	-	-
TCHFL NCD "Y" FY 2016-17	17-Mar-17	17-Mar-20	3,000	30,000	3,000	30,000	3,000	30,000
TCHFL NCD Z FY 2014-15	12-Feb-15	12-Feb-20	100	1,000	100	1,000	100	1,000
TCHFL NCD "X" FY 2016-17	10-Feb-17	07-Feb-20	514	5,140	514	5,140	514	5,140
TCHFL NCD "G" FY 2016-17 Option -II	10-Jun-16	23-Dec-19	130	1,300	130	1,300	130	1,300
TCHFL NCD G FY 2014-15	22-Oct-14	22-Oct-19	550	5,500	550	5,500	550	5,500
TCHFL NCD K FY 2012-13	03-Oct-12	03-Oct-19	100	1,000	100	1,000	100	1,000
TCHFL NCD "B" FY 2018-19	20-Jul-18	30-Sep-19	5,700	57,000	-	-	-	-
TCHFL NCD "R" FY 2016-17	30-Aug-16	30-Aug-19	250	2,500	250	2,500	250	2,500
TCHFL NCD D FY 2014-15 - Option-II	22-Aug-14	22-Aug-19	100	1,000	100	1,000	100	1,000
TCHFL NCD "P" FY 2016-17	08-Aug-16	08-Aug-19	250	2,500	250	2,500	250	2,500
TCHFL NCD "N" FY 2016-17	29-Jul-16	29-Jul-19	100	1,000	100	1,000	100	1,000
TCHFL NCD B FY 2014-15 - Option-II	22-Jul-14	22-Jul-19	100	1,000	100	1,000	100	1,000
TCHFL NCD "H" FY 2017-18	21-Jul-17	19-Jul-19	1,250	12,500	1,250	12,500	-	-
TCHFL NCD "M" FY 2016-17	14-Jul-16	12-Jul-19	100	1,000	100	1,000	100	1,000
TCHFL NCD "G" FY 2017-18	13-Jul-17	12-Jul-19	1,000	10,000	1,000	10,000	-	-
TCHFL NCD "G" FY 2016-17 Option I	10-Jun-16	24-Jun-19	20	200	20	200	20	200
TCHFL NCD "H" FY 2016-17	14-Jun-16	14-Jun-19	50	500	50	500	50	500
TCHFL NCD A FY 2014-15 - Option-II	13-Jun-14	13-Jun-19	100	1,000	100	1,000	100	1,000
TCHFL NCD "D" FY 2017-18	30-May-17	30-May-19	250	2,500	250	2,500	-	-
TCHFL NCD "AT" FY 2015-16	02-Mar-16	16-May-19	220	2,200	220	2,200	220	2,200
TCHFL NCD "AU" FY 2015-16 Option II	30-Mar-16	18-Apr-19	100	1,000	100	1,000	100	1,000
TCHFL NCD "B" FY 2016-17	18-Apr-16	18-Apr-19	150	1,500	150	1,500	150	1,500
TCHFL NCD "B" FY 2017-18	17-Apr-17	17-Apr-19	1,750	17,500	1,750	17,500	-	-
TCHFL NCD "A" FY 2017-18	05-Apr-17	05-Apr-19	2,550	25,500	2,550	25,500	-	-
TCHFL NCD N FY 2013-14	20-Jan-14	18-Jan-19	-	-	50	500	50	500
Description of Secured Redeemable Non Convertible Debentures	**Issue Date**	**Redemption Date**	**As at March 31, 2019**		**As at March 31, 2018**		**As at April 1, 2017**	
			No. of NCDs	**Rs. In Lakh**	**No. of NCDs**	**Rs. In Lakh**	**No. of NCDs**	**Rs. In Lakh**

TCHFL NCD "AQ" FY 2015-16	18-Jan-16	18-Jan-19	-	-	1,000	10,000	1,000	10,000
TCHFL NCD "AR" FY 2015-16	20-Jan-16	18-Jan-19	-	-	100	1,000	100	1,000
TCHFL NCD"P" FY 2015-16 - Option III	24-Jun-15	07-Jan-19	-	-	50	500	50	500
TCHFL - Series G - FY 2011-12	18-Nov-11	16-Nov-18	-	-	100	1,000	100	1,000
TCHFL NCD "V" FY 2016-17	17-Nov-16	16-Nov-18	-	-	250	2,500	250	2,500
TCHFL NCD "AL" FY 2015-16	02-Nov-15	02-Nov-18	-	-	120	1,200	120	1,200
TCHFL NCD "AK" FY 2015-16	26-Oct-15	26-Oct-18	-	-	130	1,300	130	1,300
TCHFL NCD "S" FY 2016-17	31-Aug-16	31-Aug-18	-	-	250	2,500	250	2,500
TCHFL NCD "AC" FY 2015-16- Option I	24-Aug-15	24-Aug-18	-	-	50	500	50	500
TCHFL NCD "Y" FY 2015-16 - Option I	31-Jul-15	21-Aug-18	-	-	217	2,170	217	2,170
TCHFL NCD "AC" FY 2015-16 - Option II	24-Aug-15	20-Aug-18	-	-	350	3,500	350	3,500
TCHFL NCD "AD" FY 2015-16	26-Aug-15	16-Aug-18	-	-	158	1,580	158	1,580
TCHFL NCD "Q" FY 2016-17	18-Aug-16	16-Aug-18	-	-	1,300	13,000	1,300	13,000
TCHFL NCD "O" FY 2016-17	02-Aug-16	02-Aug-18	-	-	1,000	10,000	1,000	10,000
TCHFL NCD "V" FY 2015-16	16-Jul-15	26-Jul-18	-	-	440	4,400	440	4,400
TCHFL NCD "Y" FY 2015-16 Option - II	31-Jul-15	23-Jul-18	-	-	260	2,600	260	2,600
TCHFL NCD "W" FY 2015-16	24-Jul-15	19-Jul-18	-	-	200	2,000	200	2,000
TCHFL NCD "K" FY 2015-16 - Option IV	01-Jun-15	20-Jun-18	-	-	250	2,500	250	2,500
TCHFL NCD"P" FY 2015-16 - Option II	24-Jun-15	19-Jun-18	-	-	200	2,000	200	2,000
TCHFL NCD"P" FY 2015-16 - Option I	24-Jun-15	18-Jun-18	-	-	115	1,150	115	1,150
TCHFL NCD "N" FY 2015-16 - Option I	12-Jun-15	12-Jun-18	-	-	471	4,710	471	4,710
TCHFL NCD L" FY 2015-16	04-Jun-15	04-Jun-18	-	-	100	1,000	100	1,000
TCHFL NCD "K" FY 2015-16 - Option I	01-Jun-15	01-Jun-18	-	-	2,600	26,000	2,600	26,000
TCHFL NCD "K" FY 2015-16 - Option III	01-Jun-15	29-May-18	-	-	350	3,500	350	3,500
TCHFL NCD "F" FY 2016-17	11-May-16	11-May-18	-	-	150	1,500	150	1,500
TCHFL NCD "F" FY 2015-16	27-Apr-15	27-Apr-18	-	-	210	2,100	210	2,100
TCHFL NCD C FY 2013-14	23-Apr-13	23-Apr-18	-	-	100	1,000	100	1,000
TCHFL NCD "AE" FY 2014-15	26-Mar-15	10-Apr-18	-	-	340	3,400	340	3,400
TCHFL NCD "A" FY 2015-16 - Option-lll	10-Apr-15	10-Apr-18	-	-	552	5,520	552	5,520
TCHFL NCD "C" FY 2015-16 - Option-lll	17-Apr-15	10-Apr-18	-	-	90	900	90	900
TCHFL NCD "U" FY 2016-17	10-Oct-16	28-Mar-18	-	-	-	-	4,000	40,000
TCHFL NCD "C" FY 2016-17	22-Apr-16	20-Mar-18	-	-	-	-	950	9,500
TCHFL NCD "D" FY 2016-17	29-Apr-16	20-Mar-18	-	-	-	-	600	6,000
TCHFL NCD "I" FY 2016-17	15-Jun-16	15-Mar-18	-	-	-	-	250	2,500
TCHFL NCD "AD" FY 2014-15 - Option-II	16-Mar-15	12-Mar-18	-	-	-	-	50	500
TCHFL NCD AC FY 2014-15 - Option-II	10-Mar-15	09-Mar-18	-	-	-	-	600	6,000
TCHFL NCD W FY 2014-15-Option-I	27-Jan-15	14-Feb-18	-	-	-	-	80	800
TCHFL NCD AA FY 2014-15 - Option-I	16-Feb-15	12-Feb-18	-	-	-	-	75	750
TCHFL NCD Y FY 2014-15	04-Feb-15	02-Feb-18	-	-	-	-	150	1,500
TCHFL NCD U FY 2014-15	20-Jan-15	24-Jan-18	-	-	-	-	190	1,900
TCHFL NCD T FY 2014-15	14-Jan-15	10-Jan-18	-	-	-	-	162	1,620
TCHFL NCD "L" FY 2016-17	07-Jul-16	08-Jan-18	-	-	-	-	300	3,000
TCHFL NCD "K" FY 2015-16 - Option II	01-Jun-15	02-Jan-18	-	-	-	-	114	1,140
TCHFL NCD "AO" FY 2015-16	23-Dec-15	22-Dec-17	-	-	-	-	200	2,000
TCHFL NCD "AN" FY 2015-16	07-Dec-15	07-Dec-17	-	-	-	-	150	1,500
TCHFL NCD M FY 2014-15-Option-II	14-Nov-14	24-Nov-17	-	-	-	-	150	1,500
TCHFL NCD O FY 2014-15	20-Nov-14	22-Nov-17	-	-	-	-	180	1,800
TCHFL NCD N FY 2014-15	18-Nov-14	21-Nov-17	-	-	-	-	70	700
TCHFL NCD J FY 2014-15 - Option-II	07-Nov-14	13-Nov-17	-	-	-	-	120	1,200
TCHFL NCD K FY 2014-15	11-Nov-14	01-Nov-17	-	-	-	-	100	1,000
TCHFL NCD "AJ" FY 2015-16	21-Oct-15	18-Oct-17	-	-	-	-	100	1,000
TCHFL NCD D FY 2014-15 - Option-I	22-Aug-14	22-Aug-17	-	-	-	-	600	6,000
TCHFL NCD C FY 2014-15 - Option-II	07-Aug-14	07-Aug-17	-	-	-	-	200	2,000
TCHFL NCD B FY 2014-15 - Option-I	22-Jul-14	21-Jul-17	-	-	-	-	100	1,000
TCHFL NCD "U" FY 2015-16	14-Jul-15	14-Jul-17	-	-	-	-	500	5,000
TCHFL NCD"S" FY 2015-16 - Option II	07-Jul-15	07-Jul-17	-	-	-	-	50	500
TCHFL NCD "R" FY 2015-16	03-Jul-15	28-Jun-17	-	-	-	-	130	1,300
TCHFL NCD"S" FY 2015-16 - Option I	07-Jul-15	23-Jun-17	-	-	-	-	250	2,500
TCHFL NCD "Q" FY 2015-16 Option -II	30-Jun-15	23-Jun-17	-	-	-	-	180	1,800
TCHFL NCD "J" FY 2015-16 Option - II	28-May-15	20-Jun-17	-	-	-	-	219	2,190
TCHFL NCD "Q" FY 2015-16 Option -I	30-Jun-15	20-Jun-17	-	-	-	-	180	1,800
TCHFL NCD A FY 2014-15 - Option-III	13-Jun-14	13-Jun-17	-	-	-	-	250	2,500
TCHFL NCD "N" FY 2015-16 - Option II	12-Jun-15	07-Jun-17	-	-	-	-	240	2,400
TCHFL NCD "E" FY 2015-16 Option - III	23-Apr-15	01-Jun-17	-	-	-	-	600	6,000
TCHFL NCD "I" FY 2015-16 - Option I	13-May-15	24-May-17	-	-	-	-	220	2,200
TCHFL NCD "G" FY 2015-16 Option - III	06-May-15	04-May-17	-	-	-	-	167	1,670
TCHFL NCD A FY 2014-15 - Option-I	13-Jun-14	02-May-17	-	-	-	-	600	6,000
TCHFL NCD "H" FY 2015-16	08-May-15	02-May-17	-	-	-	-	400	4,000
TCHFL NCD "I" FY 2015-16 - Option II	13-May-15	27-Apr-17	-	-	-	-	90	900
TCHFL NCD "C" FY 2015-16 - Option - ll	17-Apr-15	27-Apr-17	-	-	-	-	870	8,700
TCHFL NCD "J" FY 2015-16 Option - I	28-May-15	27-Apr-17	-	-	-	-	150	1,500
TCHFL NCD "A" FY 2015-16 - Option-V	10-Apr-15	26-Apr-17	-	-	-	-	700	7,000
TCHFL NCD "A" FY 2015-16 - Option-Vl	10-Apr-15	25-Apr-17	-	-	-	-	1,135	11,350
TCHFL NCD "E" FY 2015-16 Option - II	23-Apr-15	25-Apr-17	-	-	-	-	236	2,360
TCHFL NCD "G" FY 2015-16 Option - I	06-May-15	25-Apr-17	-	-	-	-	51	510
TCHFL NCD "A" FY 2015-16 - Option-ll	10-Apr-15	24-Apr-17	-	-	-	-	180	1,800
TCHFL NCD "D" FY 2015-16 Option - ll	21-Apr-15	21-Apr-17	-	-	-	-	160	1,600
TCHFL NCD "A" FY 2015-16 - Option-lV	10-Apr-15	20-Apr-17	-	-	-	-	545	5,450
TCHFL NCD "A" FY 2015-16 - Option-I	10-Apr-15	19-Apr-17	-	-	-	-	50	500
Description of Secured Redeemable Non Convertible Debentures	**Issue Date**	**Redemption Date**	**As at March 31, 2019**		**As at March 31, 2018**		**As at April 1, 2017**	
			No. of NCDs	**Rs. In Lakh**	**No. of NCDs**	**Rs. In Lakh**	**No. of NCDs**	**Rs. In Lakh**
TCHFL NCD "G" FY 2015-16 Option - II	06-May-15	18-Apr-17	-	-	-	-	88	880
TCHFL NCD "AD" FY 2014-15 - Option-I	16-Mar-15	17-Apr-17	-	-	-	-	90	900
TCHFL NCD "B" FY 2015-16	15-Apr-15	13-Apr-17	-	-	-	-	117	1,170

TCHFL NCD AB FY 2014-15	05-Mar-15	10-Apr-17	-	-	-	-	100	1,000
TCHFL NCD "C" FY 2015-16 - Option - I	17-Apr-15	03-Apr-17	-	-	-	-	45	450
TCHFL NCD "D" FY 2015-16 Option - I	21-Apr-15	03-Apr-17	-	-	-	-	180	1,800
TCHFL NCD "E" FY 2015-16 Option - I	23-Apr-15	03-Apr-17	-	-	-	-	470	4,700
Total				**393,320**		**427,420**		**505,260**
Add: Unamortised premium				79				
Total				**79**		**-**		**-**
Less: Unamortised borrowing cost				(237)		(282)		(491)
Total				**(237)**		**(282)**		**(491)**
Privately Placed Non-Convertible Debentures				**393,162**		**427,138**		**504,769**

Note: Coupon rate of above outstanding as on March 31, 2019 varies from 7.40% to 10.10% (as on March 31, 2018 7.40% to 10.25%, as on April 1, 2017 7.59% to 10.25%).

14.3 Particulars of Privately placed Secured Non-Convertible Debentures - ZCB.

Description of Secured Redeemable Non Convertible Debentures - ZCB	Issue Date	Redemption Date	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
			No. of NCDs	Rs. In Lakh	No. of NCDs	Rs. In Lakh	No. of NCDs	Rs. In Lakh
TCHFL NCD "A" FY 2018-19	30-May-18	30-Jul-19	900	9,000	-	-	-	-
Total				**9,000**		**-**		**-**
Less: Unamortised discount				(241)				
Total				**(241)**		**-**		**-**
Privately Placed Non-Convertible Debentures - ZCB				**8,759**		**-**		**-**

Note: Coupon rate of above outstanding as on March 31, 2019 varies from 8.60% to 8.60% (as on March 31, 2018 Nil, as on April 1, 2017 Nil).

15. BORROWINGS (OTHER THAN DEBT SECURITIES)

(Rs. in lakh)

PARTICULARS	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
At amortised cost			
(a) Term loans			
Secured - In India			
(i) From Banks (Refer note 15.1 and 15.2 below)	696,533	158,410	179,130
(ii) From National Housing Bank (Refer notes 15.3)	584,659	567,375	348,285
Secured - Outside India			
From Banks (Refer note 15.1 and 15.2 below)	51,048	-	-
Unsecured - In India			
From Banks	84,999	125,000	65,000
(b) Loans repayable on demand			
Secured - In India			
From Banks			
(i) Cash credit (Refer note 15.5 below)	78,112	121,120	10,066
(ii) Working capital demand loan (Refer note 15.5 below)	171,000	20,000	7,000
(iii) Bank Overdraft (Refer note 15.5 below)	29,453	36,739	30,140
(c) Loan from related parties			
Unsecured - In India			
(i) 1,272,000,000 (as at March 31, 2018: 1,125,000,000 shares and April 1, 2017 824,000,000 shares) Compulsorily Convertible Cumulative Preference shares of Rs.10 each fully paid up (Refer note 15.7 below)	127,200	112,500	82,400
(ii) Inter corporate deposits from related parties (Refer note 15.6 below)	20,118	-	10,000
(d) Other loans			
Unsecured - In India			
Commercial paper (Refer note 15.4 below) [Net of unamortised discount of Rs. 6,884 lakh (as at March 31, 2018 : Rs. 5,127 lakh and as at April 1, 2017 : Rs. 4,009 lakh)]	250,572	303,342	300,662
Total	**2,093,694**	**1,444,486**	**1,032,683**

Note: The Company has not defaulted in the repayment of Borrowings and interest for the year ended March 31, 2019.

15.1 Loans and advances from banks are secured by pari passu charge on the book debt of the Company.

15.2 Loans and advances from bank are repayable at maturity ranging between 3 month to 5 years (as at March 31, 2018: 3 month to 5 years) from the date of loan taken. Rate of Interest payable on Term Loans varies between 8.30% to 9.15% (as at March 31, 2018 7.35% to 8.90%, as at April 1, 2017 8.05% to 9.15%).

15.3 Loan from National Housing Bank is secured by way of hypothecation of book debt and guarantee / Letter of comfort from Tata Capital Limited and is repayable in 28-60 (Previous year 28-60) quarterly installments. Rate of Interest payable on Term loan varies between 4.61% to 9.80% (as at March 31, 2018 4.61% to 9.25%, as at April 1, 2017 6.12% to 9.25%).

15.4 Discount on Commercial Paper varies between 7.56% to 9.10% (as at March 31, 2018 6.79% to 7.98%, as at April 1, 2017 6.68% to 8.62%).

15.5 Rate of Interest payable on Cash Credit / Over Draft & Working Capital Demand Loan varies between 8.25% to 8.95% (as at March 31, 2018 7.60% to 9.10%, as at April 1, 2017 8.00% to 9.55%).

15.6 Rate of Interest payable on Inter Corporate Deposit as at March 31, 2019 8.84% (as at March 31, 2018 8.50%, as at April 1, 2017 8.61%).

15.7 During the year ended March 31, 2019, the Company has issued 555,000,000, 8.50% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of face value Rs. 10/- each aggregating Rs. 55,500 lakh, which are mandatorily convertible into equity shares after the completion of 9 years from the date of allotment. The CCCPS holders have a right to receive dividend, prior to the equity shareholders. The dividend proposed by the Board of Directors on the CCCPS is subject to the approval of the shareholders at an Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding.

The CCCPS holders have an option to convert all or any part of the holding into equity shares at any time prior to the completion of 9 years. Conversion of CCCPS into equity shares will be based on the fair value to be determined by an independent valuer closer to the conversion date. In the year in which CCCPS are converted to equity shares, the dividend on such CCCPS, if declared by the Board, shall be paid on pro-rata basis. On February 1, 2019, the Company has converted CCCPS aggregating Rs. 40,800 lakh of face value of Rs. 10/- each into Equity Shares of Rs. 5,638 lakh at a premium of Rs. 35,162 lakh. The Board had not declared dividend on the CCCPS prior to conversion to equity shares.

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

(Rs. in Lakh)

Allotment Date	Conversion Date	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
26-Mar-19	26-Mar-28	270,000,000	27,000	-	-	-	-
28-Dec-18	28-Dec-27	150,000,000	15,000	-	-	-	-
05-Sep-18	05-Sep-27	50,000,000	5,000	-	-	-	-
01-Aug-18	01-Aug-27	85,000,000	8,500	-	-	-	-
21-Mar-18	21-Mar-27	190,000,000	19,000	190,000,000	19,000	-	-
31-Jul-17	31-Jul-26	111,000,000	11,100	111,000,000	11,100	-	-
22-Nov-16	22-Nov-25	100,000,000	10,000	100,000,000	10,000	100,000,000	10,000
30-Sep-16	30-Sep-25	35,000,000	3,500	35,000,000	3,500	35,000,000	3,500
30-Jun-16	30-Jun-25	30,000,000	3,000	30,000,000	3,000	30,000,000	3,000
23-Mar-16	23-Mar-25	100,000,000	10,000	100,000,000	10,000	100,000,000	10,000
30-Nov-15	30-Nov-24	57,000,000	5,700	57,000,000	5,700	57,000,000	5,700
25-May-15	25-May-24	78,000,000	7,800	78,000,000	7,800	78,000,000	7,800
30-Apr-15	30-Apr-24	10,000,000	1,000	10,000,000	1,000	10,000,000	1,000
31-Mar-15	31-Mar-24	6,000,000	600	6,000,000	600	6,000,000	600
31-Mar-15	31-Mar-24	-	-	14,000,000	1,400	14,000,000	1,400
30-Jan-15	30-Jan-24	-	-	30,000,000	3,000	30,000,000	3,000
28-Nov-14	28-Nov-23	-	-	25,000,000	2,500	25,000,000	2,500
28-Nov-14	28-Nov-23	-	-	10,000,000	1,000	10,000,000	1,000
29-Sep-14	29-Sep-23	-	-	10,000,000	1,000	10,000,000	1,000
28-Aug-14	28-Aug-23	-	-	15,000,000	1,500	15,000,000	1,500
30-Jun-14	30-Jun-23	-	-	20,000,000	2,000	20,000,000	2,000
29-May-14	29-May-23	-	-	30,000,000	3,000	30,000,000	3,000
26-Mar-14	26-Mar-23	-	-	20,000,000	2,000	20,000,000	2,000
06-Feb-14	06-Feb-23	-	-	29,000,000	2,900	29,000,000	2,900
02-Dec-13	02-Dec-22	-	-	20,000,000	2,000	20,000,000	2,000
20-Sep-13	20-Sep-22	-	-	20,000,000	2,000	20,000,000	2,000
08-Aug-13	08-Aug-22	-	-	20,000,000	2,000	20,000,000	2,000
30-Jul-13	30-Jul-22	-	-	20,000,000	2,000	20,000,000	2,000
28-Jun-13	28-Jun-22	-	-	10,000,000	1,000	10,000,000	1,000
04-Jun-13	04-Jun-22	-	-	10,000,000	1,000	10,000,000	1,000
28-Mar-13	28-Mar-22	-	-	25,000,000	2,500	25,000,000	2,500
04-Jan-13	04-Jan-22	-	-	30,000,000	3,000	30,000,000	3,000
03-Dec-12	03-Dec-21	-	-	24,000,000	2,400	24,000,000	2,400
12-Nov-12	12-Nov-21	-	-	26,000,000	2,600	26,000,000	2,600
Total		**1,272,000,000**	**127,200**	**1,125,000,000**	**112,500**	**824,000,000**	**82,400**

15.8 The CCCPS holders may, at any time prior to the aforesaid period of conversion, make such request to convert all or any part of its holding into Equity Shares.

a) During the year ended March 31, 2019, the Company has declared and paid, a final dividend for financial year 2017-18 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 49 lakh and dividend distribution tax thereon of Rs. 10 lakh.

b) During the year ended March 31, 2019, the Company has declared and paid, an interim dividend for financial year 2018-19 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 7,354 lakh and dividend distribution tax thereon of Rs. 1,512 lakh.

c) During the year ended March 31, 2018, the Company has declared and paid, an interim dividend for financial year 2017-18 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 8,047 lakh and dividend distribution tax thereon of Rs. 1,638 lakh.

16. SUBORDINATED LIABILITIES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
Unsecured - In India			
Debentures			
Non-Convertible Subordinated Debentures (Refer note 16.1 below)	62,283	64,770	64,679
Total	**62,283**	**64,770**	**64,679**

Note: The Company has not defaulted in the repayment of Subordinated Liabilities and interest for the year ended March 31, 2019.

16.1 Particulars of Unsecured Redeemable Non-Convertible Subordinated Debentures

Description of Unsecured Redeemable Non Convertible Subordinated Debentures	Issue Date	Redemption Date	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
			No. of NCDs	Rs. In Lakh	No. of NCDs	Rs. In Lakh	No. of NCDs	Rs. In Lakh
TCHFL Tier II Bond A Series FY 2016-17	04-Aug-16	04-Aug-26	2,000	20,000	2,000	20,000	2,000	20,000
TCHFL Tier II Bond H Series FY 2015-16	15-Mar-16	13-Mar-26	200	2,000	200	2,000	200	2,000
TCHFL Tier II Bond G Series FY 2015-16	17-Dec-15	17-Dec-25	250	2,500	250	2,500	250	2,500
TCHFL Tier II Bond F Series FY 2015-16	15-Dec-15	15-Dec-25	250	2,500	250	2,500	250	2,500
TCHFL Tier II Bond E Series FY 2015-16	04-Nov-15	04-Nov-25	300	3,000	300	3,000	300	3,000
TCHFL Tier II Bond D Series FY 2015-16	21-Sep-15	19-Sep-25	150	1,500	150	1,500	150	1,500
TCHFL Tier II Bond C Series FY 2015-16	16-Sep-15	16-Sep-25	100	1,000	100	1,000	100	1,000
TCHFL Tier II Bond B Series FY 2015-16	22-Jul-15	22-Jul-25	350	3,500	350	3,500	350	3,500
TCHFL TIER-II BOND A SERIES FY 2015-16	28-Apr-15	28-Apr-25	400	4,000	400	4,000	400	4,000
TCHFL Tier II Bond A Series FY 2014-15	26-Sep-14	26-Sep-24	480	4,800	480	4,800	480	4,800
TCHFL Tier II Bond E Series FY 2013-14	18-Mar-14	18-Mar-24	4	40	4	40	4	40
TCHFL Tier II Bond D Series FY 2013-14	10-Jan-14	10-Jan-24	77	770	77	770	77	770
TCHFL Tier II Bond C Series FY 2013-14	20-May-13	19-May-23	10	100	10	100	10	100
TCHFL Tier II Bonds B FY-2013-14	23-Apr-13	23-Apr-23	21	210	21	210	21	210
TCHFL Tier II Bonds A FY-2013-14	15-Apr-13	15-Apr-23	250	2,500	250	2,500	250	2,500
TCHFL Tier II Bonds E FY-2012-13	28-Mar-13	28-Mar-23	150	1,500	150	1,500	150	1,500
TCHFL Tier II Bonds D FY-2012-13	22-Aug-12	22-Aug-22	330	3,300	330	3,300	330	3,300
TCHFL Tier II Bonds C FY-2012-13	30-May-12	30-May-22	300	3,000	300	3,000	300	3,000
TCHFL Tier II Bonds B FY-2012-13	30-May-12	30-May-22	3	30	3	30	3	30
TCHFL Tier II Bonds A FY-2012-13	10-May-12	10-May-22	10	100	10	100	10	100
TCHFL Tier II Bonds F FY-2011-12	12-Mar-12	12-Mar-22	102	1,020	102	1,020	102	1,020
TCHFL Tier II Bonds E FY-2011-12	25-Jan-12	25-Jan-22	135	1,350	135	1,350	135	1,350
TCHFL Tier II Bonds D FY-2011-12	04-Nov-11	04-Nov-21	101	1,010	101	1,010	101	1,010
TCHFL Tier II Bonds C FY-2011-12	28-Oct-11	28-Oct-21	11	110	11	110	11	110
TCHFL Tier II Bonds B FY-2011-12	29-Sep-11	29-Sep-21	253	2,530	253	2,530	253	2,530
TCHFL Tier II Bonds A FY-2011-12	29-Jul-11	25-Sep-18	-	-	250	2,500	250	2,500
Total				**62,370**		**64,870**		**64,870**
Less: Unamortised borrowing cost				(87)		(100)		(191)
Total				**(87)**		**(100)**		**(191)**
Non-Convertible Subordinated Debentures				**62,283**		**64,770**		**64,679**

Note: Coupon rate of above outstanding as on March 31, 2019 varies from 8.92% to 10.25% (as on March 31, 2018 8.92% to 10.25%, as on April 1, 2017 8.92% to 10.25%).

17. OTHER FINANCIAL LIABILITIES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Payable for capital expenditure	128	10	10
(b) Advances from customers	179	594	148
(c) Accrued employee benefit expense	2,379	935	1,009
(d) Amounts payable - assigned loans	944	2,543	3,916
(e) Interest accrued but not due on borrowings	20,214	24,073	31,472
Total	**23,844**	**28,155**	**36,555**

18. PROVISIONS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Provision for compensated absences	375	257	216
(b) Provision for long-term service award	26	54	47
(c) Impairment loss allowance			
- Stage I & II	18,657	17,412	15,070
- Stage III	13,871	16,471	9,317
Total	**32,929**	**34,194**	**24,650**

19. OTHER NON-FINANCIAL LIABILITIES

(Rs. in lakh)

PARTICULARS	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
(a) Statutory dues	1,071	966	509
(b) Income received in advance	14,549	11,083	10,736
(c) Others	355	465	485
Total	**15,975**	**12,514**	**11,730**

20. SHARE CAPITAL

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
AUTHORISED			
2,500,000,000 (as at March 31, 2018: 2,500,000,000 shares and as at April 1, 2017 : 2,500,000,000 shares) Equity shares of Rs.10 each	250,000	250,000	250,000
2,000,000,000 (as at March 31, 2018: 2,000,000,000 shares and as at April 1, 2017 : 2,000,000,000 shares) Preference shares of Rs.10 each	200,000	200,000	200,000
	450,000	450,000	450,000
ISSUED, SUBSCRIBED & PAID UP			
309,710,300 (as at March 31, 2018: 253,333,332 shares and as at April 1, 2017 : 253,333,332 shares) Equity shares of Rs.10 each fully paid up	30,971	25,333	25,333
Total	**30,971**	**25,333**	**25,333**

20.1 Reconciliation of number of shares outstanding

Particulars	No. of shares	Rs in lakh
Equity Shares, Face Value Rs. 10 fully paid up		
Opening balance as on April 01, 2017	253,333,332	25,333
Additions during the year	-	-
Closing Balance as on March 31, 2018	253,333,332	25,333
Additions during the year	56,376,968	5,638
Closing Balance as on March 31, 2019	**309,710,300**	**30,971**

20.2 Rights, preferences and restrictions attached to shares

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

20.3 Investment by Tata Capital Limited (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 (Holding Company)			
Equity Shares	Opening Balance as on April	253,333,332	25,333
	Closing Balance as on March	253,333,332	25,333
	Additions during the year	56,376,968	5,638
	Closing Balance as on	**309,710,300**	**30,971**

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

20.5 There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

21. OTHER EQUITY

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Securities Premium Account (Refer note 15.7 above)	37,429	2,267	2,267
(b) Special Reserve Account (Refer note 21.1 and 21.2 below)	17,811	15,019	10,735
(c) Surplus in Statement of Profit and Loss	11,362	9,105	4,628
(d) Other Comprehensive Income	(16)	33	-
(e) Share options outstanding account	179	201	-
(f) General Reserve	158	79	-
Total	**66,923**	**26,704**	**17,630**

21.1 As required by Section 29C of National Housing Bank Act 1987,and Section 36 (1) (viii) of the Income Tax Act,1961, the Company has transferred an amount of Rs.2,792 Lakh (FY 2017-18 Rs. 4,284 Lakh) to Special Reserve.

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

(Rs. in lakh)

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Balance at the beginning of the year				
	a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987	3,489	2,944	2,944
	b) Amount of Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve under section 29C of NHB Act, 1987	11,530	7,791	7,791
	Total (A)	**15,019**	**10,735**	**10,735**
Addition / Appropriation / withdrawal during the year				
Add:	a) Amount transferred u/s 29C of the NHB Act,1987	1,660	545	-
	b) Amount of Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve under section 29C of NHB Act, 1987	1,132	3,739	-
Less:	a) Amount appropriated from the Statutory Reserve u/s 29 C of the NHB Act 1987		-	-
	b) Amount withdrawn from the Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 which has been taken into account for the purpose of provision u/s 29C of NHB Act, 1987		-	-
	Total (B)	**2,792**	**4,284**	**-**
Balance at the end of the year				
	a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	5,149	3,489	2,944
	b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	12,662	11,530	7,791
	Total (A+B)	**17,811**	**15,019**	**10,735**

21.2 The Company has transferred an amount of Rs.1,132 Lakh (FY 2017-18 Rs.3,739 Lakh) to Special Reserve Account in terms of section 36(1)(viii) of the Income Tax Act, 1961, which has also been considered as a transfer of profit to a reserve fund for the purpose of compliance with section 29 C (i) of the National Housing Bank Act 1987 (The Company is required to transfer at least 20% of net profits every year to a reserve).

21.3 OTHER EQUITY

(Rs. in lakh)

PARTICULARS	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
(a) Securities Premium Account						
Opening Balance		2,267		2,267		2,267
Add : Premium on issue of equity shares (Refer note 15.7 above)	35,162		-		-	
Less : Share issue expenses written-off	-	35,162	-	-	-	-
Closing Balance		**37,429**		**2,267**		**2,267**
(b) Special Reserve Account						
Opening Balance		15,019		10,735		5,535
Add: Transfer from Surplus in the Statement of Profit and Loss (Refer note 21.1 & 21.2 above)		2,792		4,284		5,200
Closing Balance		**17,811**		**15,019**		**10,735**
(c) Surplus in Statement of Profit and Loss						
Opening Balance		**9,105**		**4,628**		**10,080**
Add: Profit for the year		5,049		8,761		9,859
Amount available for Appropriations		**14,154**		**13,389**		**9,828**
Less : Appropriations						
- Transfer to Special Reserve Account	(2,792)	(2,792)	(4,284)	(4,284)	(5,200)	(5,200)
Closing Balance		**11,362**		**9,105**		**4,628**
(d) Other Comprehensive Income						
Opening Balance		33		-		-
Add: Remeasurement of defined employee benefit plans transferred to Statement of Profit and Loss		(76)		50		-
Less: Income tax relating to items that will not be reclassified to profit or loss		27		(17)		-
Closing Balance		**(16)**		**33**		**-**
(e) Share options outstanding account						
Opening Balance		201		-		
Addition during the period (net)		(22)		201		
Closing Balance		**179**		**201**		**-**
(f) General Reserve						
Opening Balance		79		-		
Addition / (deduction) during the period (net)		79		79		
Closing Balance		**158**		**79**		**-**
TOTAL		**66,923**		**26,704**		**17,630**

21.4 Nature and Purpose of Reserves as per Para 79 of Ind AS 1

Sr. No.	Particulars	Nature and purpose of Reserves
1	Securities Premium Account	Premium received upon issuance of equity shares
2	Special Reserve Account/Statutory Reserve	As prescribed by Section 29C of National Housing Bank Act 1987,and Section 36 (1) (viii) of the Income Tax Act,1961
3	Surplus in profit and loss account	Created out of accretion of profits
4	General Reserve	Created upon completion of the vesting period of employees stock option or upon forfeiture of options granted
5	Share Options Outstanding Account	Created upon grant of options to employees
6	Other Comprehensive Income	Created on account of items measured through other comprehensive income

22. INTEREST INCOME

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest on loans (measured at amortised cost)	232,946	185,576
(b) Interest Income on deposits with Banks (measured at amortised cost)	67	1
Total	**233,013**	**185,577**

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

(Rs. in lakh)

PARTICULARS		For the year ended March 31, 2019	For the year ended March 31, 2018
(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	2,467	210
(C)	**Total Net gain/(loss) on fair value changes**	**2,467**	**210**
(D)	Fair value changes :		
	-Realised	2,470	192
	-Unrealised	(3)	18
	Total Net gain/(loss) on fair value changes (Refer note below)	**2,467**	**210**

24. OTHER INCOME

(Rs. in lakh)

PARTICULARS		For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Branch advertisement income	5,073	3,363
(b)	Net gain / (loss) on derecognition of property, plant & equipment	2	-
(c)	Miscellaneous Income	165	109
Total		**5,240**	**3,472**

25. FINANCE COSTS

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Amortised cost		
(a) Interest on borrowings	104,463	58,736
(b) Interest on debt securities	32,791	41,765
(c) Interest on subordinated liabilities	5,989	6,199
(d) Dividend on Compulsorily Convertible Cumulative Preference Shares (including dividend distribution tax thereon) (refer note 15.8 above)	8,999	9,755
(e) Discounting Charges		
(i) On commercial paper	24,624	18,710
(ii) On debentures	585	-
Total	**177,451**	**135,165**

26. EMPLOYEE BENEFIT EXPENSES

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salaries, wages and bonus	15,207	10,368
(b) Contribution to provident and other fund (refer note 26.1 below)	908	407
(c) Staff welfare expenses	654	559
(d) Expenses related to post-employment defined benefit plans	140	132
(e) Share based payments to employees	58	279
Total	**16,967**	**11,745**

26.1 The Supreme Court of India in its judgement in the case of THE REGIONAL PROVIDENT FUND COMMISSIONER (II) WEST BENGAL v/s VIVEKANANDA VIDYAMANDIR AND OTHERS on February 28, 2019 has clarified that any emolument paid universally, necessarily and ordinarily to all employees across the board is to be considered as basic wage and accordingly needs to be considered for calculation of Provident Fund contribution. The Company has made an estimate of the liability and as a matter of caution, the Company has made a provision Rs 390 lakh for the year ended March 31, 2019. The Company would record any further effect in its financial statements, in the period in which it receives additional clarity on the said subject.

27. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(Rs. in lakh)

PARTICULARS	**For the year ended March 31, 2019**		**For the Year Ended March 31, 2018**	
(a) Loans - at amortised cost				
(i) Impairment allowance - stage III (net of recoveries)		18,919		11,573
(ii) Write off - Loans	21,519		4,418	
Less : Reversal of Impairment allowance on write off - Loans	(21,519)	-	(4,418)	-
(iii) Impairment allowance - stage I & II		1,245		2,342
(b) Trade receivables		46		-
Total		**20,210**		**13,915**

28. OTHER EXPENSES

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2019	For the Year Ended March 31, 2018
(a) Advertisements and publicity	287	332
(b) Brand Equity and Business Promotion	682	543
(c) Corporate social responsibility cost (Refer Note No 28.3 below)	642	450
(d) Donations	530	-
(d) Incentive / commission/ brokerage	30	18
(e) Information technology expenses	2,234	2,762
(f) Insurance charges	366	207
(g) Legal and professional fees	2,120	1,120
(h) Loan processing fees	2,176	2,011
(i) Printing and stationery	252	154
(j) Power and fuel	153	117
(k) Repairs and maintenance	42	17
(l) Rent	1,835	1,443
(m) Rates and taxes	12	17
(n) Stamp charges	7	16
(o) Service providers' charges	2,073	1,586
(p) Training and recruitment	252	266
(q) Telephone, telex and leased line	116	129
(r) Travelling and conveyance	943	609
(s) Foreign currency translation loss	375	-
(t) Directors remuneration	64	58
(u) Audit Fees (Refer Note No 28.1 below)	43	48
(v) Other expenses	813	669
Total	**16,046**	**12,571**

28.1 Auditors Remuneration (including out of pocket expenses and excluding taxes) as below.

(Rs. in lakh)

Particulars	For the year ended March 31, 2019	For the Year Ended March 31, 2018
Audit Fees	35	40
Tax Audit Fees	4	4
Other Services	4	4
Total	**43**	**48**

28.2 Expenditure in foreign currency

(Rs. in lakh)

Particulars	For the year ended March 31, 2019	For the Year Ended March 31, 2018
Legal and professional fees	93	119
Information Technology Expenses	18	610
Training and recruitment	12	-
Total	**123**	**729**

28.3 Corporate social responsibility expenses

(a) Gross amount required to be spent by the company during the year was Rs. 642 Lakh (FY 2017-18: Rs. 450 lakh).
(b) Amount spent and paid during the year on:

(Rs. in lakh)

Particulars	For the year ended March 31, 2019	For the Year Ended March 31, 2018
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than above (i)	642	450

29 Contingent Liabilities and Commitments (to the extent not provided for):

(a) Contingent Liabilities Rs. Nil (as at March 31, 2018 Rs. Nil, as at April 1, 2017 Rs. Nil).

(b) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances given).

- Tangible: Rs. 260 Lakh (as at March 31, 2018 Rs. 435 Lakh, as at April 1, 2017 Rs. 348 Lakh)
- Intangible: Rs. 20 Lakh (as at March 31, 2018 Rs. 21 Lakh, as at April 1, 2017 Rs. 311 Lakh)

(c) Undrawn Commitment given to Borrowers

- As on March 31, 2019 Rs. 2,98,894 lakh (as at March 31, 2018: Rs. 2,69,346 lakh, as at April 1, 2017 Rs. 2,38,427 Lakh)

30 Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

A. List of related parties and relationship:

Ultimate holding Company	Tata Sons Private Limited (formerly Tata Sons Limited)
Holding Company	Tata Capital Limited
Subsidiaries of Holding Company	TC Travel and Services Limited (Ceased to be related party wef October 30, 2017) Tata Capital Pte. Limited Tata Capital Growth Fund I Tata Capital Special Situation Fund Tata Capital Healthcare Fund I Tata Capital Innovations Fund Tata Capital Growth Fund II (w.e.f. 28.09.2018) Tata Capital Growth II General Partners LLP (w.e.f.20.09.2018) Tata Capital Markets Pte. Ltd. Tata Capital Advisors Pte. Ltd. Tata Capital Plc Tata Capital General Partners LLP Tata Capital Healthcare General Partners LLP Tata Opportunities General Partners LLP Tata Securities Limited Tata Capital Financial Services Limited Tata Cleantech Capital Limited Tata Capital Forex Limited (Ceased to be related party wef October 30, 2017)
Subsidiaries of ultimate holding company (with which the company had transactions)	Tata Consultancy Services Limited Infiniti Retail Limited Tata Teleservices Maharashtra Limited Tata Teleservices Limited
Other Related Parties (with which the company had transactions)	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited) Concorde Motors (India) Limited Nelco Limited Roots Corpotation Ltd Tata AIA Life Insurance Company Limited Tata AIG General Insurance Company Limited Tata Communications Limited Tata Motors Finance Limited Titan Company Ltd Voltas Limited Tata Capital Limited Employees Provident Fund Tata Capital Limited Superannuation Scheme
Key Management Personnel	Mr. R. Vaithianathan (Ceased to be Managing Director w.e.f. 21st May 2018) Mr. Anil Kaul (Managing Director w.e.f. 18th July 2018) Mr. Rajiv Sabharwal (Director) Mr. Ankur Verma (Director) Mr. Mehernosh B. Kapadia (Director) Ms. Anuradha E. Thakur (Director) Mr. Govind Sankaranarayan (Ceased to be Director w.e.f. 24th August 2018) Mr. Janki Ballabh (Ceased to be Director w.e.f. 23rd October 2017) Mr. Shailesh H Rajadhyaksha (Ceased to be Director w.e.f. 1st December 2017) Mr. S. Balakrishna Kamath (Chief Financial Officer) Mr. Jinesh Meghani (Company Secretary)

B. **Transactions carried out with related parties referred in "A" above:**

(Rs. in Lakh)

Sr. No.	Party Name	Nature of transaction	2018-19	2017-18	2016-17
1	Tata Sons Private Limited (formerly Tata Sons Limited)	a) Expenses			
		- Brand equity and business promotion	682	543	
		- Legal and professional fees	-	-	
		- Staff Welfare *	1	0	
		- Training Expenses *	1	0	
		b) Balance payable	682	543	495
2	Tata Capital Limited	a) Amount raised by issue of Compulsorily Convertible Cumulative Preference Shares	55,500	30,100	
		b) Inter-Corporate Deposit accepted / repaid			
		- Inter-Corporate Deposit received during year	478,207	205,185	
		- Inter-Corporate Deposit repaid during year	458,089	215,185	
		c) Interest expense on			
		-Inter-Corporate Deposit	1,394	611	
		-Debentures	-	-	
		d) Reimbursement of expenses to TCL	7	8	
		e) Service providers charges	1,179	1,037	
		f) Interim dividend paid on Preference Shares	7,403	8,047	
		g) Receipt of Security Deposit	-	3	
		h) Repayment of Security Deposit	-	3	
		i) Guest house income *	0	-	
		i) Balance Outstanding			
		- Expenses Payable	94	120	127
		- Borrowings (Inter-Corporate Deposit)	20,118	-	10,000
		- Borrowings (Compulsorily Convertible Cumulative Preference Shares)	127,200	112,500	82,400
3	Tata Capital Financial Services Limited	a) Transfer from			
		-Fixed Assets	11	14	
		-Salary *	-	0	
		b) Transfer to			
		-Fixed Assets / CWIP *	-	0	
		c) Expenses			
		-Reimbursement of expenses		53	
		-Rent expenses	1,076	1,057	
		-Guest house expenses	27	15	
		-Loan sourcing fee	15	1	
		d) Income			
		-Loan sourcing fee	-	1	
		-Rent recovery	70	23	
		-Guest House Recovery	7	9	
		-Reimbursement of expenses		-	
		e) Balance payable	205	141	235
4	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)	a) Expenses			
		- Service provider charges	1,865	1,448	
		b) Balance payable	-	-	73
5	TC Travel and Services Limited	a) Expenses			
		- Travel related services	-	135	
6	Tata Consultancy Services Limited	a) Expenses			
		- Information technology expenses	1,549	2,040	
		- Advertisements and publicity	200	-	
		b) Balance payable	884	647	1,178
7	Tata AIA Life Insurance Company Limited	a) Expenses			
		- Insurance Expense for Employees	12	12	
		b) Advance given	27	11	-
8	Tata AIG General Insurance Company Limited	a) Expenses			
		- Insurance expenses	4	1	
		b) Advertisement Income	-	80	
		c) Advance given	-	1	1
9	Infiniti Retail Limited	a) Fixed Asset purchased	2	1	
		b) Gift Expenses *	-	0	
		c) Advance given *	1	0	0

10	Tata Cleantech Capital Limited	a) Reimbursement of Expenses *	-	0	
		b) Guest House Income*	-	0	
		c) Outstanding Receivable*	-	-	0
11	Tata Teleservices Limited	a) Telephone, telex and leased line	17	18	
		b) Advance given *	-	0	-
12	Tata Teleservices Maharashtra Limited	a) Telephone, telex and leased line	7	27	
13	Tata Capital Forex Limited	a) Travelling and conveyance *	-	0	
14	Key Management Personnel	a) Remuneration to KMP			
		- Short Term Employee Benefits	458	252	
		- Post Employment Benefits	202	21	
		- Share based payemnts (No. of Shares			
		(i) Options granted	6,35,000	4,50,307	4,30,307
		(ii) Options exercised	25,000	4,50,307	4,30,307
		- Director sitting fees	31	23	
		- Director commission	27	30	
		b) Home Loans given			
		- Disbursement made against home loans	161	21	
		- Repayment received against home loans	5	3	
		- Outstanding amount of home loans	369	213	195
15	Concorde Motors (India) Limited	a) Fixed asset purchased	11	-	
16	Nelco Limited	a) Information technology expenses *	0	-	
17	Roots Corpotation Ltd	a) Training expenses *	0	-	
18	Tata Communications Limited	a) Information technology expenses	26	21	
19	Tata Motors Finance Limited	a) Rent expenses	2	1	
20	Titan Company Ltd	a) Staff welfare	5	9	
		b) Advance given	39	4	
21	Voltas Limited	a) Fixed asset purchased	5	8	
		b) Repairs and maintenance expenses	6	7	
		c) Advance given *	0	-	
22	Tata Capital Limited Employees Provident Fund Trust	a) Contribution towards Provident Fund	810	642	
23	Tata Capital Limited Superannuation Scheme	a) Contribution towards Superannuation Fund	14	20	

*Less than Rs.50,000/-

31 Earnings per Share (EPS):

Particulars		2018-19	2017-18
Profit after tax	Rs. in Lakh	5,049	8,761
Add: Preference dividend (including dividend distribution tax)	Rs. in Lakh	8,911	9,744
Profit after tax attributable to parent company	Rs. in Lakh	13,960	18,505
Weighted average number of Equity shares used in computing Basic / Diluted EPS	Nos	54,12,12,806	42,43,69,996
Face value of equity shares	Rupees	10	10
Earnings per share (Basic and Diluted)	Rupees	**2.58**	**4.36**

32 Lease Payments

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

(Rs. in Lakh)

Lease Payments	2018-19	2017-18
-Within one year	284	-
-Later than one year and not later than five years	971	-
-Later than five years	-	-

The amount charged towards lease rental as part of Rent expenditure is Rs. 1,835 Lakh (FY 2017-18 Rs.1,443 Lakh)

33 Movement in Impairment loss allowance - Stage I & II (provisions against standard assets) during the year is as under:

(Rs. in Lakh)

Particulars	2018-19	2017-18
Opening Balance	17,412	15,070
Additions during the year	1,245	2,342
Utilised during the year	-	-
Closing Balance	**18,657**	**17,412**

34. Share based payment

A. Description of share based payments:

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018
i. Vesting requirements	**1/3rd at the end of each 12, 24 and 36 months from the date of grant**	**1/3rd at the end of each 12, 24 and 36 months from the date of grant**	**100% at the end of 12 months from the date of grant**	**100% at the end of 12 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	**6 years**	**6 years**	**2 years**	**2 years**	**7 years**
iii. Method of settlement	**Equity Settled**	**Equity Settled**	**Equity Settled**	**Equity Settled**	**Equity Settled**
iv. Modifications to share based payment plans	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**
iv. Any other details as disclosed in the audited Ind AS financial statements	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**

B. Summary of share based payments

31 March 2019

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Outstanding balance at the beginning of the period	**-**	**106,805**	**-**	**2,460,000**	**-**	2,566,805
Options granted	-	-	-	-	1,020,000	1,020,000
Options forfeited	-	53,958	-	670,000	-	723,958
Options exercised	-	19,445	-	296,500	-	315,945
Options expired	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-
Options outstanding at the end of the period	**-**	**33,402**	**-**	**1,493,500**	**1,020,000**	**2,546,902**
Options exercisable at the end of the period	-	33,402	-	1,493,500	-	1,526,902
For share options exercised:						
Weighted average exercise price at date of exercise						32.88
Money realized by exercise of options						10,389,225
For share options outstanding						
Range of exercise prices	17.77	25.00	30.00	33.40	50.60	
Average remaining contractual life of options	-	0.33	-	0.00	6.51	2.61

31 March 2018

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Outstanding balance at the beginning of the period	**50,555**	**188,291**	**1,715,000**	**3,340,000**	**-**	5,293,846
Options granted	-	-	-	-	-	-
Options forfeited	-	73,638	-	945,000	-	1,018,638
Options exercised	50,555	59,515	539,014	-	-	649,084
Options expired	-	-	1,175,986	-	-	1,175,986
Options lapsed	-	-	-	-	-	-
Options outstanding at the end of the period	**-**	**55,138**	**-**	**2,395,000**	**-**	**2,450,138**
Options exercisable at the end of the period	-	55,138	-	2,395,000	-	2,450,138
For share options exercised:						
Weighted average exercise price at date of exercise						28.59
Money realized by exercise of options						18,556,657
For share options outstanding						
Range of exercise prices	17.77	25.00	30.00	33.40	50.60	
Average remaining contractual life of options	-	-	-	1.00	-	-

1 April 2017

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Outstanding balance at the beginning of the period	**112,222**	**215,791**	**2,175,000**	**-**	**-**	2,503,013
Options granted	-	-	-	3,280,000	-	3,280,000
Options forfeited	12,500	47,500	505,000	-	-	565,000
Options exercised	49,167	-	-	-	-	49,167
Options expired						-
Options lapsed						-
Options outstanding at the end of the period	**50,555**	**168,291**	**1,670,000**	**3,280,000**	**-**	**5,168,846**
Options exercisable at the end of the period	50,555	168,291	1,670,000	-	-	1,888,846
For share options exercised:						
Weighted average exercise price at date of exercise						17.77
Money realized by exercise of options						873,698
For share options outstanding						
Range of exercise prices	17.77	25.00	30.00	33.40	50.60	
Average remaining contractual life of options	0.42	-	1.00	1.00	-	-

C. Valuation of stock options

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018
Share price:	**17.77**	**25**	**30**	**33.4**	**50.6**
Exercise Price:	**17.77**	**25**	**30**	**33.4**	**50.6**
Expected Volatility:	0.49	0.37	0.38	0.35	0.38
Contractual Option Life (years):	3.00	3.00	2.00	2.00	7.00
Expected dividends:	-	-	-	-	-
Risk free interest rate:	8.00%	8.00%	8.00%	6.57%	8.04%
Vesting Dates					
	33.33% vesting on August 31, 2012	33.33% vesting on July 29, 2014	100% vesting on March 31, 2017	100% vesting on April 2, 2018	20% vesting on September 30, 2019
	66.67% vesting on August 31, 2013	66.67% vesting on July 29, 2015	-	-	40% vesting on September 30, 2020
	100% vesting on August 31, 2014	100% vesting on July 29, 2016	-	-	70% vesting on September 30, 2021
	-	-	-	-	100% vesting on September 30, 2022
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

The Company is required to present the following terms of the ESOPs, for the key managerial employees and other employees

As at March 31, 2019

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Fair value at grant date	17.77	25.00	30.00	33.40	50.60	
Share price at grant date	17.77	25.00	30.00	33.40	50.60	
Exercise price	17.77	25.00	30.00	33.40	50.60	
Expected volatility (weighted average volatility)	0.49	0.37	0.38	0.35	0.38	
Expected life (expected weighted average life)	0.00	0.33	0.00	0.00	6.51	
Expected dividends	0.00	0.00	0.00	0.00	0.00	
Risk-free interest rate (based on government bonds)	8.00%	8.00%	8.00%	6.57%	8.04%	
Key managerial employees						
Mr. Anil Kaul, Managing Director						
Options granted	-	-	-	-	600,000	600,000
Options exercised	-	-	-	-	-	-
Mr. S. Balakrishna Kamath, Chief Financial Officer						
Options granted	-	-	10,000	10,000	-	20,000
Options exercised	-	-	10,000	10,000	-	20,000
Mr. Jinesh Meghani, Company Secretary						
Options granted	-	-	5,000	10,000	-	15,000
Options exercised	-	-	5,000	-	-	5,000

As at March 31, 2018

Particulars	ESOP 2011	ESOP 2011	ESOP 2011	ESOP 2011	ESOP 2011	Total
Fair value at grant date	17.77	25.00	30.00	33.40	50.60	
Share price at grant date	17.77	25.00	30.00	33.40	50.60	
Exercise price	17.77	25.00	30.00	33.40	50.60	
Expected volatility (weighted average volatility)	0.49	0.37	0.38	0.35	0.38	
Expected life (expected weighted average life)	0.00	0.86	0.00	1.00	0.00	
Expected dividends	0.00	0.00	0.00	0.00	0.00	
Risk-free interest rate (based on government bonds)	8.00%	8.00%	8.00%	6.57%	8.04%	
Key managerial employees						
Mr. R. Vaithianathan, Managing Director						
Options granted	110,000	-	10,000	10,000	-	130,000
Options exercised	110,000	-	10,000	10,000	-	130,000
Mr. S. Balakrishna Kamath, Chief Financial Officer and Company Secretary						
Options granted	-	-	10,000	10,000	-	20,000
Options exercised	-	-	10,000	10,000	-	20,000

As at 1 April 2017

Particulars	ESOP 2011	ESOP 2011	ESOP 2011	ESOP 2011	ESOP 2011	Total
Fair value at grant date	17.77	25.00	30.00	33.40	50.60	
Share price at grant date	17.77	25.00	30.00	33.40	50.60	
Exercise price	17.77	25.00	30.00	33.40	50.60	
Expected volatility (weighted average volatility)	0.49	0.37	0.38	0.35	0.38	
Expected life (expected weighted average life)	0.42	1.35	1.00	2.00	0.00	
Expected dividends	0.00	0.00	0.00	0.00	0.00	
Risk-free interest rate (based on government bonds)	8.00%	8.00%	8.00%	6.57%	8.04%	
Key managerial employees						
Mr. R. Vaithianathan, Managing Director						
Options granted	110,000	-	10,000	10,000	-	130,000
Options exercised	110,000	-	10,000	10,000	-	130,000
Mr. S. Balakrishna Kamath, Chief Financial Officer and Company Secretary						
Options granted	-	-	10,000	10,000	-	20,000
Options exercised	-	-	10,000	10,000	-	20,000

E) Amount recognised in P&L. (Refer note no 26)

35. Employee benefit expenses

A. Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a Trust by the Company. The Company is generally 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 under the employee provident scheme, 1952 is recognised as an expense in the year in which it is determined.

The Company recognised a charge of Rs. 504 Lakh (FY 2017-18 Rs.386 Lakh) towards provident fund and family pension fund contribution and Rs.14 Lakh (FY 2017-18 Rs.21 Lakh) towards contribution to superannuation fund in the Statement of Profit and Loss during the current year.

B. Defined benefit plan

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount), (Included as part of contribution to provided fund, superannuation fund and other funds as referred in Note 26 of Employee Benefit Expenses). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. On adoption of the Indian Accounting Standard (Ind AS 19) on "Employee Benefits", actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are recognised in other comprehensive income.

The Company offers the following employee benefit schemes to its employees:

i. Gratuity
ii. Post-employment medical benefits
iii. Other defined benefit plans

The following table sets out the funded / unfunded status of the defined benefit schemes and the amount recognised in the financial statements:

Movement in net defined benefit (asset) liability

a) Reconciliation of balances of Defined Benefit Obligations. **(Rs. in lakh)**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Defined Obligations at the beginning of the year	721	-	597	
Current service cost	148	-	137	-
Interest cost	46	-	43	-
Plan participant's contributions		-		-
Exchange (gain) / loss		-		-
Benefits paid	-	-	-	-
Past service cost		-		-
Amalgamations / Acquisitions	11	-	34	-
Liabilities assumed on transfer of employees		-		-
Settlement cost / (credit)	-	-	-	-
Curtailment cost / (credit)	-	-	-	-
Plan amendments	-	-	-	-
Change in secured pensioner value		-		-
		-		-
Due to company ceasing to be a subsidiary				
Due to company becoming subsidiary				
Actuarial (Gains)/ Losses on obligations		-		-
arising from:				
		-		-
a. Due to change in financial assumptions	105		(10)	
		-		-
b. Due to change in experience adjustments	22		(34)	
c. Due to experience adjustments	(61)	-	-	-
Others (please specify below)		-		-
Benefits paid directly by the Company	(258)	-	(45)	-
Defined Obligations at the end of the year	**734**	**-**	**721**	**-**

b) Reconciliation of balances of Fair Value of Plan Assets **(Rs. in lakh)**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
As on 31 March 2019				
Fair Value at the beginning of the year	**756**	**-**	666	
Expected return on plan assets	(9)	-	6	-
Actuarial gain / (loss) on plan assets		-		-
Exchange gain/(loss)		-		-
Employer contributions	-	-	-	-
Plan participant's contributions		-		-
Benefits paid	-	-	-	-
Amalgamations / Acquisitions	11	-	34	-
Assets transferred on transfer of employees		-		-
Adjustment on plan settlement				
Change in secured pensioner value	-	-	-	-
Others (please specify below)		-		-
Interest Income on Plan Assets	58	-	50	-
		-		-
Due to company ceasing to be a subsidiary		-		-
Fair Value of Plan Assets at the end of the year	**815**	**-**	**756**	**-**

c) Funded status **(Rs. in lakh)**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018		As at April 1, 2017	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Deficit of plan assets over obligations						
Surplus of plan assets over obligations	81		**35**		**69**	
Unrecognised asset due to asset ceiling						
Total	81	-	35	-	69	-

d) Categories of plan assets **(Rs. in lakh)**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018		As at April 1, 2017	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Corporate bonds	351	-	325	-	273	-
Equity shares	85	-	91	-	107	-
Government securities	371	-	332	-	220	-
Insurer managed funds		-		-		-
PSU bonds		-		-		-
Equity mutual funds		-		-		-
Bank balances		-		-		-
Cash	7	-	8	-	67	-
Equities		-		-		-
Special deposit scheme		-		-		-
Index linked gilt		-		-		-
Secured pensions		-		-		-
Others (please specify)	-	-	-	-	-	-
Total	**815**	**-**	**756**	**-**	**666**	**-**

e) Amount recognised in Balance sheet **(Rs. in lakh)**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018		As at April 1, 2017	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Present value of the defined benefit obligation	734	-	721	-	597	-
Fair value of plan assets	815	-	756	-	666	-
Unrecognised asset due to asset ceiling						
Unrecognised past service costs						
Net asset / (liability) recognised in the Balance Sheet	**81**	**-**	**35**	**-**	**69**	**-**

f) Amount recognised in Statement of Profit and Loss **(Rs. in lakh)**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Current Service Cost	148	-	137	-
Past Service cost	-	-	-	-
Interest Cost (net)	(9)	-	(5)	-
Curtailment cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Received from intra-group company on transfer of employees				
Expected return on plan assets				
Actuarial loss/(gain) recognised during the year				
Others (please specify)				
Expenses for the year	**140**	**-**	**132**	**-**

g) Amount recognised in OCI **(Rs. in lakh)**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
a. Due to change in financial assumptions	**105**	**-**	**(10)**	**-**
b. Due to change in experience adjustments	**22**	**-**	**(34)**	**-**
c. Due to experience adjustments	**(61)**	**-**	**-**	**-**
d. (Return) on plan assets (excl. interest income)	9	-	(6)	-
e. Change in Asset Ceiling				
Total remeasurements in OCI	**76**	**-**	**(50)**	**-**
Total defined benefit cost recognized in P&L and OCI	**216**	**-**	**81**	**-**

h) Expected cash flows for the following year

(Rs. in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Expected total benefit payments	**1,293**	**546**
Year 1	**73**	**192**
Year 2	**75**	**11**
Year 3	**89**	**15**
Year 4	**97**	**22**
Year 5	**127**	**28**
Next 5 years	**832**	**278**

i) Major Actuarial Assumptions

(Rs. in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	As at April 1, 2017
Discount Rate (%)	7.20%	7.70%	7.50%
Salary Escalation/ Inflation (%)	Non CRE : 8.25% CRE and J Grade : 6%	7.5% for fist 5 years and 6% thereafter	7.5% for fist 5 years and 6% thereafter
Expected Return on Plan assets (%)	8.00%	8.00%	8.00%
Mortality Table	**Indian assured lives Mortality (2006-08) (modified) Ult.**	**Indian assured lives Mortality (2006-08) (modified) Ult.**	**Indian assured lives Mortality (2006-08) (modified) Ult.**
Withdrawal (rate of employee turnover)	CRE and J Grade : 40% Non CRE : Service Rate Less than 5 years 25% More than 5 years 10%	0-2 years 10%, 3-4 years 5%, 5-9 years 2.5%, 10 years and more 1%	0-2 years 10%, 3-4 years 5%, 5-9 years 2.5%, 10 years and more 1%
Retirement Age	**60 years**	**60 years**	**60 years**
Estimate of amount of contribution in the immediate next year	73	192	

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

i) Sensitivity analysis

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

	March 31, 2019		March 31, 2018	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(0.5)	0.6	(0.8)	0.9
Future salary growth (1% movement)	0.6	(0.5)	1.0	(0.8)
Others (Withdrawal rate 5% movement)	(0.5)	0.8	(0.0)	0.2

j) Provision for leave encashment

	March 31, 2019		March 31, 2018		April 1, 2017	
Particulars	**Non current**	**Current**	**Non current**	**Current**	**Non current**	**Current**
Liability for compensated absences	242	123	193	56	172	38

Experience adjustments	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
Funded					
2018-19	734	815	81	(22)	(9)
2017-18	721	756	35	34	6
2016-17	597	666	69	(53)	25
Unfunded					
2018-19	-	-	-	-	-
2017-18	-	-	-	-	-
2016-17	-	-	-	-	-

Each year an 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.

36. Fair values of financial instruments

See accounting policy in Note 2(iii).

A. Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

b) Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

c) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at measurement date. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. Valuation techniques include net present value and discounted cash flow models, income approach, comparison with similar instruments for which observable market prices exist, option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free returns, benchmark interest rates and credit spreads used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company uses widely recognised valuation models to determine the fair value of financial instruments, such as forward rate agreement, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

For more complex instruments, the Company uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and may be derived from market prices or rates or estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, determination of expected volatilities and correlations and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Company believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counterparty where appropriate. Model inputs and values are calibrated against historical data, where possible, against current or recent observed transactions in different instruments. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management uses judgement to select the most appropriate point in the range.

Discounting of the cash flows of financial asset/ financial liability for computing the fair value of such instrument: the future contractual cash flows of instrument over the remaining contractual life of the instrument are discounted using comparable rate of lending/borrowing as applicable to financial asset/ financial liability in the month of reporting for a similar class of instruments.

Derivatives held for risk management :
The Company enters into structured derivatives to mitigate the currency exchange risk and interest rate risk on account of fluctuation in the foreign exchange rates and floating rates towards the principal and interest repayments of external commercial borrowing. Some of these instruments are valued using models with significant unobservable inputs, principally expected long-term volatilities and expected correlations between different underlyings.

36. Fair values of financial instruments

See accounting policy in Note 2(iii).

B. Valuation framework

The Company has a established a policy for the measurement of fair values addressing the requirement to independently verify the results of all significant fair value measurements. Specific controls include:
1) verification of observable pricing basis actual market transactions;
2) re-performance of model valuations;
3) a review and approval process for new models and changes to models
4) annual calibration and back-testing of models against observed market transactions;
5) analysis and investigation of significant annual valuation movements; and
6) review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous year.

When third party information, such as valuation agency report is used to measure fair value, the Company assesses the documents and evidence used to support the conclusion that the valuations meet the requirements of Ind AS. This includes:
1) understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
2) when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
3) if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

Significant valuation issues are reported to the Audit Committee.

36. Fair values of financial instruments

C. The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(i) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	13,276	13,276
Other balances with banks	-	-	-	-	51,708	51,708
Derivative financial instruments					347	347
Trade receivables	-	-	-	-	462	462
Loans	-	-	-	-	2,649,354	2,649,354
Investments	369	-	-	-	-	369
Other financial assets	-	-	-	-	338	338
Total	**369**	**-**	**-**	**-**	**2,715,485**	**2,715,854**
Financial Liabilities:						
Derivative financial instruments					372	372
Trade and other payables	-	-	-	-	6,489	6,489
Borrowings	-	-	-	-	2,557,898	2,557,898
Other financial liabilities	-	-	-	-	23,844	23,844
Total	**-**	**-**	**-**	**-**	**2,588,603**	**2,588,603**

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	6,952	6,952
Other balances with banks	-	-	-	-	26	26
Derivative financial instruments					-	-
Trade receivables	-	-	-	-	396	396
Loans	-	-	-	-	2,043,987	2,043,987
Investments	281	-	-	-	-	281
Other financial assets	-	-	-	-	170	170
Total	**281**	**-**	**-**	**-**	**2,051,531**	**2,051,812**
Financial Liabilities:						
Derivative financial instruments					-	-
Trade and other payables	-	-	-	-	4,913	4,913
Borrowings	-	-	-	-	1,936,394	1,936,394
Other financial liabilities	-	-	-	-	28,155	28,155
Total	**-**	**-**	**-**	**-**	**1,969,462**	**1,969,462**

The carrying value of financial instruments by categories as at April 1, 2017 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	8,318	8,318
Other balances with banks	-	-	-	-	-	-
Derivative financial instruments					-	-
Trade receivables	-	-	-	-	5	5
Loans	-	-	-	-	1,700,371	1,700,371
Investments	251	-	-	-	-	251
Other financial assets	-	-	-	-	247	247
Total	**251**	**-**	**-**	**-**	**1,708,941**	**1,709,192**
Financial Liabilities:						
Derivative financial instruments					-	-
Trade and other payables	-	-	-	-	3,769	3,769
Borrowings	-	-	-	-	1,602,131	1,602,131
Other financial liabilities	-	-	-	-	36,555	36,555
Total	**-**	**-**	**-**	**-**	**1,642,455**	**1,642,455**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2019, March 31, 2018 and April 1, 2017 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For mutual funds, published net asset value (NAV) is used for the purpose of computation of fair value.

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
a) Fair value is computed for financial asset carried at amortised cost by comparing the contracted internal rate of return with the weighted average coupon rate for the loans disbursed in the reporting month.
b) For all other financial assets and financial liabilities, the carrying value approximates the fair value of the instrument.

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

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	-	369	-	369
Total	-	369	-	369

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	-	281	-	281
Total	-	281	-	281

As at April 1, 2017	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	-	251	-	251
Total	-	251	-	251

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

Measured at Level 3	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Carrying Value	Fair value	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets at amortised cost:						
Loans	2,649,354	2,663,620	2,043,987	2,074,756	1,700,371	1,751,443
Total	**2,649,354**	**2,663,620**	**2,043,987**	**2,074,756**	**1,700,371**	**1,751,443**
Financial Liabilities at amortised cost:						
Borrowings	2,557,898	2,551,222	1,936,394	1,915,321	1,602,131	1,596,404
Total	**2,557,898**	**2,551,222**	**1,936,394**	**1,915,321**	**1,602,131**	**1,596,404**

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			Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017				
Loans	2,663,620	2,074,756	1,751,443	Level 3	Discounted cash flows	NA	NA
Financial Assets at amortised cost	**2,663,620**	**2,074,756**	**1,751,443**				

Financial instruments	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017				
Borrowings	2,551,222	1,915,321	1,596,404	Level 3	Discounted cash flows	NA	NA
Financial Liabilities at amortised cost	**2,551,222**	**1,915,321**	**1,596,404**				

37 Financial risk 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 38

A. Credit risk
   i. Credit quality analysis
   ii. Collateral held and other credit enhancements
   iii. Amounts arising from ECL
   iv. Concentration of credit risk
B. Liquidity risk
   i. Exposure to liquidity risk
   ii. Maturity analysis for financial liabilities and financial assets
   iii. Financial assets available to support future funding
   iv. Financial assets pledged as collateral
C. Market risk
   i. Exposure to interest rate risk – Non-trading portfolios
   ii. Exposure to currency risks – Non-trading portfolios
D. Capital management
   i. Regulatory capital
   ii. Capital allocation

A. Credit risk

For the definition of credit risk and information on how credit risk is mitigated by the Company, see Note 38.

i. Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost and fair value through other comprehensive income. The amounts in the table represent gross carrying amounts for financial assets, impairment allowance and net carrying amounts for financial assets.

Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 2(ix).

37. Financial risk review(continued)

A. **Credit risk**

Loans by Division

i. Credit quality analysis continued

1) **Loan exposure by Financing division**

(Rs. in lakh)

PARTICULARS	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
	Amortised Cost	**Amortised Cost**	**Amortised Cost**
Loans by division			
(i) Housing	2,047,095	1,598,876	1,389,580
(ii) Non Housing	602,202	445,045	310,725
Gross carrying amount	**2,649,297**	**2,043,921**	**1,700,305**
Less : Impairment loss allowance	32,528	33,883	24,387
Net Carrying amount	**2,616,769**	**2,010,038**	**1,675,918**

Note : Gross Carrying amount does not include Loan commitments Rs. 2,98,894 lakh (As on March 31, 2018: Rs. 2,69,346 lakh | As on April 1, 2017: Rs. 2,38,427 lakh)

2) **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.

(Rs. in lakh)

a)

Outstanding Gross Loans	As at March 31, 2019				March 31, 2018				April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due												
Zero overdue	2,379,035		586	2,379,621	1,734,223		59	1,734,282	1,356,781		155	1,356,936
1-29 days	188,021		229	188,250	229,241		20	229,261	285,711		978	286,689
30-59 days		24,271	7	24,278		24,193	29	24,222		23,305	193	23,498
60-89 days		34,065	70	34,135		31,463	182	31,645		18,961	529	19,490
90 or more days			23,014	23,014			24,511	24,511			13,692	13,692
Total	**2,567,056**	**58,336**	**23,906**	**2,649,297**	**1,963,464**	**55,656**	**24,801**	**2,043,921**	**1,642,492**	**42,266**	**15,547**	**1,700,305**

Note : Gross Carrying amount does not include Loan commitments Rs. 2,98,894 lakh (As on March 31, 2018: Rs. 2,69,346 lakh | As on April 1, 2017: Rs. 2,38,427 lakh)

(Rs. in lakh)

3)

Impairment allowance on Loans	As at March 31, 2019				March 31, 2018				April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due												
Zero overdue	9,165		515	9,680	8,402		50	8,452	7,814		65	7,879
1-29 days	1,013		111	1,124	1,189		19	1,208	1,524		467	1,991
30-59 days		2,789	3	2,792		2,638	24	2,662		2,622	85	2,707
60-89 days		5,690	30	5,720		5,183	132	5,315		3,110	252	3,362
90 or more days			13,212	13,212			16,246	16,246			8,448	8,448
Total	**10,178**	**8,479**	**13,871**	**32,528**	**9,591**	**7,822**	**16,471**	**33,883**	**9,338**	**5,732**	**9,317**	**24,387**

Note : Include impairment allowance on Loan commitments Rs. 1,231 lakh (As on March 31, 2018: Rs. 1,621 lakh | As on April 1, 2017: Rs. 941 lakh)

37. Financial risk review(continued)

A. **Credit risk**

Loans by Division

i. Credit quality analysis continued

(Rs. in lakh)

As at March 31, 2019		Asset group	Days past due	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	0	2,379,035	0.39%	9,165	2,369,870
			1-29	188,021	0.54%	1,013	187,008
			Total	2,567,056	0.40%	10,178	2,556,877
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans	30-59	24,271	11.49%	2,789	21,482
			60-89	34,065	16.70%	5,690	28,375
			Total	58,336	14.53%	8,479	49,857
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans	0	586	87.88%	515	71
			1-29	229	48.47%	111	118
			30-59	7	42.86%	3	4
			60-89	70	42.86%	30	40
			90 days and above	23,014	57.41%	13,212	9,802
			Total	23,906	58.02%	13,871	10,035
			Total	**2,649,297**	**1.23%**	**32,528**	**2,616,769**

(Rs. in lakh)

March 31, 2018		Asset group	Days past due	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	0	1,734,223	0.48%	8,402	1,725,821
			1-29	229,241	0.52%	1,189	228,052
			Total	1,963,464	0.49%	9,591	1,953,873
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans	30-59	24,193	10.90%	2,638	21,555
			60-89	31,463	16.47%	5,183	26,280
			Total	55,656	14.05%	7,822	47,835
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans	0	59	84.75%	50	9
			1-29	20	95.00%	19	1
			30-59	29	82.76%	24	5
			60-89	182	72.53%	132	50
			90 days and above	24,511	66.28%	16,246	8,265
			Total	24,801	66.41%	16,471	8,330
			Total	**2,043,921**	**1.66%**	**33,883**	**2,010,038**

(Rs. in lakh)

April 1, 2017		Asset group	Days past due	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	0	1,356,781	0.58%	7,814	1,348,967
			1-29	285,711	0.53%	1,524	284,187
			Total	1,642,492	0.57%	9,338	1,633,154
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans	30-59	23,305	11.25%	2,622	20,683
			60-89	18,961	16.40%	3,110	15,851
			Total	42,266	13.56%	5,732	36,534
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans	0	155	41.94%	65	90
			1-29	978	47.75%	467	511
			30-59	193	44.04%	85	108
			60-89	529	47.64%	252	277
			90 days and above	13,692	61.70%	8,448	5,244
			Total	15,547	59.93%	9,317	6,230
			Total	**1,700,305**	**1.43%**	**24,387**	**1,675,918**

Note 1 : Gross Carrying amount does not include Loan commitments Rs. 2,98,894 lakh (As on March 31, 2018: Rs. 2,69,346 lakh | As on April 1, 2017: Rs. 2,38,427 lakh).

Note 2 : Include impairment allowance on Loan commitments Rs. 1,231 lakh (As on March 31, 2018: Rs. 1,621 lakh | As on April 1, 2017: Rs. 941 lakh).

37. Financial risk review(continued)

A. **Credit risk**

i. Credit quality analysis continued

Derivative Financial Instruments

The Company enters into derivatives contract for risk management purposes. 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.

(Rs. in lakh)

Derivatives held for Risk management purposes	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Foreign Exchange Forward contracts	64,112	347	-	-	-	-	-	-	-
Interest rate swap	51,615	-	372	-	-	-	-	-	-
Total	115,727	347	372	-	-	-	-	-	-

Derivatives held for risk management purposes:

The Company is exposed to foreign currency risk related to external commercial borrowings and the primary risk of change in the floating interest rate and payment in foreign currency towards principal and interest at future date is managed by entering into a interest rate swap and foreign exchange forward rate purchase agreement respectively.

The Corporation’s risk management strategy and how it is applied to manage risk is explained in Note 38.

The Interest rate swap and foreign exchange forward currency agreements are entered to fully hedge the risk on account of change in interest rate and foreign exchange fluctuations on account of the external commercial borrowings.

37. Financial risk review(continued)

A. **Credit risk**

ii Collateral held and other credit enhancements

The Company holds collateral and other credit enhancements against certain of its credit exposures

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

The main types of collateral obtained are as follows:

For housing loans, mortgage against residential property is obtained. For loan against property, mortgage against residential and commercial property is obtained. For Construction finance, additionally mortgage over residential and commercial project is obtained.

The table show the maximum exposure to credit risk by class of financial asset.

(Rs. in lakh)

Particulars	**Category of collateral available**	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Financial assets				
Loans				
Housing Loans	Mortgages over residential properties	2,047,095	1,598,876	1,389,580
Non housing loan	Charges over: i) real estate properties (including residential and commercial), ii) land iii) Under construction flat	602,202	445,045	310,725
Total		**2,649,297**	**2,043,921**	**1,700,305**

Assets obtained by taking possession of collateral

The Company's collection policy is to pursue timely realisation of the collateral in an orderly manner.The Company upon a customer account becoming delinquent, undertakes the process to physically repossess properties with the help of legal proceeding to recover funds and settle outstanding debt. Any surplus funds if any received are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale. Asset in the form of real estate property received upon final settlement of the loan is recorded as non-current assets held for sale.

Management monitors the market value of collateral as per the Credit monitoring process and will request additional collateral in accordance with the underlying agreement as applicable.

37. Financial risk review(continued)

A. **Credit risk**

ii Collateral held and other credit enhancements (continued)

The table show the value of the credit impaired asset and the value of the collateral available.

(Rs. in lakh)

Particulars	**As at March 31, 2019**		**As at March 31, 2018**		**As at April 1, 2017**	
	Credit Impaired	**Security held**	**Credit Impaired**	**Security held**	**Credit Impaired**	**Security held**
Loans						
Housing Loans	18,633	59,255	18,990	53,547	11,249	56,010
Non housing loan	5,271	24,057	5,862	10,041	4,304	13,417
Total	**23,904**	**83,312**	**24,852**	**63,588**	**15,553**	**69,427**

37. **Financial risk review(continued)**

A. **Credit risk**

iii Amounts arising from ECL

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

(Rs. in lakh)

a)

Particulars	**As at March 31, 2019**				**As at March 31, 2018**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	**1,963,464**	**55,656**	**24,801**	**2,043,921**	**1,642,492**	**42,266**	**15,547**	**1,700,305**
New assets originated or purchased	1,071,375	-	-	1,071,375	845,886	-	-	845,886
Assets derecognised or repaid (excluding write offs)	(424,442)	(8,293)	(1,214)	(433,948)	(482,095)	(7,358)	(1,146)	(490,599)
Transfers to Stage 1	15,956	(17,552)	(2,114)	(3,710)	13,821	(13,503)	(2,483)	(2,165)
Transfers to Stage 2	(43,307)	39,401	(444)	(4,350)	(43,202)	40,233	(1,467)	(4,436)
Transfers to Stage 3	(14,902)	(9,530)	22,728	(1,705)	(13,438)	(5,982)	18,736	(684)
Amounts written off *	(1,088)	(1,346)	(19,851)	(22,285)	-	-	(4,385)	(4,385)
Gross carrying amount closing balance	**2,567,056**	**58,336**	**23,906**	**2,649,297**	**1,963,464**	**55,656**	**24,801**	**2,043,921**

(Rs. in lakh)

b)

Particulars	**As at March 31, 2019**				**As at March 31, 2018**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance - opening balance	**9,591**	**7,822**	**16,471**	**33,883**	**9,338**	**5,732**	**9,317**	**24,387**
New assets originated or purchased	3,735	-	-	3,735	6,096	-	-	6,096
Assets derecognised or repaid (excluding write offs)	(2,141)	(1,173)	(685)	(3,999)	(3,636)	(1,002)	(655)	(5,292)
Transfers to Stage 1	66	(2,382)	(1,102)	(3,418)	57	(1,812)	(1,287)	(3,043)
Transfers to Stage 2	(488)	5,862	(231)	5,142	(694)	5,789	(713)	4,382
Transfers to Stage 3	(581)	(1,439)	13,279	11,258	(1,571)	(884)	13,565	11,109
Amounts written off *	(3)	(210)	(13,860)	(14,073)	-	-	(3,756)	(3,756)
ECL allowance - closing balance	**10,178**	**8,479**	**13,871**	**32,528**	**9,591**	**7,822**	**16,471**	**33,883**

* The above amount written off is subject to the enforcement of the security.

37. Financial risk review(continued)

A. **Credit risk**

iii Amounts arising from ECL

Modified financial assets

Exposure to modified financial assets

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	Amortised Cost	Amortised Cost	Amortised Cost
Loan exposure to modified financial assets			
(i) **Gross carrying amount**	2,972	738	1,357
(ii) Impairment allowance	656	736	631
(iii) Net carrying amount	**2,316**	**2**	**726**

37. Financial risk review(continued)

A. **Credit risk**

iii **Amounts arising from ECL**

Impairment allowance on financial asset is covered in note (ix)

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 and reschedulement of loans. These factors are applied uniformly for each lending product. Additionally, the Company reviews the account with high risk and consider the same for classification as stage 2. 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.

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(ix) 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 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.

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 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.

The below table indicates the macro economic variables used for determination of the One year probability of default and life time probability of default:

Marco economic parameters used*	Measurement metric (% change / value)	Scenarios	Base case ranges between				
			Year 1	Year 2	Year 3	Year 4	Year 5
a) Housing Price Index	Housing Price Index (change in % change)	Base	-0.40	-0.15	-0.14	-0.14	-0.13
		Optimistic	0.77	1.01	1.02	1.03	1.04
		Pessimistic	-1.57	-1.32	-1.31	-1.31	-1.30
b) Lending interest rate	Lending Interest Rate (%)	Base	9.60	9.00	9.10	9.30	9.89
		Optimistic	9.91	9.31	9.41	9.61	10.20
		Pessimistic	9.29	8.69	8.79	8.99	9.58
c) Average real wages	Average real wages (% change pa)	Base	4.40	4.80	5.20	5.60	2.17
		Optimistic	5.15	5.55	5.95	6.35	2.92
		Pessimistic	3.65	4.05	4.45	4.85	1.43
d) Housing Price	Housing Price Index (%	Base	0.06	0.05	0.05	0.04	0.03

Index	change)						
		Optimistic	-0.00	-0.01	-0.02	-0.03	-0.03
		Pessimistic	0.13	0.12	0.11	0.10	0.10

Note: The Company has applied more weights to the pessimistic case as compared to the Optimistic case while computing the probability of default.

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.

i) Credit risk monitoring techniques

Exposures are subject to ongoing monitoring, which may indicate that a significant increase in credit risk has occurred on an exposure. The monitoring typically involves use of the following data for Corporate and Retail exposures:

ii) Overdue status

iii) Restructuring, reschedulement of loans and requests for granting of forbearance

iv) Fraudulent customer

v) Marked as high risk by the Risk Management Committee

vi) Techniques for determining PD

Days past due are a primary input for the determination of the PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by product. For some portfolios, information published in Basel IRB (Basel internal rating based approach refers to set of credit measurement techniques proposed by the Basel committee on Bank Supervision (BCBS)) norms is also used.

The Company employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time. Such statistical models are selected considering the availability of information related to the probability of default for each product.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors. Key macro-economic indicators includes but is not limited to;

a) Private consumption;

b) contribution to real GDP growth;

c) Housing Price Index;

d) Lending interest rate;

e) Average real wages;

f) Real agriculture;

g) Recorded unemployment;

h) Consumer prices;

i) Real GDP.

Based on advice from the external risk management experts, the Company considered variety of external actual and forecast information to formulate a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. Such forecasts are adjusted to estimate the PDs.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

A maximum of a 12-month PD or actual contractual tenure is considered for financial assets for which credit risk has not significantly increased. The Company measures ECL for stage 2 and stage 3 assets considering the risk of default over the maximum contractual period over which it is exposed to credit risk.

The portfolio is subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

For portfolios in respect of which the Company has limited historical data, external benchmark information is used to supplement the internally available data.

vii) Techniques for determining LGD:

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates against defaulted counterparties. The LGD models consider the cash flow received, assets received in lieu of settlement of loan and collateral available for subsequent recovery that is integral to the financial asset. LGD estimates are calculated on a discounted cash flow basis using the internal rate of return as the discounting factor. Company has observed challenges in the resolution of defaulted accounts with ageing more than two years and accordingly a higher LGD estimate is applied assuming nil recoveries towards such accounts.

viii) Techniques for computation of EAD

a) EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on credit conversion factor prescribed by NHB for various loan commitments. For financial assets in stage 2, EAD is determined by estimating the possible exposure in future using linear amortisation techniques.

b) For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company if the holder of the commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down. Outstanding exposure for utilised limit as well as un-utilised limit post applying the credit conversion factor as prescribed under NHB guidelines, absent availability of information of past history of conversion of un-utilised limits into utilised limits is considered as exposure at default for non-fund-based facilities.

37. Financial risk review(continued)

A. **Credit risk**

Loans by Division

iv. Credit concentration by division under various stages:

1) **Loan exposure by division**

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification of Loans by division. The amounts presented are gross of impairment allowances.

a)

Gross carrying amount of	As at March 31, 2019				March 31, 2018				April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Division												
Housing	1,987,742	40,721	18,633	2,047,095	1,542,309	37,609	18,958	1,598,876	1,347,771	30,564	11,244	1,389,580
Non Housing	579,314	17,615	5,273	602,202	421,155	18,047	5,844	445,045	294,720	11,702	4,303	310,725
Total	**2,567,056**	**58,336**	**23,906**	**2,649,297**	**1,963,464**	**55,656**	**24,801**	**2,043,921**	**1,642,492**	**42,266**	**15,547**	**1,700,305**

Note : Gross Carrying amount does not include Loan commitments Rs. 2,98,894 lakh (As on March 31, 2018: Rs. 2,69,346 lakh | As on April 1, 2017: Rs. 2,38,427 lakh)

b

Impairment allowance on	As at March 31, 2019				March 31, 2018				April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due												
Housing	6,456	6,878	11,373	24,707	6,877	6,218	13,392	26,488	7,234	4,705	6,843	18,782
Non Housing	3,723	1,601	2,498	7,822	2,713	1,603	3,080	7,396	2,105	1,026	2,474	5,605
Total	**10,178**	**8,479**	**13,871**	**32,528**	**9,591**	**7,822**	**16,471**	**33,884**	**9,338**	**5,732**	**9,317**	**24,387**

Note : Include impairment allowance on Loan commitments Rs. 1,231 lakh (As on March 31, 2018: Rs. 1,621 lakh | As on April 1, 2017: Rs. 941 lakh)

37. Financial risk review(continued)

A. **Credit risk**

v.

PARTICULARS	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
LOANS			
- Amortised Cost	2,649,354	2,043,987	1,700,371
Total - Gross Loans	**2,649,354**	**2,043,987**	**1,700,371**
Less: Un-Amortized DMA & Processing Fees	6,970	4,265	1,633
Total - Carrying Value of Loans	**2,642,384**	**2,039,722**	**1,698,738**
Less : Impairment Allowance	32,528	33,883	24,387
Total - Net Loans	**2,609,856**	**2,005,839**	**1,674,351**

37. Financial risk review(continued)

B. **Liquidity risk**

For the definition of liquidity risk and information on how liquidity risk is managed by the Company, see Note 38.

i. **Exposure to liquidity risk**

The Company has set tolerance limits in the light of the Company's business objectives, strategic direction and overall risk appetite. The tolerance limits reflects balance between profitability and managing liquidity risk and considers Company's current financial condition and funding capacity. The Company maintains liquidity buffer of unencumbered highly liquid assets (if required) to insure against liquidity stress events.

37. Financial risk review(continued)

B. **Liquidity risk**

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets:

As at March 31, 2019	Carrying amount	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial liability by type								
Derivative financial instruments	372	-	-	-	372	-	-	372
Trade payables	6,489	-	6,489	-	-	-	6,489	-
Debt securities	401,921	45,442	6,281	141,399	163,284	45,750	193,123	209,034
Borrowings	2,093,694	263,240	218,511	284,485	917,325	411,274	766,237	1,328,599
Subordinated liabilities	62,283	-	-	-	17,570	44,800	-	62,370
Other financial liabilities	23,844	6,471	4,360	12,523	490	-	23,354	490
	2,588,603	**315,153**	**235,641**	**438,408**	**1,099,041**	**501,824**	**989,202**	**1,600,864**
Financial asset by type								
Cash and cash equivalents	13,276	13,276	-	-	-	-	13,276	-
Balances with bank in deposit account	51,708	8,009	16,020	27,651	-	28	51,680	28
Derivative financial instruments	347	1	2	8	336	-	11	336
Receivables	462	-	462	-	-	-	462	-
Loans	2,649,354	31,083	63,927	320,334	725,995	1,508,014	415,345	2,234,009
Investments	369	-	-	-	-	369	-	369
Other Financial Assets	338	-	209	-	129	-	209	129
	2,715,854	**52,369**	**80,620**	**347,993**	**726,460**	**1,508,411**	**480,983**	**2,234,871**
Type of Borrowings								
Borrowings from Banks		193,212	140,317	161,975	916,725	284,674	495,504	1,201,399
Market Borrowings		115,471	84,476	263,909	180,854	90,550	463,856	271,404
Total Borrowings excluding CCCPS		**308,683**	**224,793**	**425,884**	**1,097,579**	**375,224**	**959,360**	**1,472,803**

37. Financial risk review(continued)

B. **Liquidity risk**

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets:

As at March 31, 2018	Carrying amount	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial liability by type								
Derivative financial instruments	-	-	-	-	-	-	-	-
Trade payables	4,913	-	4,913	-	-	-	4,913	-
Debt securities	427,138	12,920	42,360	60,250	262,640	49,250	115,530	311,890
Borrowings	1,444,486	218,156	294,995	154,669	386,388	390,467	667,820	776,855
Subordinated liabilities	64,770	-	-	-	16,450	48,420	-	64,870
Other financial liabilities	28,155	8,865	6,148	12,929	213	-	27,942	213
	1,969,462	**239,942**	**348,416**	**227,848**	**665,691**	**488,137**	**816,205**	**1,153,828**
Financial asset by type								
Cash and cash equivalents	6,952	6,952	-	-	-	-	6,952	-
Balances with bank in deposit account	26	-	-	-	-	26	-	26
Derivative financial instruments	-	-	-	-	-	-	-	-
Receivables	396	-	396	-	-	-	396	-
Loans	2,043,987	28,373	25,710	125,814	548,928	1,315,162	179,897	1,864,090
Investments	281	-	-	-	-	281	-	281
Other Financial Assets	170	-	170	-	-	-	170	-
	2,051,812	**35,325**	**26,276**	**125,814**	**548,928**	**1,315,469**	**187,415**	**1,864,397**
Type of Borrowings								
Borrowings from Banks		177,373	67,920	119,156	360,987	303,367	364,449	664,354
Market Borrowings		53,704	269,435	95,763	279,090	97,670	418,902	376,760
Total Borrowings excluding CCCPS		**231,077**	**337,355**	**214,919**	**640,077**	**401,037**	**783,351**	**1,041,114**

37. Financial risk review(continued)

B. **Liquidity risk**

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets:

As at April 1, 2017	Carrying amount	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial liability by type								
Derivative financial instruments	-	-	-	-	-	-	-	-
Trade payables	3,769	-	3,769	-	-	-	3,769	-
Debt securities	504,769	52,570	34,360	100,410	255,170	62,750	187,340	317,920
Borrowings	1,032,683	138,390	161,450	167,852	298,888	266,467	467,692	565,355
Subordinated liabilities	64,679	-	-	-	8,520	56,350	-	64,870
Other financial liabilities	36,555	14,209	10,414	11,841	92	-	36,464	92
	1,642,455	**205,169**	**209,993**	**280,103**	**562,670**	**385,567**	**695,265**	**948,237**
Financial asset by type								
Cash and cash equivalents	8,318	8,318	-	-	-	-	8,318	-
Balances with bank in deposit account	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Receivables	5	-	5	-	-	-	5	-
Loans	1,700,371	18,880	15,376	78,464	469,164	1,118,437	112,720	1,587,601
Investments	251	-	-	-	-	251	-	251
Other Financial Assets	247	-	247	-	-	-	247	-
	1,709,192	**27,198**	**15,628**	**78,464**	**469,164**	**1,118,688**	**121,290**	**1,587,852**
Type of Borrowings								
Borrowings from Banks		40,227	21,944	94,831	298,888	184,067	157,002	482,955
Market Borrowings		150,733	173,866	173,431	263,690	119,100	498,031	382,790
Total Borrowings excluding CCCPS		**190,960**	**195,810**	**268,262**	**562,578**	**303,167**	**655,032**	**865,745**

37. Financial risk review(continued)

B. **Liquidity risk**

ii. Maturity analysis for financial liabilities and financial assets

The amounts in the table above have been compiled as follows.

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Derivative financial liabilities and financial assets held for risk management purposes	The Derivative liability/asset amount represents the mark to market(MTM) gain/loss.

The Company's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal differences are as follows:
a) Unrecognised loan commitments are not all expected to be drawn down immediately; and
b) retail loans have an original contractual maturity of between 12 and 144 months but an average expected maturity of 84 months because customers take advantage of early repayment options.

As part of the management of liquidity risk arising from financial liabilities, the Company holds liquid assets comprising cash and cash equivalents to meet liquidity requirements. In addition, the Company maintains agreed lines of credit with other banks to maintain the liquidity requirements.

37. Financial risk review(continued)

B. **Liquidity risk**

ii. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have a actual contratual maturity of 12 months. 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.

(Rs. in lakh)

ASSETS	As at March 31, 2019			As at March 31, 2018			April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	13,276	-	**13,276**	6,952	-	**6,952**	8,318	-	**8,318**
Balances with bank in deposit account	51,680	28	**51,708**	-	26	**26**	-	-	**-**
Derivatives financial instruments	11	336	**347**	-	-	**-**	-	-	**-**
Trade Receivables	462	-	**462**	396	-	**396**	5	-	**5**
Loans	187,244	2,462,110	**2,649,354**	184,724	1,859,263	**2,043,987**	113,791	1,586,580	**1,700,371**
Investments	-	369	**369**	-	281	**281**	-	251	**251**
Other financial assets	209	129	**338**	170	-	**170**	247	-	**247**
Non-financial Assets									
Current tax assets (Net)	-	312	**312**	-	80	**80**	-	309	**309**
Deferred tax Assets (Net)	-	12,001	**12,001**	-	10,892	**10,892**	-	7,085	**7,085**
Investment property	-	397	**397**	-	416	**416**	-	273	**273**
Property, Plant and Equipment	-	2,541	**2,541**	-	1,481	**1,481**	-	1,124	**1,124**
Capital work-in-progress	-	66	**66**	-	174	**174**	-	137	**137**
Intangible assets under development	-	9	**9**	-	725	**725**	-	326	**326**
Other non-financial assets	3,015	4,106	**7,121**	2,565	2,675	**5,240**	1,824	3,099	**4,923**
Total Assets	**255,897**	**2,482,404**	**2,738,301**	**194,807**	**1,876,013**	**2,070,820**	**124,185**	**1,599,184**	**1,723,369**

LIABILITIES	As at March 31, 2019			As at March 31, 2018			April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities									
Derivative financial instruments	-	372	372	-	-	-	-	-	-
Trade Payables									
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,489	-	6,489	4,913	-	4,913	3,769	-	3,769
Debt Securities	193,051	208,870	401,921	115,447	311,691	427,138	187,118	317,651	504,769
Borrowings (Other than debt securities)	765,832	1,327,862	2,093,694	667,631	776,855	1,444,486	467,475	565,208	1,032,683
Subordinated liabilities	-	62,283	62,283	-	64,770	64,770	-	64,679	64,679
Other financial liabilities	23,354	490	23,844	27,942	213	28,155	36,463	92	36,555
Non-Financial Liabilities									
Current tax liabilities (Net)	2,900	-	2,900	2,613	-	2,613	1,571	-	1,571
Provisions	2,300	30,629	32,929	2,209	31,985	34,194	1,613	23,037	24,650
Other non-financial liabilities	9,508	6,467	15,975	7,924	4,590	12,514	8,273	3,457	11,730
Total liabilities	**1,003,434**	**1,636,973**	**2,640,407**	**828,679**	**1,190,104**	**2,018,783**	**706,283**	**974,123**	**1,680,406**

Net	**(747,537)**	**845,431**	**97,894**	**(633,872)**	**685,909**	**52,037**	**(582,098)**	**625,061**	**42,963**

37. Financial risk review(continued)

B. **Liquidity risk**

iii. Financial assets available to support future funding

The Company has assets which are not pledged as securities. Details of assets pledged/not pledged as securities are as follows:

(Rs. in lakh)

	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
ASSETS	**Pledged**	**Not Pledged**	**Total**	**Pledged**	**Not Pledged**	**Total**	**Pledged**	**Not Pledged**	**Total**
Financial assets	**2,645,756**	**70,098**	**2,715,854**	**2,042,431**	**9,381**	**2,051,812**	**1,699,869**	**9,323**	**1,709,192**
Cash and cash equivalents		13,276	13,276		6,952	6,952		8,318	8,318
Balances with bank in deposit account		51,708	51,708		26	26		-	-
Derivatives financial instruments		347	347		-	-		-	-
Trade Receivables		462	462		396	396		5	5
Loans	2,645,756	3,598	2,649,354	2,042,431	1,556	2,043,987	1,699,869	502	1,700,371
Investments		369	369		281	281		251	251
Other financial assets		338	338		170	170		247	247
Non-financial Assets	**31**	**22,416**	**22,447**	**33**	**18,975**	**19,008**	**35**	**14,142**	**14,177**
Current tax asset		312	312		80	80		309	309
Deferred tax Assets (Net)		12,001	12,001		10,892	10,892		7,085	7,085
Investment property	31	366	397	33	383	416	35	238	273
Property, Plant and Equipment		2,541	2,541		1,481	1,481		1,124	1,124
Capital work-in-progress		66	66		174	174		137	137
Intangible assets under development		9	9		725	725		326	326
Other non-financial assets		7,121	7,121		5,240	5,240		4,923	4,923
Total Assets	**2,645,787**	**92,514**	**2,738,301**	**2,042,464**	**28,356**	**2,070,820**	**1,699,904**	**23,465**	**1,723,369**

iv. Financial assets pledged as collateral

The total financial assets recognised in the statement of financial position that had been pledged as collateral for liabilities as on March 31, 2019, March 31, 2018 and April 1, 2017 is shown in the preceding table.

Financial assets are pledged as collateral as part of the borrowings under terms that are usual and customary for such activities. In addition, as part of financial asset transactions, the Company has received collateral that it is permitted to sell in order to recover the customer dues and the same has not been considered for the purpose of computation of impairment allowance for credit impaired assets.

37. Financial risk review(continued)

C. Market risk

i For the definition of market risk and information on how the company manages the market risks of trading and non-trading portfolios, see Note 38(D).

The following table sets out the allocation of assets and liabilities to non-trading portfolios. The Company does not allocate the assets and liabilities to trading portfolios.

(Rs. in lakh)

Carrying amount	**Market risk measure**		
Assets subject to market risk	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Cash and cash equivalents	13,276	6,952	8,318
Balances with bank in deposit account	51,708	26	-
Derivative financial instruments	347	-	-
Receivables	462	396	5
Loans	2,649,354	2,043,987	1,700,371
Investments	369	281	251
Other Financial Assets	338	170	247
Liabilities subject to market risk			
Derivative financial instruments	372	-	-
Trade payables	6,489	4,913	3,769
Debt securities issued	401,921	427,138	504,769
Borrowings	2,093,694	1,444,486	1,032,683
Subordinated liabilities	62,283	64,770	64,679
Other financial liabilities	23,844	28,155	36,555

37 Financial risk review(continued)

C. Market risk (continued)

ii Company carries out EAR model analysis for rate sensitive asset and liabilities.

Below table illustrates impact on 100 bps change on Rate sensitive asset and Rate sensitive liability.

As at March 31, 2019 (Rs. in lakh)

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate Sensitive Asset	2,613,071	13,065	(13,065)
Rate Sensitive Liabilities	1,948,154	9,741	(9,741)
Net Gap (Asset - liability)	664,916	3,325	(3,325)

As at March 31, 2018 (Rs. in lakh)

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate Sensitive Asset	2,081,027	10,405	(10,405)
Rate Sensitive Liabilities	1,073,175	5,366	(5,366)
Net Gap (Asset - liability)	1,007,851	5,039	(5,039)

As at April 1, 2017 (Rs. in lakh)

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate Sensitive Asset	1,734,497	8,672	(8,672)
Rate Sensitive Liabilities	943,793	4,719	(4,719)
Net Gap (Asset - liability)	790,704	3,954	(3,954)

Exposure to foreign exchange fluctuation risk – Non-trading portfolios (continued)

The Company carries out assessment of impact on profitability due to change in the foreign exchange rate fluctuation towards external commercial borrowings.

As at March 31, 2019

Exposure (Amt in USD MN)	Foreign exchange rate sensitive	(Loss)/Gain impact Rs in lakh
75	100 paisa increase per USD	(750)
75	100 paisa decrease per USD	750

Foreign currency exposure as at March 31, 2018 and April 1, 2017 was Rs. Nil.

37. Financial risk review(continued)

D. Capital management

i Regulatory capital

The National Housing Bank (NHB) sets and monitors capital adequacy requirements for the Company from time to time.

The Company's regulatory capital consists of the sum of the following elements.

Tier 1 Capital includes:
1) ordinary share capital,
2) securities premium account,
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:
a) unrealised fair value gain booked for financial instruments measured at fair value through profit and loss statement; and
b) shares option outstanding account;
c) Remeasurement gain/loss of defined employee benefit plans
d) Fair value gain / (loss) on Financial Assets carried at FVTOCI

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 and stage 2 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

37. Financial risk review(continued)

D. Capital management

ii Regulatory capital

Amt. in lakh	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Ordinary share capital	30,971	25,333	25,333
Securities premium reserve	37,429	2,267	2,267
Retained earnings	11,316	9,081	4,622
cumulative compulsorily convertible preference Shares (CCCPS),	127,200	112,500	82,400
special reserve	17,811	15,019	10,735
general reserve	158	79	-
Less:			
-Deferred Revenue Expenditure	(1,894)	(1,055)	(1,146)
-Software	(714)	-	-
-Intangible assets under development	(9)	(725)	(326)
-Unamortised Loan Acquisition Cost	(6,123)	(4,182)	(4,646)
-Deferred Tax Asset	(12,001)	(10,892)	(7,085)
Tier I Capital	**204,144**	**147,426**	**112,154**
Subordinate Debt	54,862	59,876	56,077
Standard Asset provision	18,657	17,026	15,070
Tier II Capital	**73,519**	**76,902**	**71,147**
Tier I + Tier II Capital	**277,663**	**224,327**	**183,301**

The Company policy is to maintain a strong capital base to maintain investor, creditor and shareholder confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' returns is also recognised and the Company recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a stronger capital position.

The Company has complied with the minimum stipulated capital requirements for Tier I and Tier II.

37. Financial risk review(continued)

D. Capital management

iii Capital allocation

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Asset and Liability Management Committee (ALCO).

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

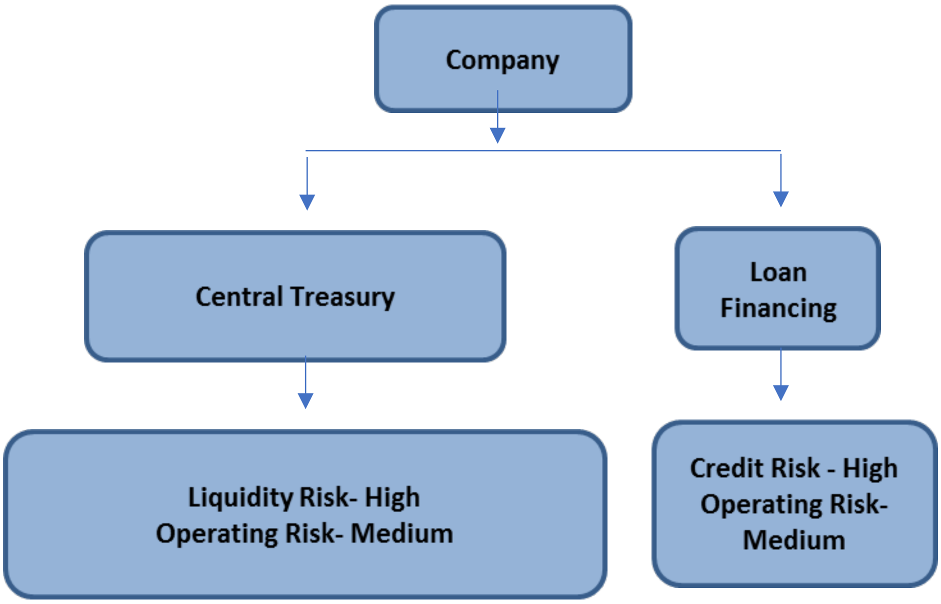
38. Financial risk management

A. Introduction and overview

Financial instruments of the Company have exposure to the following risks:

a) credit risk;
b) liquidity risk;
c) market risks; and
d) operational risk

The following chart provides a link between the Company's business units and the principal risks that they are exposed to. The significance of risk is assessed within the context of the Company as a whole and is measured based on allocation of the regulatory capital within the company.



Company's objectives, policies and processes for measuring and managing risk.

Risk management framework:

The Company's Board of Directors has 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. 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 Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements:

Risk	Exposure arising from	Measurement	Management
Credit risk	Financial assets measured at amortised cost. Trade receivables and derivative financial instruments	Ageing analysis	Diversification of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Payable in foreign currency for purchase of Assets given on operating lease		
Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.	

The Company's Credit risk and market risk management for lending business is carried out by the Credit and Risk management team and the liquidity and market risk management for the sources of funds is carried out by a central treasury department as per the policies approved by the board of directors. Company treasury identifies, evaluates and mitigates financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

B. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

Management of Credit risk:

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits. The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

The Company has additionally taken the following measures: -

1) Lower borrower group exposure limits
2) Establishment of a separate credit monitoring team to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required
3) Enhanced monitoring of retail product portfolios through periodic reviews.

For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure – e.g. individual obligor default risk, industry risk, market risk and sector risk.

Following type of risk are monitored by the Credit committee

a) Market risk:
The market risk in respect of changes in value in financial assets arising from changes in market credit spreads applied to loans are monitored by the Risk management committee.
b) Settlement risk:
The Company's activities may give rise to risk at the time of settlement of transactions and trades. 'Settlement risk' is the risk of loss due to the failure of a Company to honour its obligations to deliver cash, securities or other assets as contractually agreed. For certain types of transaction, the Company mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval/limit monitoring process described earlier.

Governance framework:

a) The Board of Directors has delegated responsibility for the oversight of credit risk to its Credit Committee. A separate Managing Credit Committee, reporting to the Credit Committee, is responsible for managing the Company's credit risk, including the following: a) Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, setting and adherence to internal and regulatory threshold limits, and compliance with regulatory and statutory requirements;
b) Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by Credit Committee, the Head of Credit, the Head of Risk or the Board of Directors, as appropriate. Review and assessment of credit risk is done by the Credit and Risk Team. Credit assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned.
c) Renewals and reviews of facilities are subject to the same review process;
d) Limiting concentrations of exposure to counterparties, geographies and industries for loans and advances;
e) Developing and maintaining the Company's risk gradings to categorise exposures according to the degree of risk of default. The responsibility for setting risk grades lies with the final approving executive or committee, as appropriate. Risk grades are subject to regular reviews by Risk Management Committee;
f) Developing and maintaining the Company's processes for measuring ECL:
This includes processes for:
   1) initial approval, regular validation and back-testing of the models used;
   2) incorporation of forward-looking information.
   3) Reviewing compliance of business units with agreed exposure limits to products, state and sector.
   4) Regular reports on the credit quality of product portfolios are provided to Credit Committee, which may require appropriate corrective action to be taken.
   5) These include reports containing estimates of ECL allowances.

6) Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk

Each business unit is required to implement Company's credit policies and procedures, with credit approval authorities delegated from the Credit Committee. Each business unit has a Chief Credit Risk Officer who reports on all credit-related matters to Credit Committee and Chief Risk officer. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subjects to approval of Credit Committee. Regular audits of business units and credit processes are undertaken by Internal Audit.

Credit Risk Assessment Methodology

Retail Portfolio

Our customers for retail loans are primarily middle and high-income, salaried and self-employed individuals.

The Company's credit officers evaluate credit proposals on the basis of operating policies approved by the Board of Directors. The criteria typically include factors such as the borrower's income and ability to repay, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including CIBIL score verification, visits to offices and homes in the case of loans made to retail borrowers. Dedupe procedures are carried out for the fraud risk assessment.

We mine data on our borrower account behaviour as well as static data regularly to monitor the portfolio performance of each product segment regularly and use these as inputs in revising our product programs, target market definitions and credit assessment criteria to meet our twin objectives of combining volume growth and maintenance of asset quality.

Risk Management and Portfolio Review

We ensure effective monitoring of credit facilities through a risk-based asset review framework under which the frequency of asset review is higher for cases with higher outstanding balances. For both Corporate and Retail borrowers, the Credit Monitoring team verifies adherence to the terms of the credit approval prior to the commitment and disbursement of credit facilities. The Credit Monitoring team/Operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and insurance policies for assets financed. The Credit Committee of the Company, apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Committee is submitted to the Board for its information.

C. Liquidity risk

'Liquidity risk' is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

The Company's Board of Directors sets the strategy for managing liquidity risk and delegates responsibility for oversight of the implementation of this policy to ALCO. ALCO approves the liquidity policies and procedures. Central Treasury manages the liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the Company. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key elements of the Company's liquidity strategy are as follows.

1) Maintaining a diversified funding base consisting of market borrowings such as debentures and commercial papers and bank borrowings and maintaining contingency facilities such as unutilised bank lines of credit. Carrying a portfolio of highly liquid mutual funds.
2) Monitoring liquidity ratios, maturity mismatches, behavioural characteristics of the Company's financial assets and financial liabilities, and the extent to which the assets are encumbered and so not available as potential collateral for obtaining funding.
3) Stress testing of the Company’s liquidity position.
4) Central Treasury receives information from other business units regarding the liquidity profile of their financial assets and financial liabilities and details of other projected cash flows arising from projected future business. Central Treasury then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Company as a whole.
5) The liquidity requirements of business units and subsidiaries are met through loans from Central Treasury to cover any short-term fluctuations and longer-term funding to address any structural liquidity requirements.

The Central treasury monitors the ALM mismatches for all buckets on a periodic basis and addresses those gaps. Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The scenarios are developed taking into account both specific events (e.g. a rating downgrade) and market-related events (e.g. prolonged market illiquidity, significant adverse change in the industry scenarios, natural disasters or other catastrophes).

D. Market risks

‘Market risk’ is the risk that changes in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor’s/issuer’s credit standing) – 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 parameters to ensure the solvency while optimising the return on risk.

a) Management of market risks

The Company monitors its exposure to market risks on account of non-trading portfolios. Overall authority for market risk is vested in ALCO. ALCO sets up limits for each type of risk in aggregate and for portfolios, with market liquidity being a primary factor in determining the level of limits set for trading portfolios. The Chief Market Risk officer is responsible for the development of detailed risk management policies (subject to review and approval by ALCO) and for the day-to-day review of their implementation. The Company employs a range of tools to monitor and limit market risk exposures. These are discussed below, separately for non-trading portfolios.

b) Exposure to market risk – Non-trading portfolios

- **Interest rate risk**

Our core business is borrowing and lending as permitted by the Reserve Bank of India. These activities expose us to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. We monitor interest rate risk through above measures on a monthly basis. The interest rate risk limits are approved by the Board of Directors.

- **Foreign exchange risk**

The Company's risk management policies is to hold derivatives instruments such as foreign currency forward to mitigate the risk of foreign currency payments for payments and interest rate swap to mitigate the risk of fluctuation in the interest rate applicable towards external commercial borrowings. The Company has a policy to enter in to the derivative position to ensure that the risk on account of fluctuation in foreign exchange rates and interest rates on external commercial borrowings is fully mitigated by entering into foreign exchange forward cover and interest rate swap.

c) Equity price risk

Equity price risk is subject to regular monitoring by Company Market Risk, but is not currently significant in relation to the Company's overall results and financial position.

E. Operational risk

'Operational risk' is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks – e.g. those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and innovation. In all cases, Company's policy requires compliance with all applicable legal and regulatory requirements. The Board of Directors has delegated responsibility for operational risk to its Company's Operational Risk Committee, which is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of overall Company's standards for the management of operational risk in the following areas:

1) requirements for appropriate segregation of duties, including the independent authorisation of transactions
2) requirements for the reconciliation and monitoring of transactions
3) compliance with regulatory and other legal requirements;
4) documentation of controls and procedures;
5) requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;

6) requirements for the reporting of operational losses and proposed remedial action; •• development of contingency plans;•• training and professional development;
7) ethical and business standards; and
8) risk mitigation, including insurance where this is cost-effective.

Compliance with Company's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the Operational Risk Committee, with summaries submitted to the Audit Committee and senior management of the Group.

39. Disclosure of details as required under notification issued by NHB dated February 09, 2017, NHB.HFC.CG-DIR.1/MD&CEO/2016.

39.1 Capital

(Rs. In Lakh)

Particulars		2018-19	2017-18	2017-18
		Ind AS	Ind AS	IGAAP *
(i)	CRAR (%)	16.23%	16.47%	17.22%
(ii)	CRAR – Tier I Capital (%)	11.94%	10.82%	12.10%
(iii)	CRAR – Tier II Capital (%)	4.30%	5.65%	5.12%
(iv)	Amount of subordinated debt raised as Tier- II Capital	-	-	-
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-	-

* Capital to Risk asset ratio as at March 31, 2018 has been calculated as per NHB Directions basis Financial statements prepared under IGAAP.

39.2 There were no unhedged foreign currency transactions during current year (FY 2017-18 Rs. Nil).

39.3 The Company has not done any Securitisation during the financial year. (FY 2017-18 Rs Nil).

39.4 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction is Rs. Nil (FY 2017-18 Rs Nil).

39.5 Details of Assignment transactions undertaken by HFCs:

(Rs. In Lakh)

Particulars		2018-19	2017-18
(i)	No. of accounts	Nil	521
(ii)	Aggregate value (net of provisions) of accounts sold *	Nil	19,254
(iii)	Aggregate consideration	Nil	19,254
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

39.6 The Company does not have purchase / sale transaction of non-performing financial asset (FY 2017-18 Rs Nil).

39.7 Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities as per NHB format

For the year 2018-19

(Rs. In Lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	193,212	115,471	-	31,083	-	-
Over One month to 2 months	61,500	63,542	-	31,953	-	-
Over 2 months unto 3 months	78,817	20,934	-	31,974	-	-
Over 3 months to 6 months	93,942	135,738	-	117,940	-	-
Over 6 months to 1 year	68,033	128,171	-	202,394	-	-
Over 1 year to 3 years	625,286	135,373	-	383,348	-	-
Over 3 years to 5 years	239,449	45,481	51,990	342,647	-	-
Over 5 to 7 years	101,874	69,550	-	268,016	-	-
Over 7 to 10 years	97,737	21,000	-	409,826	-	-
Over10 years	85,063	-	-	830,172	-	-
Total	**1,644,913**	**735,260**	**51,990**	**2,649,354**	**-**	**-**

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

For the year 2017-18

(Rs. In Lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	177,373	53,704	-	28,373	-	-
Over One month to 2 months	40,000	113,972	-	12,895	-	-
Over 2 months puts 3 months	27,920	155,463	-	12,815	-	-
Over 3 months to 6 months	48,916	49,541	-	40,160	-	-
Over 6 months to 1 year	70,240	46,222	-	85,654	-	-
Over 1 year to 3 years	263,640	193,340	-	314,024	-	-
Over 3 years to 5 years	97,347	85,750	-	234,904	-	-
Over 5 to 7 years	95,368	46,920	-	235,499	-	-
Over 7 to 10 years	111,599	50,750	-	359,544	-	-
Over10 years	96,400	-	-	720,119	-	-
Total	**1,028,802**	**795,662**	**-**	**2,043,987**	**-**	**-**

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

39.8 Exposure

39.8.1 Exposure to Real Estate Sector

(Rs. In Lakh)

Category		2018-19	2017-18
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:		
	(i) Individual housing loans up to Rs. 15 Lakh	401,651	338,230
	(ii) Other loans	2,299,570	1,857,209
(ii)	**Commercial Real Estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure includes non-fund based (NFB) limits.	249,174	122,822
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	**Indirect Exposure** Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total		**2,950,395**	**2,318,261**

Note : Exposure to Real Estate Sector Includes accrued interest and undrawn commitment given to borrowers.

39.8.2 Exposure to Capital Market

(Rs. In Lakh)

Particulars		2018-19	2017-18
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		**-**	**-**

39.8.3 No Parent Company products were financed during the year (FY 2017-18 Rs Nil).

39.8.4 The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the NHB prudential norms applicable to HFC (FY 2017-18 Rs Nil).

39.9 Miscellaneous

39.9.1 The Company has following Registrations effective as on March 31, 2019:

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
National Housing Bank	04.0073.09	02-Apr-09	-	Housing finance institution without permission to accept public deposits.

39.9.2 No penalties has been imposed on the Company during the year (FY 2017-18 Rs Nil).

39.9.3 No loans granted against the collateral gold jewellery by the company (FY 2017-18 Rs Nil).

39.9.4 Ratings assigned by credit rating agencies and migration of ratings during the year.

(i)	Rating Assigned to	Short Term Debt, Long Term Debt, Tier II Debt
(ii)	Date of Rating	ICRA- 26th October 2018, CRISIL- 27th March, 2019, India Rating- 22nd August 2018
(iii)	Rating Valid up to	Till the Date of reaffirmation
(iv)	Name of the Rating Agency	ICRA Limited (ICRA), CRISIL Limited (CRISIL), INDIA RATINGS
(v)	Rating of products	
	(a) Commercial Paper	CRISIL A1+, ICRA A1+ Stable
	(b) Secured NCDs	CRISIL AAA/ Stable, [ICRA] AAA/Stable, IND AAA/ Stable
	(c) Subordinated Debt	CRISIL AAA/ Stable, [ICRA] AAA/Stable, IND AAA/ Stable
	(d) Market Linked Debentures	CRISIL PP-MLD AAAr/Stable
	(e) Bank loan facilities	CRISIL AAA/ Stable, IND AAA/ Stable

During the year under review, rating agencies upgraded the ratings and re-affirmed/issued ratings to the Company as above

39.10 Additional Disclosures

39.10.1 Provisions and Contingencies

(Rs. In Lakh)

	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2018-19	2017-18
(i)	Provision made / (reversed) towards income tax	7,688	10,126
(ii)	Provision made / (reversed) towards NPA [Impairment allowance - stage III (net of recoveries)]	18,919	11,573
(iii)	Provision made / (reversed) for standard assets [Impairment allowance - stage I & II]	1,245	2,342
(iv)	Provision made / (reversed) for depreciation on fixed assets	590	418
(v)	Provision made / (reversed) for gratuity	216	82
(vi)	Provision made / (reversed) for leave encashment	283	166
(vii)	Provision made / (reversed) for long term service benefit	(28)	7

The Company has assessed its obligations arising in the normal course of business, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Indian Accounting Standard (Ind AS) 37 on ‘Provisions, Contingent Liabilities and Contingent Assets’, the Company recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

39.10.2 The disclosure for drawdown of reserves during the year has been disclosed in Note no 3 Explanation of transition to IND AS.

39.10.3 The disclosure of the Concentration of Deposits taken is not applicable as the Company carries on the business of a housing finance institution without accepting public deposits (FY 2017-18 Rs Nil).

39.10.4 Concentration of Loans & Advances

(Rs. In Lakh)

Particulars	2018-19	2017-18
Total Loans & Advances to twenty largest borrowers #	136,393	85,786
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	5.14%	4.19%

Includes Loans & Advances and interest accrued thereon.

39.10.5 Concentration of all Exposure (including off-balance sheet exposure)

(Rs. In Lakh)

Particulars	2018-19	2017-18
Total Exposure to twenty largest borrowers / customers #	191,029	105,882
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	6.47%	4.57%

Includes Loans & Advances and interest accrued and undrawn exposure thereon.

39.10.6 Concentration of NPAs

(Rs. In Lakh)

Particulars	2018-19	2017-18
Total Exposure to top ten NPA accounts	4,173	3,530

39.10.7 Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
		2018-19	2017-18
A.	**Housing**	**0.91%**	**1.19%**
1.	Individuals	0.92%	1.26%
2.	Builders/Project	0.72%	0.49%
3.	Corporates	2.92%	4.00%
4.	Others (specify)	0.00%	0.00%
B.	**Non-Housing**	**0.88%**	**1.32%**
1.	Individuals	0.84%	1.02%
2.	Builders/Project	1.37%	0.00%
3.	Corporates	0.72%	5.09%
4.	Others (specify)	0.00%	0.00%

39.10.8 Movement of NPAs

(Rs. In Lakh)

Particulars		**2018-19**	**2017-18**
(I)	Net NPAs to Net Advances (%)	0.38%	0.41%
(II)	Movement of NPAs (Gross)		
a)	Opening balance	24,852	15,553
b)	Additions during the year	25,203	18,784
c)	Reductions during the year	(26,151)	(9,485)
d)	Closing balance	23,904	24,852
(III)	Movement of Net NPAs		
a)	Opening balance	8,380	6,236
b)	Additions during the year	9,439	5,180
c)	Reductions during the year	(7,786)	(3,036)
d)	Closing balance	10,033	8,380
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
a)	Opening balance	16,472	9,316
b)	Additions during the year	13,286	13,605
c)	Reductions during the year	(15,887)	(6,449)
d)	Closing balance	13,871	16,472

Note: The movement of Gross NPA, Provisions for NPA and Net NPA presented above excludes NPA identified and regularized in the same financial year.

39.10.9 The company does not have overseas asset as at March 31st 2019 (as at March 31, 2018 : Nil).

39.10.10 The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable (FY 2017-18 : Nil).

39.11 Customers Complaints

Particulars		**2018-19**	**2017-18**
a)	No. of complaints pending at the beginning of the year	21	145
b)	No. of complaints received during the year	3747	6185
c)	No. of complaints redressed during the year	3634	6309
d)	No. of complaints pending at the end of the year	134	21

39.12 Derivative Instruments Exposures:

Derivative positions open as at March 31, 2019 (Previous Year : Nil) 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 (ix).

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, 2019		For the Year ended March 31, 2018	
		USD (Mio)	Rs. In lakh	USD (Mio)	Rs. In lakh
Foreign exchange forward contracts i.e. Notional principal of Swap Agreements (Foreign currency amount payable at future date *forward rate on such date * USD)	Buy	83.36	64,112	Nil	Nil
Interest rate swap contract i.e. Notional principal of Swap Agreements (Spot rate on date of transaction * External commercial borrowings in USD)	Buy	75.00	51,615	Nil	Nil
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements (Closing rate - Spot Rate) * Fixed Asset cost in Euros	Buy	NA	NA	NA	NA
Collateral required by the NBFC upon entering into swaps	Buy	NA	NA	NA	NA
Concentration of credit risk arising from the swaps $	Buy	NA	NA	NA	NA
The fair value gain of the foreign exchange forward contract	Buy	NA	347	NA	NA
The fair value loss of the interest rate swap	Buy	NA	(372)	NA	NA

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
(i) Derivatives (Notional Principal Amount)	64,112	51,615
(ii) Marked to Market Positions [1]		
(a) Assets (+)	347	-
(b) Liability (-)	-	(372)
(iii) Credit Exposure [2]	-	-
(iv) Unhedged Exposures	-	-

39.13 Housing and non-housing loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank are as follows:

(Rs. in Lakh)

Category	Standard Assets		Sub-Standard Assets		Doubtful Assets		Loss Assets		Total	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Housing Loan										
Gross Portfolio	2,028,462	1,579,886	17,619	14,042	471	4,621	543	327	2,047,095	1,598,876
Provision	13,334	13,095	10,359	9,865	471	3,201	543	327	24,707	26,488
Net Portfolio	2,015,128	1,566,791	7,260	4,177	-	1,420	-	-	2,022,388	1,572,388
Non Housing Loan										
Gross Portfolio	596,931	439,183	4,975	4,033	296	1,829	-	-	602,202	445,045
Provision	5,323	4,316	2,202	1,945	296	1,134	-	-	7,821	7,395
Net Portfolio	591,608	434,867	2,773	2,088	-	695	-	-	594,381	437,650
Total										
Gross Portfolio	2,625,393	2,019,069	22,594	18,075	767	6,450	543	327	2,649,297	2,043,921
Provision	18,657	17,411	12,561	11,810	767	4,335	543	327	32,528	33,883
Net Portfolio	2,606,736	2,001,658	10,033	6,265	-	2,115	-	-	2,616,769	2,010,038

39.14 Categories of Doubtful Assets are as follows:

(Rs. in Lakh)

Category	Doubtful 1		Doubtful 2		Doubtful 3		Total	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Housing Loan								
Gross Portfolio	396	4,317	75	304		-	471	4,621
Provision	396	2,897	75	304		-	471	3,201
Net Portfolio	-	1,420	-	-	-	-	-	1,420
Non Housing Loan								
Gross Portfolio	293	1,756	3	73			296	1,829
Provision	293	1,061	3	73			296	1,134
Net Portfolio	-	695	-	-	-	-	-	695
Total								
Gross Portfolio	689	6,073	78	377	-	-	767	6,450
Provision	689	3,958	78	377	-	-	767	4,335
Net Portfolio	-	2,115	-	-	-	-	-	2,115

39.15 Loans granted by the company are secured against mortgage of property.

39.16 The company has reported frauds aggregating Rs. 1,556 Lakh (FY 2017-18: Rs.326) based on management reporting to risk committee and to the NHB through prescribed returns.

39.17 **Asset Classification, NPA identification and Provisioning as per NHB Norms and Staging & Impairment allowance under Ind AS**

1) Classification of Asset as Standard Asset under NHB norms:
An Asset having DPD equal to or less than 89 days and not classified as default as per Ind AS 109 is reported as standard asset as per NHB norms. Provisioning made on stage 1 and stage 2 assets under Ind AS 109 is reported as standard asset provisioning.

2) Classification of an Asset as NPA Asset under NHB norms:
An Asset having DPD equal to or more than 90 days and classified as default as per Ind AS 109 is reported as NPA asset as per NHB norms. Such asset based on DPD as per NHB norms is further classified and presented into substandard, doubtful and loss assets in compliance with the NHB norms. Provisioning made on stage 3 assets under Ind AS 109 is reported as NPA provisioning.

In terms of our report of even date

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Place: Mumbai
Date : April 26, 2019

For and on behalf of the Board of Directors

Rajiv Sabharwal
(Chairman)
(DIN No. : 00057333)

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

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

S Balakrishna Kamath
(Chief Financial Officer)

Jinesh Meghani
(Company Secretary)

Place: Mumbai
Date : April 26, 2019

Independent Auditor's Examination Report on Reformatted Financial Information under Indian GAAP as at and for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 in connection with proposed public issue by Tata Capital Housing Finance Limited (the "Company") of secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 1,000 each ("Secured NCDs") and unsecured, subordinated, rated, listed, redeemable, non-convertible debentures eligible for inclusion in Tier II capital of face value of Rs. 1,000 each ("Unsecured NCDs") aggregating up to Rs. 500,000 lakh ("NCDs") through one or more tranches ("Issue")

The Board of Directors
Tata Capital Housing Finance Limited
11th Floor, Tower A, Peninsula Business Park
Ganpatrao Kadam Marg, Lower Parel
MUMBAI 400 013

17 December 2019

Dear Sirs/Madam

1. We have examined the attached Reformatted Financial Information under Indian GAAP (defined subsequently) of Tata Capital Housing Finance Limited ('the Company'), which comprise of Reformatted Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 and the Reformatted Statements of Profit and Loss for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 and the Reformatted Statement of Cash Flows for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 and the Summary of Significant Accounting Policies, read together with the annexures and notes thereto (together referred to as "Reformatted Financial Information under Indian GAAP") annexed to this report for the purpose of inclusion in the Draft Shelf Prospectus and/or Shelf Prospectus and/or Tranche Prospectus(es) (collectively the "**Offering Documents**") to be filed by the Company with Securities and Exchange Board of India, stock exchanges where the NCDs are proposed to be listed and Registrar of Companies, Maharashtra (RoC) in connection with its proposed public issue by the Company of secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 1,000 each ("Secured NCDs") and unsecured, subordinated, rated, listed, redeemable, non-convertible debentures eligible for inclusion in Tier II capital of face value of Rs. 1,000 each ("Unsecured NCDs") aggregating upto Rs. 5,00,000 lakhs through one or more tranches (the "Issue"). The Reformatted Financial Information under Indian GAAP has been prepared by the Management of the Company on the basis of note 2 (i) of Annexure IV to the Reformatted Financial Information under Indian GAAP and which has been approved by the Board of Directors of the Company on 17 December 2019 by taking into consideration the requirements of:

    a. section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");

    b. the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Debt Regulations") issued by Securities and Exchange Board of India ("SEBI"); and

c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

Management’s Responsibility

2. The preparation of Reformatted Financial Information under Indian GAAP is the responsibility of the Board of Directors of the Company for the purpose set out in paragraph 1 above. The Reformatted Financial Information under Indian GAAP have been prepared by the Management of the Company on the basis of preparation stated in note 2(i) of Annexure IV to the Reformatted Financial Information under Indian GAAP. The Board of Director of the Company’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of Reformatted Financial Information under Indian GAAP. The Board of Directors of the Company is also responsible for identifying and ensuring that the Company complies with the requirements of Section 26 of Part I of Chapter III of the Act, read with provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Debt Regulations and Guidance note.

3. The Reformatted Financial Information under Indian GAAP have been extracted by the management from the audited financial statements of the Company as at and for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015, prepared in accordance with Accounting Standards notified under Section 133 of the Act, the relevant rules there under, other relevant provisions of the Act, guidelines issued by the National Housing Bank (‘NHB’) as applicable to Housing Finance Companies (‘HFCs’), which has been approved by Board of Directors of the Company at its meeting held on 30 April 2018, 28 April 2017, 2 May 2016 and 8 May 2015 respectively.

Auditor’s Responsibility

4. We have examined the Reformatted Financial Information under Indian GAAP taking into consideration:

   a. the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 9 December 2019 in connection with the Issue;

   b. requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 read with provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Debt Regulations;

   c. concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Financial Information under Indian GAAP; and

   d. the Guidance Note on Reports or Certificates for Special Purposes and Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”). The Guidance Note requires, *inter alia*, that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

   We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control of Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Auditor’s Responsibility *(Continued)*

5. The audit of the financial statements of the Company for the financial years ended 31 March 2017, 31 March 2016 and 31 March 2015 was conducted and reported upon by the previous auditors Deloitte Haskins & Sells LLP, Chartered Accountants, and accordingly reliance has been placed on the Reformatted Financial Information under Indian GAAP examined by them for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 vide there examination report dated 17 December 2019. The Examination report included for these years, i.e. years ended 31 March 2017, 31 March 2016 and 31 March 2015 are based solely on the report dated 28 April 2017, 2 May 2016 and 8 May 2015, submitted by Deloitte Haskins & Sells LLP, Chartered Accountants.

Opinion

6. Based on our examination and also as per the reliance placed on the examination report submitted by previous auditor, Deloitte Haskins and Sells LLP, and in accordance with the requirements of section 26 of Part I of Chapter III of the Companies Act 2013 read with provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Guidance note, and the terms of our engagement agreed with you, we report that:

   The Reformatted Financial Information of the Company as at and for the year ended 31 March 2018 under Indian GAAP examined by us and for each of the years ended 31 March 2017, 31 March 2016 and 31 March 2015 examined and reported upon by previous auditor, Deloitte Haskins & Sells LLP, Chartered Accountants vide their examination report dated 17 December 2019 and accordingly, reliance has been placed on the Reformatted Financial Information under Indian GAAP examined by them, as set out in Annexure I to VI to this report, are accurately extracted from the audited financial statements of the Company for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015.

7. Based on our examination as above and according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors Deloitte Haskins & Sells LLP, Chartered Accountants, we further report that:

   a. the Reformatted Financial Information under Indian GAAP have to be read in conjunction with the notes given in Annexure IV;

   b. the figures of earlier years have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform primarily to the requirements of the Schedule III to the Act;

   c. in the preparation and presentation of Reformatted Financial Information under Indian GAAP based on audited financial statements as referred to in paragraph 3 and 5 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 3 above.

   d. At the Company’s request, we have also examined the following financial information of the Company set out in the Annexures prepared by management and approved by the Board of Directors of the Company on 17 December 2019, for the years ended 31 March 2018 and for each of the years ended 31 March 2017, 31 March 2016 and 31 March 2015, which are based on the reports submitted by the previous auditors, Deloitte Haskins & Sells LLP Chartered Accountants and relied upon by us:

      (i) Statement of accounting ratio, as appearing in Annexure V

      (ii) Statement of dividend paid, as appearing in Annexure VI

Opinion *(Continued)*

8. The report of the previous auditor, Deloitte Haskins & Sells LLP on the financial statements of the Company for the year ended March 31, 2017, included an emphasis of matter paragraph which describes the accounting treatment used by the Company in creating the Deferred Tax Liability on Special Reserve under section 36 (1)(viii) of the Income Tax Act, 1961 as at April 1, 2014, which is in accordance with the NHB's Circular No. NHB (ND)/DRS/Pol. Circular No. 62/2014 dated May 27, 2014.

   Their opinion was not modified in respect of this matter.

9. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restrictions of use

11. This report is intended solely for use of the management for inclusion in the Offering Documents to be filed with Securities and Exchange Board of India, stock exchanges where the NCDs are proposed to be listed and Registrar of Companies, Maharashtra (RoC), as applicable, prepared in connection with the Issue of the Company. Our report should not be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sagar Lakhani
Partner
Membership No. 111855
UDIN: 19111855AAAABM6882

Date: 17 December 2019
Place: Mumbai

TATA CAPITAL HOUSING FINANCE LIMITED

REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS	Note No.	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
		Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
I. EQUITY AND LIABILITIES					
1. **Shareholders' funds**					
(a) Share Capital	3	1,37,833	1,07,733	91,233	66,733
(b) Reserves and surplus	4	39,437	27,713	17,882	12,160
		1,77,270	**1,35,446**	**1,09,115**	**78,893**
2 **Non-current liabilities**					
(a) Long-term borrowings	5	10,41,115	8,65,745	7,86,688	5,30,675
(b) Other long-term liabilities	6	213	92	3,738	2,445
(c) Long-term provisions	7	23,956	15,809	9,662	5,944
		10,65,284	**8,81,646**	**8,00,087**	**5,39,064**
3 **Current liabilities**					
(a) Short-term borrowings	8	5,40,745	3,57,918	2,56,753	1,33,369
(b) Trade payables	9				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,914	3,769	3,308	2,849
(c) Other current liabilities	10	2,74,552	3,39,027	1,46,047	1,65,510
(d) Short-term provisions	11	4,113	2,759	2,050	1,663
		8,24,324	**7,03,473**	**4,08,158**	**3,03,391**
TOTAL		**20,66,878**	**17,20,565**	**13,17,361**	**9,21,347**
II. ASSETS					
1. **Non-Current assets**					
(a) Property, plant and equipment	12				
(i) Tangible assets		1,897	1,396	1,176	621
(ii) Intangible assets		-	-	-	-
(iii) Capital work-in-progress		174	138	59	74
(iv) Intangible assets under development		725	326	124	-
(b) Non-current Investments	13	257	245	-	-
(c) Deferred tax assets (net)	14	4,192	1,754	1,686	1,131
(d) Long-term loans and advances - financing activity	15	18,59,197	15,86,515	12,14,808	8,53,778
(e) Long-term loans and advances - others	16	153	377	461	695
(f) Other non-current assets	17	4,234	4,369	3,888	3,442
		18,70,829	**15,95,120**	**12,22,202**	**8,59,740**
2. **Current assets**					
(a) Current investments		-	-	-	-
(b) Trade receivables	18	396	5	115	133
(c) Cash and bank balances	19	6,931	8,303	3,131	2,463
(d) Short-term loans and advances - financing activity	15	1,84,742	1,13,807	89,178	56,886
(e) Short-term loans and advances - others	20	1,198	454	347	285
(f) Other current assets	21	2,782	2,876	2,388	1,839
		1,96,049	**1,25,445**	**95,159**	**61,606**
TOTAL		**20,66,878**	**17,20,565**	**13,17,361**	**9,21,347**
See accompanying notes forming a part of the financial statements	1-38				

In terms of our report attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Rajiv Sabharwal
(Chairman)
(DIN No. : 00057333)

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

Sagar Lakhani
Partner
Membership No: 111855

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

Mumbai
Date : December 17, 2019

Mumbai
Date : December 17, 2019

Annexure II

TATA CAPITAL HOUSING FINANCE LIMITED

REFORMATTED STATEMENT OF PROFIT AND LOSS

	PARTICULARS	Note No.	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015
			Rs in Lakh	Rs in Lakh	Rs. in Lakh	Rs. in Lakh
I	Revenue from operations	22	1,94,690	1,70,696	1,25,330	90,371
II	Investment income	23	192	95	173	387
III	Other income	24	3,473	1,527	1,053	260
IV	**Total Revenue (I + II + III)**		**1,98,355**	**1,72,318**	**1,26,556**	**91,018**
V	**Expenses :**					
	Finance costs	25	1,24,664	1,13,743	86,263	64,768
	Employee benefit expenses	26	11,416	10,431	7,359	4,899
	Other operating expenses	27	28,179	19,935	14,987	10,508
	Depreciation and amortisation	12	418	272	176	109
	Amortisation of expenses	21 (a)	746	615	468	404
	Total Expenses		**1,65,423**	**1,44,996**	**1,09,253**	**80,689**
VI	**Profit before tax (IV - V)**		**32,932**	**27,322**	**17,303**	**10,330**
VII	**Tax expense:**					
	(1) Current tax	14.1	13,950	9,573	6,597	3,973
	(2) Deferred tax	14.2	(2,438)	(68)	(555)	(436)
	Net tax expense		**11,512**	**9,505**	**6,042**	**3,537**
VIII	**Profit for the year (VI - VII)**		**21,420**	**17,817**	**11,261**	**6,793**
IX	**Earnings per equity share:**					
	(1) Basic (in Rupees)		4.61	3.89	2.26	1.29
	(2) Diluted (in Rupees)		4.61	3.89	2.26	1.29
	Face value of share (in Rupees)		10	10	10	10
	See accompanying notes forming a part of the financial statements	1-38				

In terms of our report attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Rajiv Sabharwal
(Chairman)
(DIN No. : 00057333)

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

Sagar Lakhani
Partner
Membership No: 111855

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

Mumbai
Date : December 17, 2019

Mumbai
Date : December 17, 2019

REFORMATTED STATEMENT OF CASH FLOW STATEMENT

PARTICULARS	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs. In Lakh	Rs. In Lakh	Rs. In Lakh	Rs. In Lakh
1 CASH FLOW USED IN OPERATING ACTIVITIES				
Profit before taxes	32,932	27,322	17,303	10,330
Adjustments for :				
Amortisation of debenture issue expenses/loan processing expenses	746	615	468	404
Profit on sale of mutual fund investments (current investment non-trade)	(192)	(95)	(173)	(387)
Discounting charges on commercial paper	18,710	22,047	10,752	10,654
Discounting charges on zero coupon bond	-	-	-	163
Depreciation and amortisation	418	272	176	109
Provision for employee benefits	173	200	100	76
Contingent provision against standard assets	962	2,539	2,110	1,374
Provision for doubtful debts	11,870	4,501	1,942	1,206
Interest income	(1,85,025)	(1,63,356)	(1,20,111)	(86,591)
Interest expenses	1,05,954	91,696	75,511	53,951
Operating Loss before working capital changes and adjustment for interest received and interest paid	**(13,452)**	**(14,259)**	**(11,922)**	**(8,711)**
Adjustments for :				
Increase in loans and advances - financing activity	(3,46,730)	(3,93,763)	(3,91,130)	(2,71,698)
Increase in loans and advances - others	(964)	(840)	(1,104)	(1,215)
(Increase) / Decrease in Trade receivables	(391)	110	20	(128)
Increase in current liabilities and provisions	451	4,938	1,020	1,635
Cash used in operations before adjustment for interest received and interest paid	**(3,61,086)**	**(4,03,814)**	**(4,03,116)**	**(2,80,117)**
Interest received	1,81,898	1,60,857	1,18,417	87,527
Interest paid	(1,34,847)	(1,06,554)	(72,646)	(62,077)
Cash used in operations	**(3,14,035)**	**(3,49,511)**	**(3,57,345)**	**(2,54,667)**
Taxes paid	(12,678)	(9,429)	(6,062)	(3,510)
NET CASH USED IN OPERATING ACTIVITIES	**(3,26,713)**	**(3,58,940)**	**(3,63,407)**	**(2,58,177)**
2 CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of fixed assets	9	15	5	7
Purchase of fixed assets (including capital advances)	(1,369)	(783)	(585)	(853)
Purchase of mutual fund units	(8,64,512)	(4,03,945)	(5,45,400)	(10,61,300)
Proceeds from redemption of mutual fund units	8,64,692	4,03,795	5,45,573	10,61,687
Fixed deposits with banks having maturity over 3 months	(25)	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	**(1,205)**	**(918)**	**(407)**	**(458)**
3 CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Compulsorily Convertible Cumulative Preference share capital	30,100	16,500	24,500	16,000
Share issue expenses	(11)	(17)	(26)	(16)
Interim dividend paid on preference shares (including dividend distribution tax)	(9,685)	(7,959)	(9,054)	(1,779)
Proceeds from long-term borrowings	5,21,353	5,99,687	4,82,770	3,62,699
Repayment of long-term borrowings	(4,00,492)	(3,40,584)	(2,55,401)	(1,50,301)
Debenture issue / loan processing expenses	(271)	(861)	(394)	(255)
Proceeds from short-term borrowings having maturity period greater than 3 month	3,81,626	2,45,344	1,37,668	81,149
Repayment of short-term borrowings having maturity period greater than 3 month	(2,39,620)	(2,32,244)	(86,855)	(95,932)
Net proceeds from short- term borrowings having maturity period less than or equal to 3 month	43,546	85,164	71,275	44,134
NET CASH FROM FINANCING ACTIVITIES	**3,26,546**	**3,65,030**	**3,64,483**	**2,55,699**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,372)**	**5,172**	**668**	**(2,937)**
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR (Refer Note No 19)	**8,303**	**3,131**	**2,463**	**5,400**
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (Refer Note No 19)	**6,931**	**8,303**	**3,131**	**2,463**
See accompanying notes forming a part of the financial statements				

In terms of our report attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Rajiv Sabharwal
(Chairman)
(DIN No. : 00057333)

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

Sagar Lakhani
Partner
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(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

Mumbai
Date : December 17, 2019

Mumbai
Date : December 17, 2019

Notes forming part of the Reformatted Financial Statements

1 CORPORATE INFORMATION

Tata Capital Housing Finance Limited (the “Company”) was incorporated on October 15, 2008. The Company obtained the certificate of registration under the National Housing Bank ("NHB") as required under Section 29A of the NHB Act, 1987 on April 4, 2009. The Company is a wholly owned subsidiary of Tata Capital Limited. The main objects of the Company, inter alia are to carry out the business of providing long term finance to individuals, companies, corporations, societies or association of persons for purchase / construction / repair and renovation of new / existing flats / houses for residential purposes and provide property related services.

2 SIGNIFICANT ACCOUNTING POLICIES

i BASIS FOR PREPARATION OF ACCOUNTS

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

The Reformatted Financial Statements have been prepared in accordance with the requirements of sec 26(1)(b) of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Regulations") issued by SEBI.
The Reformatted Financial Statements have been adjusted for material regruping / reclassification wherever necessary to correspond with the audited financial statements as at and for the year ended 31 March 2018. These Reformatted Financial Statements do not reflect effects of events that occured sebsequent to the auditor's report dated 30 April 2018 with respect to the audited financial statements as at and for the year ended 31 March 2018 and also does not reflect the effect of change in accounting policies in preparation of subsequent financial statements.

ii USE OF ESTIMATES

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

iii REVENUE RECOGNITION

Interest income on loans

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable, except that no income is recognised on non-performing assets as per the prudential norms for income recognition issued by the NHB for Housing Finance Companies (the "HFC's"). Interest income on such assets is recognised on receipt basis.
Repayment of housing loans is generally by way of Equated Monthly Installments (EMIs) comprising principal and interest. Generally EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month. Interest on loans is computed on a monthly rest basis, unless otherwise specified in contracting documents.

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

Income from Current and Long-term Investments

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

Income from dividend on shares of corporate bodies and units of mutual funds is accounted on accrual basis when the Company's right to receive dividend is established.

iv PROVISION ON NON PERFORMING / STANDARD LOANS AND DOUBTFUL DEBTS

Loans are initially recorded at the disbursed principal amounts and are subsequently adjusted for recoveries and any unearned income.

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

The provision on Standard and Non Performing Loans is made as per the prudential norms prescribed in the Housing Finance Companies (NHB) Directions, 2010 as amended. In addition to the abovementioned provisioning norms as prescribed by NHB, the Company also fully provides for/ writes off the entire receivables as per the Guidelines approved by the Board of Directors from time to time, where any of the installments are overdue for a period exceeding 27 months for home loans, loan against property and builder loans.

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

v SECURITISATION / ASSIGNMENT

Securitised/ Assigned assets are derecognised, if and only if, the Company looses control of the contractual rights that comprise the corresponding pools or mortgages transferred. Transfers of pools of mortgages under the current programs involve transfer of proportionate shares in the pools of mortgages. Such transfers result in de-recognition only of that proportion of the mortgages that meet the de-recognition criteria. The portion retained by the Company continues to be accounted for as loans as described above.
As stated in the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India, on de-recognition, the difference between the book value of the securitised/ assigned asset and consideration received is recognised as gain arising on securitization/ assignment in the Statement of Profit and Loss over the balance maturity period of the pool transferred. Losses, if any, arising from such transactions, are recognised immediately in the Statement of Profit and Loss.

vi INVESTMENTS

Investments are classified into non-current and current investments. Investment are accounted for on trade date basis.

a. Non-current investments

Non-current investments are investments intended to be held for a period of more than a year. Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

b. Current investments

Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost and market value, determined on an individual investment basis.

vii Property, plant and equipment

a. Tangible:

Tangible property, plant and equipment are stated at cost of acquisition including any cost attributable for bringing asset to its working condition, which comprises of purchase consideration and other directly attributable costs of bringing the assets to their working condition for their intended use less accumulated depreciation.

b. Intangible:

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

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

c. Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

d. Intangible assets under development:

Expenditure on development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

viii DEPRECIATION

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

Depreciation on tangible property, plant and equipment 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, Plant & Machinery, Computer Equipment and Vehicles, where the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

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

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life	As per Schedule II
Building	25 Years	60 Years
Office Equipment	5 Years	5 Years
Vehicles	4 Years	6 Years
Plant & Machinery	10 Years	15 Years
Furniture & Fixtures	10 Years	10 Years
Leasehold improvements	Lease Period	Lease Period
Computer Equipment	4 Years	3 Years

ix IMPAIRMENT OF ASSETS

At each Balance Sheet date, the Company reviews, whether there is any indication of impairment of an asset. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

Recoverable amount of the asset is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flow expected from continuing use of the asset and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the asset. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased above the lower of recoverable amount and the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

x TAXATION

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

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

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

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

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

xi GOODS AND SERVICES TAX INPUT CREDIT

Goods & Service tax input credit is accounted for in the books in the year in which the underlying goods or service are received and paid and there is reasonable certainty in availing / utilizing the credits.

xii OPERATING CYCLE

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

xiii SHARE ISSUE EXPENSES

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

xiv BORROWING COSTS

Ancillary costs in the nature of loan processing charges and debenture issue expenses are amortised on straight line method over the tenor of the loan/debenture from the month in which the Company has incurred the expenditure.

xv LOAN SOURCING COST

Loan sourcing cost is amortised over a period of 84 / 60 / 18 months for Home loan, Home equity and Builder loan respectively based on the expected tenure of the loan. The expected tenure of the loan is reviewed periodically.

xvi PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

xvii CASH FLOW STATEMENT

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

xviii EARNINGS PER SHARE

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

xix EMPLOYEE BENEFITS

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

Defined-contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary of which Company's contribution of 12% is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employee Provident Scheme, 1952 is recognised as an expense in the year in which it is determined.

The Company's contribution to superannuation fund and employee state insurance scheme are considered as defined contribution plans and are 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

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service.
The cost of short-term compensated absences is accounted as under :
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the 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 Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

xx Foreign currency transactions and translations
Initial recognition :-

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date :-

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

xxi SEGMENT REPORTING

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

xxii DIVIDEND (INCLUDING DIVIDEND DISTRIBUTION TAX)

Interim dividend declared to equity and / or preference shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final proposed dividend declared to equity and / or preference shareholders, if any, is recognised in the period in which the said dividend has been approved by the shareholders.

3 **SHARE CAPITAL**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
AUTHORISED				
2,500,000,000 (as at March 31,2017: 2,500,000,000, as at March 31,2016: 1,400,000,000, as at March 31,2015: 1,400,000,000) Equity shares of Rs.10 each	2,50,000	2,50,000	1,40,000	1,40,000
2,000,000,000 (as at March 31,2017: 2,000,000,000, as at March 31,2016: 1,100,000,000, as at March 31,2015: 1,100,000,000) Compulsorily Convertible Cumulative Preference shares of Rs.10 each	2,00,000	2,00,000	1,10,000	1,10,000
	4,50,000	**4,50,000**	**2,50,000**	**2,50,000**
ISSUED, SUBSCRIBED & PAID UP				
253,333,332 (as at March 31, 2017: 253,333,332, as at March 31, 2016: 253,333,332, as at March 31, 2015: 253,333,332) Equity shares of Rs.10 each fully paid up	25,333	25,333	25,333	25,333
824,000,000 (as at March 31, 2017: 824,000,000, as at March 31, 2016: 659,000,000, as at March 31, 2015: 414,000,000) 9% Compulsorily Convertible Cumulative Preference shares of Rs.10 each fully paid up	82,400	82,400	65,900	41,400
301,000,000 (as at March 31, 2017: Nil, as at March 31, 2016: Nil, as at March 31, 2015: Nil) 8.5% Compulsorily Convertible Cumulative Preference shares of Rs.10 each fully paid up	30,100	-	-	-
Total	**1,37,833**	**1,07,733**	**91,233**	**66,733**

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

3.1 **Reconciliation of number of shares outstanding**

Particulars	No. of shares	Rs. in Lakh
Equity Shares, Face Value Rs. 10 fully paid up		
- Opening balance as on April 01, 2014	25,33,33,332	25,333
- Additions during the year	-	-
- Closing balance as on March 31, 2015	25,33,33,332	25,333
- Additions during the year	-	-
- Closing balance as on March 31, 2016	25,33,33,332	25,333
- Additions during the year	-	-
- Closing balance as on March 31, 2017	25,33,33,332	25,333
- Additions during the year	-	-
- Closing balance as on March 31, 2018	**25,33,33,332**	**25,333**
9% Compulsorily Convertible Cumulative Preference shares, Face Value of Rs.10 fully paid up		
- Opening balance as on April 01, 2014	25,40,00,000	25,400
- Additions during the year	16,00,00,000	16,000
- Closing balance as on March 31, 2015	41,40,00,000	41,400
- Additions during the year	24,50,00,000	24,500
- Closing balance as on March 31, 2016	65,90,00,000	65,900
- Additions during the year	16,50,00,000	16,500
- Closing balance as on March 31, 2017	82,40,00,000	82,400
- Additions during the year	-	-
- Closing balance as on March 31, 2018	**82,40,00,000**	**82,400**

Particulars	No. of shares	Rs. in Lakh
8.5% Compulsorily Convertible Cumulative Preference shares, Face Value of Rs.10 fully paid up		
- Opening balance as on April 01, 2014	-	-
- Additions during the year	-	-
- Closing balance as on March 31, 2015	-	-
- Additions during the year	-	-
- Closing balance as on March 31, 2016	-	-
- Additions during the year	-	-
- Closing balance as on March 31, 2017	-	-
- Additions during the year	30,10,00,000	30,100
- Closing balance as on March 31, 2018	**30,10,00,000**	**30,100**
Share Capital		
- Opening balance as on April 01, 2014	50,73,33,332	50,733
- Additions during the year	16,00,00,000	16,000
- Closing balance as on March 31, 2015	66,73,33,332	66,733
- Additions during the year	24,50,00,000	24,500
- Closing balance as on March 31, 2016	91,23,33,332	91,233
- Additions during the year	16,50,00,000	16,500
- Closing balance as on March 31, 2017	1,07,73,33,332	1,07,733
- Additions during the year	30,10,00,000	30,100
- Closing balance as on March 31, 2018	**1,37,83,33,332**	**1,37,833**
Total	**1,37,83,33,332**	**1,37,833**

3.2 Rights, preferences and restrictions attached to shares

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

Preference Shares: The Company has issued 824,000,000 (Mar 17 - 824,000,000, Mar 16 - 659,000,000, Mar 15 - 414,000,000) @ 9% and 301,000,000 (Mar 17 - NIL, Mar 16 - NIL, Mar 15 - NIL) @ 8.5%, Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of face value Rs. 10/- each, which are convertible into equity shares after the completion of 9 years from the date of allotment. However, CCCPS holders have an option to convert all or any part of the holding, into equity shares at any time, prior to the completion of 9 years. Conversion of CCCPS into equity shares will be based on the fair value to be determined by an independent valuer closer to the conversion date. The CCCPS holders have a right to receive dividend, prior to the Equity Shareholders. The dividend proposed by the Board of Directors on the CCCPS is subject to the approval of the shareholders at an Annual General Meeting, except in case of interim dividend. In the event of liquidation, the CCCPS holders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding.

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

(Rs. in Lakh)

Allotment Date	Conversion Date	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
21-Mar-18	21-Mar-27	19,00,00,000	19,000	-	-	-	-	-	-
31-Jul-17	31-Jul-26	11,10,00,000	11,100	-	-	-	-	-	-
22-Nov-16	22-Nov-25	10,00,00,000	10,000	10,00,00,000	10,000	-	-	-	-
30-Sep-16	30-Sep-25	3,50,00,000	3,500	3,50,00,000	3,500	-	-	-	-
30-Jun-16	30-Jun-25	3,00,00,000	3,000	3,00,00,000	3,000	-	-	-	-
23-Mar-16	23-Mar-25	10,00,00,000	10,000	10,00,00,000	10,000	10,00,00,000	10,000	-	-
30-Nov-15	30-Nov-24	5,70,00,000	5,700	5,70,00,000	5,700	5,70,00,000	5,700	-	-
25-May-15	25-May-24	7,80,00,000	7,800	7,80,00,000	7,800	7,80,00,000	7,800	-	-
30-Apr-15	30-Apr-24	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000	-	-
31-Mar-15	31-Mar-24	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000
30-Jan-15	30-Jan-24	3,00,00,000	3,000	3,00,00,000	3,000	3,00,00,000	3,000	3,00,00,000	3,000

Allotment Date	Conversion Date	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
28-Nov-14	28-Nov-23	2,50,00,000	2,500	2,50,00,000	2,500	2,50,00,000	2,500	2,50,00,000	2,500
28-Nov-14	28-Nov-23	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000
29-Sep-14	29-Sep-23	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000
28-Aug-14	28-Aug-23	1,50,00,000	1,500	1,50,00,000	1,500	1,50,00,000	1,500	1,50,00,000	1,500
30-Jun-14	30-Jun-23	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000
29-May-14	29-May-23	3,00,00,000	3,000	3,00,00,000	3,000	3,00,00,000	3,000	3,00,00,000	3,000
26-Mar-14	26-Mar-23	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000
6-Feb-14	6-Feb-23	2,90,00,000	2,900	2,90,00,000	2,900	2,90,00,000	2,900	2,90,00,000	2,900
2-Dec-13	2-Dec-22	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000
20-Sep-13	20-Sep-22	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000
8-Aug-13	8-Aug-22	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000
30-Jul-13	30-Jul-22	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000
28-Jun-13	28-Jun-22	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000
4-Jun-13	4-Jun-22	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000
28-Mar-13	28-Mar-22	2,50,00,000	2,500	2,50,00,000	2,500	2,50,00,000	2,500	2,50,00,000	2,500
4-Jan-13	4-Jan-22	3,00,00,000	3,000	3,00,00,000	3,000	3,00,00,000	3,000	3,00,00,000	3,000
3-Dec-12	3-Dec-21	2,40,00,000	2,400	2,40,00,000	2,400	2,40,00,000	2,400	2,40,00,000	2,400
12-Nov-12	12-Nov-21	2,60,00,000	2,600	2,60,00,000	2,600	2,60,00,000	2,600	2,60,00,000	2,600
Total		**1,12,50,00,000**	**1,12,500**	**82,40,00,000**	**82,400**	**65,90,00,000**	**65,900**	**41,40,00,000**	**41,400**

3.3 Investment by Tata Capital Limited (Holding Company)

(Rs. in Lakh)

Name of Company	Particulars of Issue	No. of Shares	Amount
Tata Capital Limited (Holding Company)			
Equity Shares	Opening Balance as on April 1, 2014	25,33,33,326	25,333
	Closing Balance as on March 31, 2015	25,33,33,326	25,333
	Closing Balance as on March 31, 2016	25,33,33,326	25,333
	Closing Balance as on March 31, 2017	25,33,33,326	25,333
	Closing Balance as on March 31, 2018	**25,33,33,326**	**25,333**
9% Compulsorily Convertible Cumulative Preference Shares	Opening Balance as on April 1, 2014	25,40,00,000	25,400
	"Rights" issue during the FY 2014-15	16,00,00,000	16,000
	Closing Balance as on March 31, 2015	41,40,00,000	41,400
	"Rights" issue during the FY 2015-16	24,50,00,000	24,500
	Closing Balance as on March 31, 2016	65,90,00,000	65,900
	"Rights" issue during the FY 2016-17	16,50,00,000	16,500
	Closing Balance as on March 31, 2017	82,40,00,000	82,400
	"Rights" issue during the FY 2017-18	-	-
	Closing Balance as on March 31, 2018	**82,40,00,000**	**82,400**
8.5% Compulsorily Convertible Cumulative Preference Shares	Opening Balance as on April 1, 2014	-	-
	"Rights" issue during the FY 2014-15	-	-
	Closing Balance as on March 31, 2015	-	-
	"Rights" issue during the FY 2015-16	-	-
	Closing Balance as on March 31, 2016	-	-
	"Rights" issue during the FY 2016-17	-	-
	Closing Balance as on March 31, 2017	-	-
	"Rights" issue during the FY 2017-18	30,10,00,000	30,100
	Closing Balance as on March 31, 2018	**30,10,00,000**	**30,100**

4 **RESERVES AND SURPLUS**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Securities Premium Account				
Opening Balance	2,240	2,267	2,267	2,267
Less : Share issue expenses written-off (Refer Note No. 35)	11	27	-	-
Closing Balance	**2,229**	**2,240**	**2,267**	**2,267**
(b) Statutory Reserve Account				
(As per Section 29C of National Housing Bank Act,1987)				
Opening Balance	10,735	5,535	3,282	1,922
Add: Transfer from surplus in the Statement of Profit and Loss (Refer Note No. 4.1 & 4.2 below)	4,284	5,200	2,253	1,360
Closing Balance	**15,019**	**10,735**	**5,535**	**3,282**
(c) Surplus in Statement of Profit and Loss				
Opening Balance	14,738	10,080	6,611	5,320
Less : Adjustment of Deferred Tax Liability on Special Reserve u/s 36(1) (viii)	-	-	-	626
Add : Profit for the year	21,420	17,817	11,261	6,793
Amount available for Appropriations	**36,158**	**27,897**	**17,872**	**11,487**
Less : Appropriations				
-Transfer to Special Reserve Account (Refer Note No. 4.1 & 4.2 below)	4,284	5,200	2,253	1,360
-Interim Dividend on Preference Shares (Refer Note No. 4.3 below)	8,047	6,613	4,602	2,627
-Dividend distribution tax on Interim Dividend (Refer Note No. 4.3 below)	1,638	1,346	937	525
-Proposed Dividend on Preference Shares	-	-	-	302
-Dividend distribution tax on Proposed Dividend	-	-	-	62
Closing Balance	**22,189**	**14,738**	**10,081**	**6,611**
Total	**39,437**	**27,713**	**17,882**	**12,160**

4.1 As required by Section 29C of National Housing Bank Act 1987,and Section 36 (1) (viii) of the Income Tax Act,1961, the Company has transferred an amount of Rs.4,284 Lakh (Mar 17 Rs.5,200 Lakh , Mar 16 Rs. 2,253 Lakh, Mar 15 Rs. 1,360 Lakh) to Special Reserve.
In accordance with the National Housing Bank circular no. NHB(ND)/ DRS/ Pol.Circular.61/ 2013-14 dated April 7,2014 following disclosure is made.

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
Balance at the beginning of the year				
a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987 (Refer Note No 4.4 below)	2,944	970	147	112
b) Amount of Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve under section 29C of NHB Act, 1987 (Refer Note No 4.4 below)	7,791	4,565	3,135	1,810
Total (A)	**10,735**	**5,535**	**3,282**	**1,922**
Addition / Appropriation / withdrawal during the year				
Add: a) Amount transferred u/s 29C of the NHB Act,1987 (Refer Note No 4.4 below)	545	1,974	28	35
b) Amount of Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve under section 29C of NHB Act, 1987 (Refer Note No 4.4 below)	3,739	3,226	2,225	1,325
Less: a) Amount appropriated from the Statutory Reserve u/s 29 C of the NHB Act 1987	-	-	-	-
b) Amount withdrawn from the Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 which has been taken into account for the purpose of provision u/s 29C of NHB Act, 1987	-	-	-	-
Total (B)	**4,284**	**5,200**	**2,253**	**1,360**
Balance at the end of the year				
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 (Refer Note No 4.4 below)	3,489	2,944	175	147
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 (Refer Note No 4.4 below)	11,530	7,791	5,360	3,135
Total (A+B)	**15,019**	**10,735**	**5,535**	**3,282**

4.2 The Company has transferred an amount of Rs.3,739 Lakh (Mar 17 Rs.3,226 Lakh, Mar 16 Rs.2,225 Lakh, Mar 15 Rs. 1,325 Lakh, refer note no 4.4 below) to Special Reserve Account in terms of section 36(1)(viii) of the Income Tax Act, 1961, which has also been considered as a transfer of profit to a reserve fund for the purpose of compliance with section 29 C (i) of the National Housing Bank Act 1987 (The Company is required to transfer at least 20% of net profits every year to a reserve).

4.3 During the year ended March 31, 2018, the Company has declared and paid, an interim / final dividend for financial year 2017-18 on Compulsorily Convertible Cumulative Preference Shares aggregating to Rs. 8,047 lakh (Mar 17 Rs. 6,613 lakh, Mar 16 Rs. 4,602 Lakh, Mar 15 Rs. 2,929 Lakh) and dividend distribution tax thereon of Rs. 1,638 lakh (Mar 17 Rs. 1,346 lakh, Mar 16 Rs.937 Lakh, Mar 15 Rs.587 Lakh).

4.4 The excess amount transferred to Special Reserve created u/s 36 (1) (viii) of Income Tax Act,1961 as on March 31, 2017 has been reclassified and appropriated against Statutory Reserve created u/s 29C of National Housing Bank Act, 1987

5 LONG TERM BORROWINGS

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Debentures				
Secured				
(i) Privately Placed Non-Convertible Debentures (Refer Note No. 5.1 below)	3,11,890	3,17,920	3,10,320	1,69,490
Unsecured				
(i) Non-Convertible Subordinated Debentures (Refer Note No. 5.2 below)	64,870	64,870	44,870	24,870
(b) Term loans				
Secured				
(i) From Banks (Refer Note No. 5.3 (a) below)	88,667	1,19,806	1,76,944	2,15,049
(ii) From National Housing Bank (Refer Note No. 5.4 below)	5,10,688	3,13,149	1,59,554	91,266
Unsecured				
(i) From Banks (Refer Note No. 5.3 (b) below)	65,000	50,000	95,000	30,000
Total	**10,41,115**	**8,65,745**	**7,86,688**	**5,30,675**

5.1 Coupon rate of "NCDs" outstanding as on March 31, 2018 varies from 7.40% to 10.25% (as on March 31, 2017 varies from 7.59% to 10.25%, as on March 31, 2016 varies from 8.40% to 10.70%, as on March 31, 2015 varies from 8.72% to 10.70%).

5.2 Coupon rate of above outstanding as on March 31, 2018 varies from 8.92% to 10.25% (as on March 31, 2017 varies from 8.92% to 10.25%, as on March 31, 2016 varies from 8.99% to 10.25%, as on March 31, 2015 varies from 8.72% to 10.70%).

5.3 (a) Loans and advances from banks are secured by pari passu charge on the book debt of the Company.

(b) Loans and advances from bank are repayable at maturity ranging between 3 month to 5 years (as on March 31, 2017 ranging between 2 years to 5 years, as on March 31, 2016 ranging between 3 years to 5 years, as on March 31, 2015 ranging between 3 years to 5 years) from the date of loan taken. Rate of Interest payable on Term Loans varies between 7.35% to 8.90% (as on March 31, 2017 varies between 8.05% to 9.15%, as on March 31, 2016 varies between 9.30% to 10.00%, as on March 31, 2015 varies between 10.00% to 10.25%).

5.4 Loan from National Housing Bank is secured by way of hypothecation of book debt and guarantee / Letter of comfort from Tata Capital Limited and is repayable in 28-60 (as on March 31, 2017 is repayable in 28-60, as on March 31, 2016 is repayable in 28-60, as on March 31, 2015 is repayable in 28-60) quarterly installments. Rate of Interest payable on Term loan varies between 4.61% to 9.25% (as on March 31, 2017 varies between 6.12% to 9.25%, as on March 31, 2016 varies between 6.12% to 9.50%, as on March 31, 2015 varies between 7.10% to 10.00%).

6 OTHER LONG-TERM LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Interest accrued but not due on borrowings	213	92	3,738	2,445
Total	**213**	**92**	**3,738**	**2,445**

7 LONG-TERM PROVISIONS

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Provision for Leave Encashment	193	173	98	81
(b) Provision for Gratuity	-	-	71	7
(c) Provision for Long Term Service Award	48	43	22	13
(d) Contingent provision against standard assets (Refer Note No. 34 & 15.1 below)	9,057	8,382	6,019	4,080
(e) Provision for Doubtful loans - housing loan (Refer Note No. 15.1 below)	12,002	5,340	2,745	1,205
(f) Provision for Doubtful loans - non housing loan (Refer Note No. 15.1 below)	2,656	1,871	707	559
Total	**23,956**	**15,809**	**9,662**	**5,944**

8 SHORT-TERM BORROWINGS

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Loans repayable on demand				
Secured				
From Banks				
(i) Cash Credit (Refer Note No. 5.3 (a) above & 8.2 below)	1,21,132	10,087	42,309	51,492
(ii) Working capital demand loan (Refer Note No. 5.3 (a) above & 8.2 below)	20,000	7,000	7,500	-
Unsecured				
From Banks				
(i) Bank overdraft	36,740	30,140	35,535	15,569
(b) Term loans				
Secured				
(i) From Banks (Refer Note No. 5.3 (a) above)	19,500	-	-	-
Unsecured				
(i) From Banks (Refer Note No. 5.3 (b) above)	40,000	-	-	-
(c) Loans and advances from Related Parties				
Unsecured				
(i) Inter-Corporate Deposits (Refer Note No. 31 (B) (2) below)	-	10,000	21,220	-
(d) Other loans and advances				
(i) Commercial Paper (Net of unamortised discount)	3,03,373	3,00,691	1,50,189	66,308
Total	**5,40,745**	**3,57,918**	**2,56,753**	**1,33,369**

8.1 Discount on Commercial Paper varies between 6.79% to 7.98% (as on March 31, 2017 varies between 6.68% to 8.62%, as on March 31, 2016 varies between 8.45% to 9.68%, as on March 31, 2015 varies between 8.73% to 9.90%).

8.2 Rate of Interest payable on CC/OD & WCDL varies between 7.60% to 9.10% (as on March 31, 2017 varies between 8.00% to 9.55%, as on March 31, 2016 varies between 9.10% to 9.95%, as on March 31, 2015 varies between 9.45% to 11.00%).

9 TRADE PAYABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Others				
(i) Accrued expenses	4,388	2,744	3,072	1,813
(ii) Payable to related parties	-	235	1	-
(iii) Payable to dealers/vendors	356	576	155	143
(iv) Others	170	214	80	893
Total	**4,914**	**3,769**	**3,308**	**2,849**

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

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

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Amounts outstanding but not due as at year end	-	-	-	-
(b) Amounts due but unpaid as at year end	-	-	-	-
(c) Amounts paid after appointed date during the year	-	-	-	-
(d) Amount of interest accrued and unpaid as at year end	-	-	-	-
(e) The amount of further interest due and payable even in the succeeding year	-	-	-	-
Total	**-**	**-**	**-**	**-**

10 OTHER CURRENT LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Current maturities of long-term debt				
(i) Debentures				
Secured				
-Privately Placed Non-Convertible Debentures (Refer Note No. 5.1 above)	1,15,530	1,87,340	84,020	79,260
-Zero coupon Debenture (Refer Note No. 5.1 above)	-	-	1,100	2,700
(ii) Term Loan				
Secured				
-From Banks (Refer Note No. 5.3 (a) above)	50,389	59,639	11,389	25,784
-From National Housing Bank (Refer Note No. 5.4 above)	56,687	35,136	20,560	12,969
Unsecured				
-From Banks (Refer Note No. 5.3 (b) above)	20,000	15,000	-	25,000
(b) Interest accrued but not due on borrowings	23,802	31,381	23,447	12,418
(c) Income received in advance	2,636	4,458	4,090	3,348
(d) Interim dividend payable	-	-	-	2,627
(e) Tax payable on interim dividend	-	-	-	525
(d) Other payables				
(i) Statutory dues	964	509	528	286
(ii) Payable for capital expenditure	10	10	13	10
(iii) Advances from customers	594	148	64	31
(iv) Amounts payable - Assigned Loan (Refer Note No. 15.5 below)	2,543	3,916	-	
(v) Accrued employee benefit expenses	935	1,009	661	505
(vi) Payable to customers	-	223	-	-
(vii) Others	462	258	175	46
Total	**2,74,552**	**3,39,027**	**1,46,047**	**1,65,510**

11 SHORT-TERM PROVISIONS

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Provision for Leave Encashment	64	45	29	21
(b) Provision for Long Term Service Award	6	4	2	2
(c) Contingent provision against Standard Assets (Refer Note No. 34 & 15.1 below)	905	618	442	271
(d) Provision for proposed dividend	-	-	-	302
(e) Provision for dividend distribution tax on proposed dividend	-	-	-	62
(f) Provision for Doubtful loans - housing loan (Refer Note No. 15.1 below)	345	446	61	33
(g) Provision for Doubtful loans - non housing loan (Refer Note No. 15.1 below)	180	75	11	25
(h) Provision for Income tax	2,613	1,571	1,506	947

[Net of Advance Tax Rs.10,414 Lakh, (as on Mar 17 Rs.8,002 Lakh, Mar 16 Rs.5,090 Lakh, Mar 15 Rs.3,026 Lakh)]				
Total	**4,113**	**2,759**	**2,050**	**1,663**

12 PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakh)

Particulars	Gross Block				Accumulated depreciation				Net Carrying Value
	Opening balance as at April 1, 2017	Additions / Adjustments	Deletions	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2018	As at March 31, 2018
TANGIBLE ASSETS									
Building	582	159	-	741	60	27	-	87	654
Office Equipment	261	69	-	330	106	71	-	177	153
Vehicles	83	-	15	68	30	18	6	42	26
Plant and Machinery	94	50	-	144	21	15	-	36	108
Furniture and Fixtures	158	87	-	245	71	44	-	115	130
Leasehold Improvements	473	190	-	663	171	102	-	273	390
Computer Equipment	296	373	-	669	92	141	-	233	436
Tangible Asset - Total	**1,947**	**928**	**15**	**2,860**	**551**	**418**	**6**	**963**	**1,897**
Capital Work In Progress									**174**
Intangible assets under development									**725**
Total									**2,796**

12 PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakh)

Particulars	Gross Block				Accumulated depreciation				Net Carrying Value
	Opening balance as at April 1, 2016	Additions / Adjustments	Deletions	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2017	As at March 31, 2017
TANGIBLE ASSETS									
Building	582	-	-	582	37	23	-	60	522
Office Equipment	158	106	3	261	61	46	1	106	155
Vehicles	81	34	32	83	40	18	28	30	53
Plant & Machinery	71	27	4	94	13	10	2	21	73
Furniture & Fixtures	115	49	6	158	45	31	5	71	87
Leasehold Improvements	342	156	25	473	110	80	19	171	302
Computer Equipment	161	135	-	296	28	64	-	92	204
Tangible Asset - Total	**1,510**	**507**	**70**	**1,947**	**334**	**272**	**55**	**551**	**1,396**
Capital Work In Progress									**138**
Intangible assets under development									**326**
Total									**1,860**

12 PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakh)

Particulars	Gross Block				Accumulated depreciation				Net Block
	Opening balance as at April 1, 2015	Additions	Disposals	Closing balance as at March 31, 2016	Opening balance as at April 1, 2015	Depreciation/ Amortisation for the Year	Disposals	Closing balance as at March 31, 2016	As at March 31, 2016
TANGIBLE FIXED ASSETS									
Building	313	269	-	582	15	22	-	37	545
Office Equipment	94	65	1	158	34	27	0	61	97
Vehicles	72	24	15	81	36	18	14	40	41
Plant & Machinery	41	31	1	71	6	7	0	13	58
Furniture & Fixtures	74	42	1	115	26	19	0	45	70
Leasehold Improvements	200	144	2	342	56	55	1	110	232
Computer	-	161	-	161	-	28	-	28	133
Tangible Asset - Total	**794**	**736**	**20**	**1,510**	**173**	**176**	**15**	**334**	**1,176**
Add: Capital Work In Progress									**59**
Add: Intangible assets under development									**124**
Total									**1,359**

12 PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakh)

	Gross Block				Accumulated depreciation				Net Block
Particulars	Opening balance as at April 1, 2014	Additions	Disposals	Closing balance as at March 31, 2015	Opening balance as at April 1, 2014	Depreciation/Amortisation for the Year	Disposals	Closing balance as at March 31, 2015	As at March 31, 2015
TANGIBLE FIXED ASSETS									
Building	48	265	-	313	7	8	-	15	298
Office Equipment	49	45	-	94	9	25	-	34	60
Vehicles	69	25	22	72	35	16	15	36	36
Plant & Machinery	12	29	-	41	2	4	-	6	35
Furniture & Fixtures	22	52	-	74	5	21	-	26	48
Leasehold Improvements	73	129	2	200	23	35	2	56	144
INTANGIBLE FIXED ASSETS	-	-	-	-	-	-	-	-	-
Tangible Asset - Total	**273**	**545**	**24**	**794**	**81**	**109**	**17**	**173**	**621**
Add: Capital Work In Progress									**74**
Total									**695**

13 INVESTMENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
Non-Current Investments				
Investment in Mutual Fund (Unquoted)				
- Tata Money Market Fund (in lieu of leave encashment)	257	245	-	-
Total	**257**	**245**	**-**	**-**

13.1 Scrip-wise details of Investments:

Particulars	Face value Per Unit	No. of Units	As at March 31, 2018	No. of Units	As at March 31, 2017	No. of Units	As at March 31, 2016
	in Rs.		Rs. in Lakh		Rs. in Lakh		Rs. in Lakh
Investment in Others							
Unquoted :							
Investment in Mutual Fund							
Tata Money Market Fund	1,000	10,300	257	9,848	245	-	-
Total			**257**		**245**		**-**

Particulars	Face value Per Unit	No. of Units	As at March 31, 2015
	in Rs.		Rs. in Lakh
Investment in Others			
Unquoted :			
Investment in Mutual Fund			
Tata Money Market Fund	-	-	-
Total			**-**

13.2 Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
Value of Investments				
(i) Gross value of Investments	257	245	-	-
(a) In India	257	245	-	-
(b) Outside India	-	-	-	-
(ii) Provisions for Depreciation	-	-	-	-
(a) In India	-	-	-	-
(b) Outside India	-	-	-	-
(iii) Net value of Investments	257	245	-	-
(a) In India	257	245	-	-
(b) Outside India	-	-	-	-
Movement of provisions held towards depreciation on investments				
(i) Opening balance	-	-	-	-
(ii) Add: Provisions made during the year	-	-	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-	-	-
(iv) Closing balance	-	-	-	-

14 DEFERRED TAX ASSET

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
Deferred Tax Asset (net)	4,192	1,754	1,686	1,131

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
Deferred Tax Assets :-				
(a) Employee benefits	89	75	44	38
(b) Provision for non-performing asset	4,561	2,166	1,216	628
(c) Provision for standard assets	3,448	3,115	2,236	1,506
(d) Disallowance u/s 40(a)	25	22	21	17
(e) Timing difference in respect of depreciation on fixed assets	61	31	24	27
Deduction u/s 36(1)(viii)				
Deferred Tax Liability :-				
(a) Special Reserve u/s 36(1) (viii)	(3,992)	(3,655)	(1,855)	(1,085)
Net Deferred Tax Assets	**4,192**	**1,754**	**1,686**	**1,131**

14.1 CURRENT TAX

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) For current year	13,028	9,573	6,597	3,973
(b) For previous year	922	-	-	-
Total	**13,950**	**9,573**	**6,597**	**3,973**

14.2 Deferred Tax

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) For current year	(1,516)	(68)	(555)	(436)
(b) For previous year	(922)	-	-	-
Total	**(2,438)**	**(68)**	**(555)**	**(436)**

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

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
NON-CURRENT				
(a) Housing Loans				
(i) Considered good	14,45,416	12,94,975	9,82,832	7,08,549
(ii) Considered doubtful	12,002	5,340	2,745	1,205
	14,57,418	**13,00,315**	**9,85,577**	**7,09,754**
(b) Non Housing Loans				
(i) Considered good	3,94,532	2,78,742	2,28,524	1,43,465
(ii) Considered doubtful	2,656	1,871	707	559
(ii) Retained interest under assignment transactions (Refer Note No 15.5 below)	4,591	5,587	-	-
	4,01,779	**2,86,200**	**2,29,231**	**1,44,024**
Total	**18,59,197**	**15,86,515**	**12,14,808**	**8,53,778**
CURRENT				
(a) Housing Loans				
(i) Considered good	1,41,114	88,821	72,789	47,144
(ii) Considered doubtful	345	446	61	33
	1,41,459	**89,267**	**72,850**	**47,177**
(b) Non Housing Loans				
(i) Considered good	42,565	23,669	16,317	9,684
(ii) Considered doubtful	180	75	11	25
(ii) Retained interest under assignment transactions (Refer Note No 15.5 below)	538	796	-	-
	43,283	**24,540**	**16,328**	**9,709**
Total	**1,84,742**	**1,13,807**	**89,178**	**56,886**
Total - Loans and advances - Financing Activities	**20,43,939**	**17,00,322**	**13,03,986**	**9,10,664**

* Includes interest accrued but not due and charges o/s.

15.1 Housing and non-housing loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank are as follows:

(Rs. in Lakh)

Category	Standard Assets		Sub-Standard Assets		Doubtful Assets		Loss Assets		Total	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Housing Loan										
Gross Portfolio	15,79,888	13,78,333	14,041	6,443	4,621	2,956	327	1,850	15,98,877	13,89,582
Provision	7,105	6,595	8,818	1,980	3,201	1,956	327	1,850	19,451	12,381
Net Portfolio	15,72,783	13,71,738	5,223	4,463	1,420	1,000	-	-	15,79,426	13,77,201
Non Housing Loan										
Gross Portfolio	4,39,200	3,06,436	4,033	3,279	1,829	615	-	410	4,45,062	3,10,740
Provision	2,857	2,405	1,702	985	1,134	551	-	410	5,693	4,351
Net Portfolio	4,36,343	3,04,031	2,331	2,294	695	64	-	-	4,39,369	3,06,389
Total										
Gross Portfolio	20,19,088	16,84,769	18,074	9,722	6,450	3,571	327	2,260	20,43,939	17,00,322
Provision	9,962	9,000	10,520	2,965	4,335	2,507	327	2,260	25,144	16,732
Net Portfolio	20,09,126	16,75,769	7,554	6,757	2,115	1,064	-	-	20,18,795	16,83,590

(Rs. in Lakh)

Category	Standard Assets		Sub-Standard Assets		Doubtful Assets		Loss Assets		Total	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Housing Loan										
Gross Portfolio	10,50,390	7,52,524	4,772	3,413	2,371	541	894	453	10,58,427	7,56,931
Provision	4,989	3,571	722	514	1,189	270	894	453	7,794	4,808
Net Portfolio	10,45,401	7,48,953	4,050	2,899	1,182	271	-	-	10,50,633	7,52,123
Non Housing Loan										
Gross Portfolio	2,44,150	1,52,569	668	571	247	189	494	404	2,45,559	1,53,733
Provision	1,472	780	101	86	124	95	494	404	2,191	1,365
Net Portfolio	2,42,678	1,51,789	567	485	123	94	-	-	2,43,368	1,52,368
Total										
Gross Portfolio	12,94,540	9,05,093	5,440	3,984	2,618	730	1,388	857	13,03,986	9,10,664
Provision	6,461	4,351	823	600	1,313	365	1,388	857	9,985	6,173
Net Portfolio	12,88,079	9,00,742	4,617	3,384	1,305	365	-	-	12,94,001	9,04,491

15.2 Categories of Doubtful Assets are as follows as on March 31, 2018:

(Rs. in Lakh)

Category	Doubtful 1	Doubtful 2	Doubtful 3	Total
Housing Loan				
Gross Portfolio	4,317	304	-	4,621
Provision	2,897	304	-	3,201
Net Portfolio	1,420	-	-	1,420
Non Housing Loan				
Gross Portfolio	1,756	73	-	1,829
Provision	1,061	73	-	1,134
Net Portfolio	695	-	-	695
Total				
Gross Portfolio	6,073	377	-	6,450
Provision	3,958	377	-	4,335
Net Portfolio	2,115	-	-	2,115

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

15.4 The company has reported frauds aggregating Rs. 326 Lakh (Mar 17 Rs.NIL, Mar 16 Rs. 36 Lakh, Mar 15 Rs.NIL) based on management reporting to risk committee and to the NHB through prescribed returns.

15.5 The Company has securitized / assigned pool of certain non housing loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the March 31, 2018 aggregates to Rs. 45,974 lakh (Mar 17 Rs. 54,087 lakh, Mar 16 Rs. NIL, Mar 15 Rs. NIL). These assets have been de-recognised in the books of the Company. The Company is responsible for collecting and servicing of these loan portfolio on behalf of buyers / investors.

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

PARTICULARS		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
		Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a)	Capital advances	7	1	6	265
(b)	Loan To TCL Employee Welfare Trust	66	66	66	66
(c)	Advance payment of Income tax [Net of Provision for Tax Rs.26,253 Lakh, (March 2017 Rs.15,757 Lakh, Mar 16 Rs. 9,161 Lakh, Mar 15 Rs.5,187 Lakh)]	80	310	389	364
Total		**153**	**377**	**461**	**695**

17 OTHER NON-CURRENT ASSETS

PARTICULARS		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
		Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a)	Deferred revenue expenditure (to the extent not written off or adjusted) (Refer Note No 21(a) below)	286	508	470	589
(b)	Unamortised loan sourcing costs	3,888	3,792	3,418	2,853
(c)	Gratuity Asset (Net)	35	69	-	-
(d)	Fixed deposit with maturity more than 12 months	25	-	-	-
Total		**4,234**	**4,369**	**3,888**	**3,442**

18 TRADE RECEIVABLES

PARTICULARS		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
		Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a)	Over six months (from the date due for payment)				
	(i) Secured, considered good	-	-	-	-
	(ii) Unsecured, considered good	-	-	-	-
	(iii) Doubtful	-	-	-	-
		-	-	-	-
	Less: Provision for trade receivables	-	-	-	-
		-	-	-	-
(b)	Others				
	(i) Secured, considered good			-	-
	(ii) Unsecured, considered good	396	5	115	133
	(iii) Doubtful	-	-	-	-
		396	5	115	133
	Less: Provision for trade receivables	-	-	-	-
		396	5	115	133
Total		**396**	**5**	**115**	**133**

19 CASH AND BANK BALANCES

PARTICULARS		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
		Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a)	Cash on hand	73	67	92	82
(b)	Cheques on hand	2,430	1,746	932	568
(c)	Balances with banks				
	- In current accounts	4,428	6,490	2,107	1,813
Total		**6,931**	**8,303**	**3,131**	**2,463**

19.1 Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is Rs.6,931 Lakh. (as on Mar 17 Rs.8,303 Lakh, as on Mar 16 Rs. 3,131 Lakh, as on Mar 15 Rs. 2,463 Lakh).

19.2 Balance in deposit accounts with Banks have an original maturity exceeding 3 months but balance maturity of under 12 months from the Balance Sheet date.

19.3 The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

19.4 The details of the Specific Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below (as per MCA Notification G.S.R. 307 (E) dated 30th March 2017) :

(Rs. in Lakh)

PARTICULARS	SBN's	Other Denomination Notes	Total
Opening Cash on hand as on 08/11/2016	24	1	25
(+) Permitted receipts	-	175	175
(-) Permitted payments	-	-	-
(-) Amounts deposited in Banks (deposited before 11/11/2016	24	164	188
Closing Cash on hand as on 30/12/2016	**-**	**12**	**12**

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

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Deposits	227	199	146	120
(b) Prepaid expenses	442	159	70	82
(c) Others	529	96	131	83
Total	**1,198**	**454**	**347**	**285**

21 OTHER CURRENT ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Deferred Revenue Expenditure (to the extent not written off or adjusted) (Refer Note No 21(a) below)	285	538	340	268
(b) Unamortised loan sourcing costs	2,491	2,328	2,024	1,558
(c) Interest Accrued but not due on fixed deposit	1	-	-	-
(d) Other Receivables	5	10	24	13
Total	**2,782**	**2,876**	**2,388**	**1,839**

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

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Unamortised share issue expenses				
Opening balance	-	10	23	40
Add: expenses incurred during the year	-	-	26	16
Less: share issue expenses written off through securities premium account (Refer Note No 35)	-	10	-	-
Less: written off during the year through Statement of Profit and Loss	-	-	39	33
Closing balance	-	-	10	23
(b) Unamortised debenture issue expenses				
Opening balance	712	310	165	148
Add: expenses incurred during the year	239	827	373	207
Less: written off during the year	539	425	228	190
Closing balance	412	712	310	165
(C) Unamortised loan processing charges				
Opening balance	334	490	669	803
Add: expenses incurred during the year	32	34	22	47
Less: written off during the year	207	190	201	181
Closing balance	159	334	490	669
Total	**571**	**1,046**	**810**	**857**

PARTICULARS	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Current	Non-Current	Current	Current	Current	Non-Current
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Unamortised share issue expenses	-	-	-	-	8	2
(a) Unamortised debenture issue expenses	126	286	350	362	156	154
(b) Unamortised loan processing charges	159	-	188	146	176	314
Total	**285**	**286**	**538**	**508**	**340**	**470**
Grand Total		**571**		**1,046**		**810**

PARTICULARS	As at March 31, 2015	
	Current	Non-Current
	Rs. in Lakh	Rs. in Lakh
(a) Unamortised share issue expenses	12	11
(a) Unamortised debenture issue expenses	73	92
(b) Unamortised loan processing charges	183	486
Total	**268**	**589**
Grand Total		**857**

22 REVENUE FROM OPERATIONS

PARTICULARS	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Interest Income	1,85,025	1,63,356	1,20,111	86,591
(b) Income from Financing activity (Refer note below)	9,665	7,340	5,219	3,780
Total	**1,94,690**	**1,70,696**	**1,25,330**	**90,371**

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

23 INVESTMENT INCOME

PARTICULARS	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Profit on sale of current investments	192	95	173	387
Total	**192**	**95**	**173**	**387**

24 OTHER INCOME

PARTICULARS	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Advertisement Income	3,363	1,415	1,025	250
(b) Miscellaneous Income	110	112	28	10
(C) Interest on income tax refund	-	-	-	-
Total	**3,473**	**1,527**	**1,053**	**260**

25 FINANCE COST

PARTICULARS	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Interest expense	1,05,954	91,696	75,511	53,951
(b) Discounting charges				
(i) On zero coupon debentures	-	-	-	163
(i) On commercial paper	18,710	22,047	10,752	10,654
Total	**1,24,664**	**1,13,743**	**86,263**	**64,768**

26 EMPLOYEE BENEFIT EXPENSES

PARTICULARS	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs in Lakh	Rs. in Lakh	Rs. in Lakh
(a) Salaries, wages and bonus	10,368	9,569	6,770	4,473
(b) Contribution to provident fund and other funds (Refer Note No. 30)	489	556	357	244
(c) Staff welfare expenses	559	306	232	182
Total	**11,416**	**10,431**	**7,359**	**4,899**

27 OTHER OPERATING EXPENSES

PARTICULARS	For the Year ended March 31, 2018		For the Year ended March 31, 2017		For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Rs in Lakh		Rs in Lakh		Rs in Lakh		Rs in Lakh	
(a) Advertisement and publicity		332		278		335		142
(b) Brand equity and business promotion		543		539		322		241
(c) Incentive commission & brokerage		2,809		2,710		2,227		1,724
(d) Directors' Remuneration		58		54		26		16
(e) Facility management and office upkeep charges		-		-		-		-
(f) Insurance charges		207		172		135		6
(g) Information technology expenses		2,762		1,942		2,099		1,286
(h) Legal and professional fees		1,120		1,086		735		734
(i) Loan processing charges		2,011		1,989		1,667		1,165
(j) Postage and courier expenses		-		-		-		-
(k) Printing and stationery		154		149		124		82
(l) Provision for doubtful loans		11,870		4,501		1,942		1,206
(m) Write off - Loans and advances	4,418		294		244		81	
Less : Provision reversal on write off	(4,418)	-	(294)	-	(244)	-	(81)	
(n) Provision for standard assets - housing loan (Refer Note Nos. 27.1, 27.2 & 34 below)		510		1,606		1,418		1,086
(o) Provision for standard assets - non housing loan (Refer Note Nos. 27.1, 27.2 & 34 below)		452		933		692		288
(p) Rates and taxes		17		13		6		7
(q) Record management charges		-		-		-		-
(r) Rent		1,427		1,083		1,001		974
(s) Repairs and maintenance expenses		18		73		21		11
(t) Stamping charges		16		45		31		18
(u) Service providers charges		1,586		1,244		905		659
(v) Telephone, telex and leased line		129		138		102		75
(w) Travelling and conveyance		609		448		514		366
(x) Training & Recruitment		266		146		65		112
(y) Corporate social responsibility (Refer Note No. 27.6 below)		450		286		178		107
(z) Power and fuel		117		89		56		32
(aa) Others (Refer Note No. 27.3 below)		716		411		386		172
Total		**28,179**		**19,935**		**14,987**		**10,508**

27.1 The Company has made a standard asset provision of Rs.962 Lakh (Mar 17 Rs.2,539 Lakh, Mar 16 Rs. 2,110, Mar 15 Rs, 1,374) being 0.25% / 0.40% / 0.75% / 1% of the Standard Housing / Non Housing loans as specified by the National Housing Bank circular No. NHB(ND)/DRS/DIR-3/CMD/2011 dated August 5,2011 and as amended from time to time.

27.2 National Housing Bank (NHB) has issued circular No. NHB.HFC./CMD/2013 dated September 6, 2013 for provision on Standard Asset relating to Commercial Real Estate Loans. Accordingly the Company is required to make general provision (i) at the rate of 1% on Commercial Real Estate and (ii) at the rate of 0.75% on Commercial Real Estate-Residential. The Company has made provision of Rs. 191 Lakhs on all commercial real estate loans and Rs. 128 Lakhs on Commercial Real Estate - Residential.

27.3 The National Housing Bank had, vide Notification No. NHB.HFC.DIR.18/MD&CEO/2017 dated August 2, 2017, amended Paragraph 28 of Master Circular - The Housing Finance Companies (NHB) Directions, 2010 by revising the provision on Standard Assets in respect of Individual Housing Loans from 0.40% to 0.25%. As per the Notification, the revised provisioning would be effective prospectively but the provisions held at present, towards Individual Housing Loans should not be reversed. However, in future, if by applying the revised provisioning norms, any provisions are required over and above the level of provisions currently held for the standard category of such loans, these should be duly provided for. During the year, the Company has complied with the said Notification.

27.4 Other expenses includes Audit Fee (excluding GST/Service Tax) as below.

PARTICULARS	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs in Lakh	Rs in Lakh	Rs in Lakh
(i) Audit fees	40	35	35	22
(ii) Tax audit fees	4	5	5	2
(iii) Other services	4	6	3	2
Total	**48**	**46**	**43**	**26**

27.5 Expenditure in foreign currency

PARTICULARS	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs in Lakh	Rs in Lakh	Rs in Lakh
(i) Information technology expenses	610	-	-	-
(ii) Legal and professional fees	119	45	-	-
(iii) Travelling, conveyance and accommodation	-	-	5	10
Total	**729**	**45**	**5**	**10**

27.6 Corporate social responsibility expenses

(a) Gross amount required to be spent by the company during the year was Rs. 450 Lakh (Mar 17 Rs. 286 lakh, Mar 16 Rs. 178 Lakh, Mar 15 Rs. 107 Lakh).

(b) Amount spent and paid during the year on:

PARTICULARS	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rs in Lakh	Rs in Lakh	Rs in Lakh	Rs in Lakh
(i) Construction/acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above	450	286	178	107
Total	**450**	**286**	**178**	**107**

(c) Details of related party transactions Rs. Nil (Mar 17 Rs. Nil, Mar 16 Rs. Nil, Mar 15 Rs. Nil).

28 Contingent Liabilities and Commitments:

(a) Contingent Liabilities Rs. Nil (as on Mar 17 Rs. Nil, as on Mar 16 Rs. Nil, as on Mar 15 Rs. Nil).
(b) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for.
- Tangible: Rs. 435 Lakh (as on Mar 17 Rs. 348 Lakh, as on Mar 16 Rs. 844 Lakh)
- Intangible: Rs. 21 Lakh (as on Mar 17 Rs. 311 Lakh, as on Mar 16 Rs. 382 Lakh)
- Tangible & Intangible capital commitment as on Mar 15 Rs. 113 Lakh.

(c) Undrawn Commitment given to Borrowers
- As on March 31, 2018 Rs. 2,69,346 lakh (as on Mar 17: Rs. 2,38,427 lakh) (as on March 31, 2016, March 31, 2015)

29 Employee Stock Purchase/Option Scheme
Employees of the Company may be entitled to Stock Purchase / Stock Options Scheme offered by Tata Capital Limited.

30 Employee benefits

Defined Contribution Plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a Trust by the Company. The Company is generally 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 under the employee provident scheme, 1952 is recognised as an expense in the year in which it is determined.
The Company recognised a charge of Rs. 386 Lakh (FY 2016-17 Rs.342 Lakh, FY 2015-16 Rs. 253, FY 2014-15 Rs. 170) towards provident fund and family pension fund contribution and Rs.21 Lakh (FY 2016-17 Rs.15 Lakh, FY 2015-16 Rs. 15 Lakh, FY 2014-15 Rs. 15 Lakh) towards contribution to superannuation fund in the Statement of Profit and Loss during the current year.
The provident fund set up as a Trust by the Holding Company, Tata Capital Limited, manages the contributions from the Company and other participating fellow subsidiaries. As of March 31, 2018, the accumulated members' corpus of the Company is Rs. 2,926 lakh (as on Mar 17 Rs. 2,277 Lakh, as on Mar 16 Rs. 1,536 Lakh, as on Mar 15 Rs. 1,042 Lakh)whereas the total fair value of the assets of the fund and the total accumulated members' corpus is Rs. 21,026 lakh (as on Mar 17 Rs. 16,858 Lakh, as on Mar 16 Rs. 14,169 lakh, as on Mar 15 Rs. 12,871 Lakh) and Rs. 20,658 lakh (as on Mar 17 Rs. 16,969 Lakh, as on Mar 16 Rs. 13,695 Lakh, as on Mar 15 Rs. 11,904) respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.55%. The actuarial assumptions include discount rate of 7.70%.

Defined Benefits Plans
The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount), (Included as part of contribution to provided fund, superannuation fund and other funds as referred in Note 26 of Employee Benefit Expenses). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. On adoption of the Accounting Standard (AS 15) on "Employee Benefits", actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

Reconciliation of Benefit Obligations and Plan Assets

(Rs. in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15
Change in Defined Benefit Obligation				
Opening Defined Benefit Obligation	597	328	238	153
Current Service Cost	137	77	54	30
Interest Cost	43	26	18	14
Acquisition Cost / (Credit)	34	41	15	13
Actuarial Losses / (Gain)	(44)	153	23	36
Benefits Paid	(45)	(28)	(20)	(8)
Closing Defined Benefit Obligation	**721**	**597**	**328**	**238**
Change in the Fair Value of Assets				
Opening Fair Value of Plan Assets	666	257	232	134
Acquisition adjustment	34	41	17	15
Expected Return on Plan Assets	53	33	19	13
Contributions by Employer	-	310	7	63
Actuarial Gains / (Losses)	3	25	(18)	7
Benefits paid	-	-	-	-
Closing Fair Value of Plan Assets	**756**	**666**	**257**	**232**
Reconciliation of present Value of the obligation and the Fair value of the Plan Assets				
Fair Value of plan assets at the end of the year	756	666	257	232
Present value of the defined obligations at the end of the year	721	597	328	238
Funded status [Surplus / (Deficit)]	35	69	(71)	(6)
Net Asset /(Liability) recognised in the balance sheet	**35**	**69**	**(71)**	**(6)**
Net Gratuity cost				
Service Cost	137	77	54	30
Interest on Defined benefit Obligation	43	26	18	14
Expected return on plan assets	(53)	(33)	(19)	(13)
Net actuarial loss recognised in the year	(44)	129	36	29
Net Gratuity Cost included in Employee Benefit Expenses (Refer Note No 26)	**82**	**199**	**89**	**60**
Actual contribution and benefit payments for the year				
Actual benefit payments	45	28	20	8
Actual contributions	-	310	7	63

Categorisation of plan assets is as follows				
Investment Pattern	**2017-18**	**2016-17**	**2015-16**	**2014-15**
Government Bonds	44%	33%	44%	40%
Equity mutual funds	12%	16%	23%	17%
Bonds / Debentures	43%	41%	24%	35%
Others (Including assets under Schemes of Insurance)	1%	10%	9%	8%
	100%	**100%**	**100%**	**100%**
Assumptions				
Discount Rate	7.70%	7.50%	8.20%	7.80%
Expected Rate of Return on Plan Assets	8.00%	8.00%	8.00%	8.00%
Salary Escalation Rate	7.50% p.a for first 5 years and 6% thereafter.	7.50% p.a for first 5 years and 6% thereafter.	7.50% p.a for first 5 years and 5% thereafter.	7.50% p.a for first 5 years and 5% thereafter.
Mortality table	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate
Withdrawal rate	0 – 2 years:10%	0 – 2 years:10%	0 – 2 years:10%	0 – 2 years:10%
	3 – 4 years: 5%	3 – 4 years: 5%	3 – 4 years: 5%	3 – 4 years: 5%
	5 – 9 years: 2.5%	5 – 9 years: 2.5%	5 – 9 years: 2.5%	5 – 9 years: 2.5%
	10 and more: 1%	10 and more: 1%	10 and more: 1%	10 and more: 1%

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

(Rs. in Lakh)

Experience History	**2017-18**	**2016-17**	**2015-16**	**2014-15**
Defined Benefit Obligation	(721)	(597)	(328)	(238)
Plan Assets	756	666	257	232
Funded Status	35	69	(71)	(7)
Experience Gain/ (Loss) Adjustment :				
- On Plan Liabilities	34	(53)	(32)	(3)
- On Plan Assets	3	25	(18)	7
Actuarial Gain / (Loss) due to change in assumptions	10	(99)	10	(34)

The Company expects to contribute approximately Rs. NIL (FY 2017-18 Rs. 135 Lakh, FY 2016-17 Rs. 71 Lakh, FY 2015-16 Rs. 6 Lakh, FY 2014-15 Rs. 19 Lakh) to the gratuity fund for the FY 2018-19.

Long Term Service Awards :
Long Term Service award is an employee benefit in recognition for their loyalty and continuity of service for five years and above, the same is actuarially valued (Unfunded). The Long Term Service awards expense for financial year 2017-18 is Rs. 7 Lakh (FY 2016-17 Rs. 24 Lakh, FY 2015-16 Rs. 8 Lakh, FY 2014-15 Rs. 7 Lakh) and the provision as at Mar 2018 is Rs. 54 Lakh (FY 2016-17 Rs. 47 Lakh, FY 2015-16 Rs. 23 Lakh, FY 2014-15 Rs. 15 Lakh).

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

A. List of related parties and relationship:

Ultimate holding Company	Tata Sons Limited
Holding Company	Tata Capital Limited
Fellow Subsidiaries (with which the company had transactions)	TC Travel and Services Limited (Ceased to be related party wef October 30, 2017)
	Tata Securities Limited
	Tata Capital Financial Services Limited
	Tata Cleantech Capital Limited
	Tata Capital Forex Limited (Ceased to be related party wef October 30, 2017)
	Tata Capital Plc Limited
Subsidiaries of ultimate holding company (with which the company had transactions)	Tata Consultancy Services Limited
	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
	Tata AIA Life Insurance Company Limited
	Tata AIG General Insurance Company Limited
	Infiniti Retail Limited
	Tata Teleservices Maharashtra Limited
	Tata Teleservices Limited
Key Management Personnel	Mr.R.Vaithianathan (Managing Director)

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

(Rs. in Lakh)

Sr. No.	**Party Name**	**Nature of transaction**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
1	Tata Sons Limited	a) Expenses				
		- Brand equity and business promotion	543	539	322	241
		- Legal and professional fees	-	7	-	-
		- Staff Welfare *	0	-	-	-
		- Training Expenses *	0	1	-	-
		b) Balance payable	543	495	327	241

2	Tata Capital Limited	a) Amount raised by issue of Compulsorily Convertible Cumulative Preference Shares	30,100	16,500	24,500	16,000
		b) Inter-Corporate Deposit accepted / repaid				
		- Inter-Corporate Deposit received during year	2,05,185	3,37,357	3,53,190	99,320
		- Inter-Corporate Deposit repaid during year	2,15,185	3,48,577	3,31,970	99,320
		c) Interest expense on				
		-Inter-Corporate Deposit	611	1,629	1,437	230
		-Debentures	-	77	340	338
		d) Reimbursement of expenses to TCL	8	9	1	30
		e) Service providers charges	1,037	713	464	312
		f) Dividend paid on Preference Shares	8,047	6,613	7,531	1,521
		g) Receipt of Security Deposit	3	-	-	-
		h) Repayment of Security Deposit	3	-	-	-
		i) Security deposit payable	-	-	-	1
		j) Balance Outstanding				
		- Expenses Payable	120	127	59	30
		- Borrowings (Inter-Corporate Deposit)	-	10,000	21,220	-
		- Borrowings (Subordinated Debenture)		-	3,300	-
		- Dividend Payable		-	-	2,627
3	Tata Capital Financial Services Limited	a) Transfer from				
		-Fixed Assets *	14	15	0	-
		-Employee Loan	-	-	1	-
		-Salary *	0	2	1	8
		-Employee Loan	-	-	-	-
		b) Transfer to				
		-Fixed Assets / CWIP *	0	1	2	-
		-Security Deposit	-	-	14	-
		c) Expenses				
		-Reimbursement of expenses	53	195	130	151
		-Rent expenses	1,057	780	747	870
		-Guest house expenses	15	9	11	-
		-Loan sourcing fee	1	77	-	392
		d) Income				
		-Loan sourcing fee	1	6	-	3
		-Rent recovery	23	29	28	58
		-Guest House Recovery	9	6	8	-
		-Reimbursement of expenses	-	4	3	2
		e) NCD Issued		-	3,000	-
		f) Consideration received towards sale of right in property		-	-	290
		g) Balance payable	141	235	104	718
4	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)	a) Expenses				
		- Service provider charges	1,384	1,337	1,066	811
		b) Balance payable	-	73	174	89
5	TC Travel and Services Limited	a) Expenses				
		- Travel related services	135	83	85	92
		b) Balance payable	-	-	-	3
6	Tata Consultancy Services Limited	a) Expenses				
		- Information technology expenses	2,040	1,609	2,064	1,283
		b) Balance payable	647	1,178	1,240	466
7	Tata Securities Limited	a) Income				
		- Reimbursement *	-	-	0	-
		b) Expenses				
		- DMA Commission	-	-	1	-
		c) Asset Transfer from TSL				
		- Salary Advance*	-	0	-	-
8	Tata AIA Life Insurance Company Limited	a) Expenses				
		- Insurance Expense for Employees	12	8	7	-
		b) Premium paid on behalf of customer	-	2	338	-
		c) Claims received	-	187	168	-
		d) Advance given	11	-	-	-
		e) Balance payable	-	-	-	160
9	Tata AIG General Insurance Company Limited	a) Expenses				
		- Insurance expenses	1	2	2	5
		b) Advertisement Income	80	275	465	-
		c) Advance given	1	1	1	-
		d) Balance receivable	-	-	115	-
10	Infiniti Retail Limited	a) Fixed Asset purchased *	1	1	0	-
		b) Gift Expenses *	0	1	-	-
		c) Advance given *	0	0	0	-
11	Tata Cleantech Capital Limited	a) Reimbursement of Expenses *	0	1	0	-
		b) Guest House Income*	0	0	-	-
		c) Outstanding Receivable*	-	0	-	-
12	Tata Capital Plc Limited	a) Expenses				
		-travelling expenses	-	-	-	10
13	Tata Teleservices Limited	a) Telephone, telex and leased line	18	11	-	-
		b) Advance given *	0	-	-	-
14	Tata Teleservices Maharashtra Limited	a) Telephone, telex and leased line	27	9	-	-
15	Tata Capital Forex Limited	a) Travelling and conveyance *	0	-	-	-
16	Key Management Personnel	a) Remuneration	219	193	181	163
		b) Employee loan O/s *	-	-	0	-

*Less than Rs.50,000/-

32 Earnings per Share (EPS):

Particulars		2017-18	2016-17	2015-16	2014-15
Profit after tax	Rs. in Lakh	21,420	17,817	11,261	6,793
Less: Preference dividend (including dividend distribution tax)	Rs. in Lakh	9,743	7,959	5,539	3,516
Profit after tax for Basic EPS	Rs. in Lakh	11,677	9,858	5,722	3,277
Weighted average number of Equity shares used in computing Basic EPS	Nos	25,33,33,332	25,33,33,332	25,33,33,332	25,33,33,332
Face value of equity shares	Rupees	10	10	10	10
Basic earnings per share	Rupees	**4.61**	**3.89**	**2.26**	**1.29**
Profit after tax for Basic EPS	Rs. in Lakh	11,677	9,858	5,722	3,277
Add: Preference dividend on Compulsorily Convertible Cumulative Preference shares (including dividend distribution tax)	Rs. in Lakh	9,743	7,959	5,539	3,516
Profit after tax for Diluted EPS		21,420	17,817	11,261	6,793
Weighted average number of Equity Shares used in computing Basic earnings per share	Nos	25,33,33,332	25,33,33,332	25,33,33,332	25,33,33,332
Add: Potential weighted average number of Equity shares that could arise on conversion of preference shares	Nos	17,10,36,664	18,28,23,370	14,00,86,084	9,86,13,533
Weighted average number of shares in computing Diluted earnings per share	Nos	42,43,69,996	43,61,56,702	39,34,19,416	35,19,46,865
Face value of equity shares	Rupees	10	10	10	10
Diluted earnings per share (Anti dilutive)	Rupees	**5.05**	**4.09**	**2.86**	**1.93**
Diluted earnings per share	Rupees	**4.61**	**3.89**	**2.26**	**1.29**

33 Lease Payments

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

(Rs. in Lakh)

Lease Payments	2017-18	2016-17	2015-16	2014-15
-Within one year	-	-	-	195
-Later than one year and not later than five years	-	-	-	673
-Later than five years	-	-	-	295

The amount charged towards lease rental as part of Rent expenditure is Rs. 1,427 Lakh (FY 2016-17 Rs.1,083 Lakh, FY 2015-16 Rs. 1,001 Lakh, FY 2014-15 Rs. 974 Lakh)

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

(Rs. in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15
Opening Balance	9,000	6,461	4,351	2,977
Additions during the year	962	2,539	2,110	1,374
Utilised during the year	-	-	-	-
Closing Balance	**9,962**	**9,000**	**6,461**	**4,351**

35 During the year ended March 31, 2017, the Company changed its accounting policy with respect to amortization of deferred revenue expenditure for share issue expenses. The Company now charges off the share issue expenses against amount standing to the credit of the Securities Premium Account. Prior to this change, the Company amortized the said share issue expenses over a period of 36 months from the month in which the expenses were incurred. The change in accounting policy is in accordance with the provisions of Section 52 of the Companies Act 2013, and it would result in a more appropriate presentation of financial statements of the Company.

On account of the change in the accounting policy, the profit before tax of the company is higher by Rs. 12 lakh (net of taxes, as applicable) for the year ended on March 31, 2017 and deferred revenue expenditure is lower by Rs. 15 lakh (net of taxes, as applicable) as on March 31, 2017.

36 Disclosure of details as required under notification issued by NHB dated February 09, 2017, NHB.HFC.CG-DIR.1/MD&CEO/2016.

36.1 Capital

(Rs. In Lakh)

Particulars		2017-18	2016-17	2015-16	2014-15
(i)	CRAR (%)	17.22%	16.01%	16.17%	13.60%
(ii)	CRAR – Tier I Capital (%)	12.10%	10.19%	10.72%	9.69%
(iii)	CRAR – Tier II Capital (%)	5.12%	5.82%	5.45%	3.91%
(iv)	Amount of subordinated debt raised as Tier- II Capital	-	20,000	20,000	NA
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-	-	-

36.2 Derivative transaction entered by Company is Rs. Nil (FY 2016-17 Rs. Nil, FY 2015-16 Rs. Nil, FY 2014-15 was NA).

36.3 There were no unhedged foreign currency transactions during current year (FY 2016-17 Rs. Nil, FY 2015-16 Rs. Nil, FY 2014-15 was NA).

36.4 The Company has not done any Securitisation during the financial year (FY 2016-17 Rs. Nil, FY 2015-16 Rs. Nil, FY 2014-15 was NA).

36.5 Details of Assignment transactions undertaken by HFCs:

(Rs. In Lakh)

Particulars		2017-18	2016-17	2015-16	2014-15
(i)	No. of accounts	521	2,270	-	NA
(ii)	Aggregate value (net of provisions) of accounts sold *	19,254	57,424	-	NA
(iii)	Aggregate consideration	19,254	57,424	-	NA
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil	-	NA
(v)	Aggregate gain / loss over net book value	Nil	Nil	-	NA

* Total value of the Loans sold under direct assignment route as on 31st Mar 18 is Rs. 85,197 Lakh (as on Mar 17 Rs 63,804 Lakh, as on Mar 16 Rs. Nil, as on Mar 15 Rs. Nil). Company has retained 10% interest in the Loans sold.

36.6 The Company does not have purchase / sale transaction of non-performing financial asset (as on Mar 17 Rs. Nil, as on Mar 16 Rs. Nil, as on Mar 15 was NA).

36.7 Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities as per NHB format

For the year 2017-18

(Rs. In Lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	1,77,656	59,743	-	28,373	-	-
Over One month to 2 months	40,000	1,14,767	-	12,895	-	-
Over 2 months unto 3 months	27,920	1,59,218	-	12,815	-	-
Over 3 months to 6 months	48,916	58,919	-	40,160	-	-
Over 6 months to 1 year	70,240	49,774	-	85,654	-	-
Over 1 year to 3 years	2,63,641	1,93,553	-	3,14,023	-	-
Over 3 years to 5 years	97,347	85,750	-	2,33,370	-	-
Over 5 to 7 years	95,368	46,920	-	2,32,968	-	-
Over 7 to 10 years	1,11,599	50,750	-	3,56,145	-	-
Over10 years	96,400	-	-	7,12,353	-	-
Total	**10,29,087**	**8,19,394**	**-**	**20,28,756**	**-**	**-**

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

For the year 2016-17

(Rs. In Lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	40,365	1,52,105	-	18,880	-	-
Over One month to 2 months	7,000	1,28,861	-	7,714	-	-
Over 2 months puts 3 months	14,944	64,396	-	7,662	-	-
Over 3 months to 6 months	19,944	72,011	-	24,695	-	-
Over 6 months to 1 year	74,887	1,11,899	-	53,769	-	-
Over 1 year to 3 years	2,39,364	1,74,962	-	2,72,685	-	-
Over 3 years to 5 years	59,524	88,820	-	1,95,963	-	-
Over 5 to 7 years	52,711	28,550	-	2,03,882	-	-
Over 7 to 10 years	67,404	90,550	-	3,06,783	-	-
Over10 years	63,952	-	-	6,00,557	-	-
Total	**6,40,095**	**9,12,155**	**-**	**16,92,590**	**-**	**-**

For the year 2015-16

(Rs. In Lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	85,417	42,130	-	14,741	-	-
Over One month to 2 months	-	66,218	-	6,436	-	-
Over 2 months puts 3 months	7,362	75,031	-	6,198	-	-
Over 3 months to 6 months	7,362	38,764	-	19,149	-	-
Over 6 months to 1 year	17,224	57,760	-	42,357	-	-
Over 1 year to 3 years	2,90,293	2,16,108	-	1,94,918	-	-
Over 3 years to 5 years	60,138	38,200	-	1,46,965	-	-
Over 5 to 7 years	24,670	29,950	-	1,58,516	-	-
Over 7 to 10 years	32,059	74,670	-	2,44,353	-	-
Over10 years	24,338	-	-	4,66,828	-	-
Total	**5,48,863**	**6,38,831**	**-**	**13,00,461**	**-**	**-**

For the year 2014-15

(Rs. In Lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	67,062	22,936	-	10,116	-	-
Over One month to 2 months	-	53,277	-	4,110	-	-
Over 2 months puts 3 months	3,242	6,584	-	3,968	-	-
Over 3 months to 6 months	19,909	15,071	-	12,277	-	-
Over 6 months to 1 year	40,601	50,400	-	26,201	-	-
Over 1 year to 3 years	1,68,159	1,10,190	-	1,10,289	-	-
Over 3 years to 5 years	1,28,054	16,400	-	96,220	-	-
Over 5 to 7 years	15,339	7,500	-	1,09,257	-	-
Over 7 to 10 years	12,724	56,870	-	1,66,747	-	-
Over10 years	12,040	3,400	-	3,69,657	-	-
Total	**4,67,130**	**3,42,628**	**-**	**9,08,842**	**-**	**-**

36.8 Exposure

36.8.1 Exposure to Real Estate Sector

(Rs. In Lakh)

Category		2017-18	2016-17	2015-16	2014-15
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:				
	(i) Individual housing loans up to Rs. 15 Lakh	3,38,230	2,55,089	1,73,662	1,10,002
	(ii) Other housing loans	18,57,209	13,43,594	10,45,294	7,47,357
(ii)	**Commercial Real Estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure includes non-fund based (NFB) limits.	1,22,822	95,461	78,804	49,214
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**				
	a. Residential	-	-	-	-
	b. Commercial Real Estate	-	-	-	-
b)	**Indirect Exposure**				
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-	-	-
Total		**23,18,261**	**16,94,144**	**12,97,760**	**9,06,573**

Note : Exposure to Real Estate Sector Includes accrued interest.

36.8.2 Exposure to Capital Market

(Rs. In Lakh)

Particulars		2017-18	2016-17	2015-16	2014-15
(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;	-	-	-	NA
(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;	-	-	-	NA
(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;	-	-	-	NA
(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;	-	-	-	NA
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-	NA
(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;	-	-	-	NA
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-	-	NA
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-	-	NA
Total Exposure to Capital Market		**-**	**-**	**-**	**NA**

36.8.3 No Parent Company products were financed during the year (FY 2016-17 Rs. Nil, FY 2015-16 Rs. Nil, FY 2014-15 was NA).

36.8.4 The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the NHB prudential norms applicable to HFC (FY 2016-17 Rs. Nil, FY 2015-16 Rs. Nil, FY 2014-15 was NA).

36.8.5 The Exposure to Unsecured Advances is Rs. Nil Lakh (as on Mar 17 Rs. Nil, as on Mar 16 Rs. Nil, as on Mar 15 was NA).

36.9 Miscellaneous

36.9.1 The Company has following Registrations effective as on March 31, 2018:

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
National Housing Bank	04.0073.09	04-Apr-09	-	Housing finance institution without permission to accept public deposits.

36.9.2 No penalties has been imposed on the Company during the year (FY 2016-17 Rs. Nil, FY 2015-16 Rs. Nil, FY 2014-15 was NA).

36.9.3 Ratings assigned by credit rating agencies and migration of ratings during the year.

(i)	Rating Assigned to	Short Term Debt, Long Term Debt, Tier II Debt
(ii)	Date of Rating	ICRA- 13th September 2017, CRISIL- 29th March, 2018
(iii)	Rating Valid up to	Till the Date of reaffirmation
(iv)	Name of the Rating Agency	ICRA Limited (ICRA), CRISIL Limited (CRISIL),
(v)	Rating of products	
	(a) Commercial Paper	ICRA A1+, CRISIL A1+
	(b) Debentures	Secured/Unsecured Non Convertible Debentures ICRA AA+, CRISIL AA+ Tier II Debentures ICRA AA+, CRISIL AA+
	(c) Others	Long Term Bank Loans : CRISIL AA+

There has been no change in the Credit Rating's of the instruments of the Company during the year ended March 31, 2018. However, the Company has obtained ICRAA1+ rating for Commercial Paper during the year ended March 31, 2018.

36.10 Additional Disclosures

36.10.1 Provisions and Contingencies

(Rs. In Lakh)

	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2017-18	2016-17	2015-16	2014-15
(i)	Provisions for depreciation on investment	-	-	-	NA
(ii)	Provision made towards income tax	11,512	9,505	6,042	NA
(iii)	Provision towards NPA	11,870	4,501	1,942	NA
(iv)	Provision for standard assets (Refer Note No. 27.2)	962	2,539	2,110	NA
(v)	Provision for depreciation on fixed assets	418	272	176	NA
(vi)	Provision for gratuity	82	199	89	NA
(vii)	Provision for leave encashment	166	176	91	NA
(viii)	Provision for long term service benefit	7	24	9	NA

The Group 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 Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Group 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 Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

36.10.2 Company has not made any drawdown of reserves during the year (FY 2016-17 Rs. Nil, FY 2015-16 Rs. Nil, FY 2014-15 was NA).

36.10.3 The disclosure of the Concentration of Deposits taken is not applicable as the Company carries on the business of a housing finance institution without accepting public deposits (FY 2016-17 Rs. Nil, FY 2015-16 Rs. Nil, FY 2014-15 was NA).

36.10.4 Concentration of Loans & Advances

(Rs. In Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15
Total Loans & Advances to twenty largest borrowers #	85,786	66,998	58,513	NA
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	4.19%	3.95%	4.51%	NA

Includes Loans & Advances and interest accrued thereon.

36.10.5 Concentration of all Exposure (including off-balance sheet exposure)

(Rs. In Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15
Total Exposure to twenty largest borrowers / customers #	1,05,882	86,106	77,708	NA
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	4.57%	4.46%	5.38%	NA

Includes Loans & Advances and interest accrued thereon and investment in Mutual Funds.

36.10.6 Concentration of NPAs

(Rs. In Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15
Total Exposure to top ten NPA accounts	3,530	4,359	4,189	NA

36.10.7 Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
		2017-18	2016-17	2015-16	2014-15
A.	**Housing**	**1.19%**	**0.81%**	**NA**	**NA**
1.	Individuals	1.26%	0.82%	NA	NA
2.	Builders/Project	0.49%	0.62%	NA	NA
3.	Corporates	4.00%	1.68%	NA	NA
4.	Others (specify)	0.00%	0.00%	NA	NA
B.	**Non-Housing**	**1.32%**	**1.39%**	**NA**	**NA**
1.	Individuals	1.02%	1.25%	NA	NA
2.	Builders/Project	0.00%	0.00%	NA	NA
3.	Corporates	5.09%	3.56%	NA	NA
4.	Others (specify)	0.00%	0.00%	NA	NA

36.10.8 Movement of NPAs

(Rs. In Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15
(I) Net NPAs to Net Advances (%)	0.48%	0.46%	0.46%	NA
(II) Movement of NPAs (Gross)				
a) Opening balance	15,553	9,446	5,564	NA
b) Additions during the year	18,784	9,888	5,348	NA
c) Reductions during the year	(9,486)	(3,781)	(1,466)	NA
d) Closing balance	24,851	15,553	9,446	NA
(III) Movement of Net NPAs				
a) Opening balance	7,821	5,922	3,749	NA
b) Additions during the year	5,434	4,185	3,283	NA
c) Reductions during the year	(3,586)	(2,286)	(1,110)	NA
d) Closing balance	9,669	7,821	5,922	NA
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)				
a) Opening balance	7,732	3,524	1,815	NA
b) Additions during the year	13,351	5,703	2,065	NA
c) Reductions during the year	(5,901)	(1,495)	(356)	NA
d) Closing balance	15,182	7,732	3,524	NA

Note: The movement of Gross NPA, Provisions for NPA and Net NPA presented above excludes NPA identified and regularized in the same financial year.

36.10.9 The company does not have overseas asset as on March 31st 2018 (as on Mar 17 Rs. Nil, as on Mar 16 Rs. Nil, as on Mar 15 was NA).

36.10.10 The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable (FY 2016-17 Rs. Nil, FY 2015-16 Rs. Nil, FY 2014-15 was NA).

36.11 Customers Complaints

Particulars	2017-18	2016-17	2015-16	2014-15
a) No. of complaints pending at the beginning of the year	145	30	19	NA
b) No. of complaints received during the year	6185	2380	1363	NA
c) No. of complaints redressed during the year	6309	2265	1352	NA
d) No. of complaints pending at the end of the year	21	145	30	NA

37 The figures for the year ended March 31, 2017, March 31, 2016, March 31, 2015 were audited by previous statutory auditors.

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

In terms of our report attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Rajiv Sabharwal
(Chairman)
(DIN No. : 00057333)

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

Sagar Lakhani
Partner
Membership No: 111855

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

Mumbai
Date : December 17, 2019

Mumbai
Date : December 17, 2019

Annexure V

Statement of Accounting Ratio

(Rs. In lakh)

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**
Earnings Per Share : (In Rs.)				
- Basic	4.61	3.89	2.26	1.29
- Diluted	4.61	3.89	2.26	1.29
Debt / Equity Ratio				
Secured borrowings	12,94,483	10,50,077	8,13,696	6,48,011
Unsecured borrowings	5,29,983	4,70,701	3,46,814	1,61,747
Interest accrued but not due on borrowings	24,015	31,473	27,185	14,863
Total debt funds (A)	**18,48,481**	**15,52,251**	**11,87,695**	**8,24,621**
Share capital	1,37,833	1,07,733	91,233	66,733
Reserves and Surplus	39,437	27,713	17,882	12,160
Unamortised share issue expenses, prepaid expenses, unamortised loan processing fees	7,392	7,325	6,322	5,351
Total shareholders' funds (B)	**1,69,878**	**1,28,121**	**1,02,793**	**73,542**
Debt Equity Ratio (A) / (B)	10.88	12.12	11.55	11.21

For and on behalf of Tata Capital Housing Finance Limited

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

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

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

Annexure VI

Statement of Dividend

(Rs. In lakh)

Particulars	For the year March 31, 2018	For the year March 31, 2017	For the year March 31, 2016	For the year March 31, 2015
Dividend paid on Preference Shares	8,047	6,613	4,602	2,929
Dividend distribution tax on dividend paid on preference shares	1,638	1,346	937	587

Note : The above dividend includes interim and final dividend

For and on behalf of Tata Capital Housing Finance Limited

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

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

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

Ankur Verma
(Director)
(DIN No. : 07972892)

Anil Kaul
(Managing Director)
(DIN No. : 00644761)

ANNEXURE B

CRISIL RATING LETTER

APPENDED OVERLEAF

CONFIDENTIAL

TCHFL/225196/RB/27112019
November 27, 2019

Mr. Kiran Joshi
Head - Treasury
Tata Capital Housing Finance Limited
Tower A 1101, Penisula Business Park
Ganpatrao Kadam Marg
Lower Parel,
Mumbai - 400013

Dear Mr. Kiran Joshi,

Re: CRISIL Rating for the Rs.5000 Crore Retail Bonds* of Tata Capital Housing Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please find in the table below the ratings outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Retail Bonds	5000	CRISIL AAA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director– CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

CRISIL

**Includes Non-Convertible Debentures and Subordinated Debt*

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

ANNEXURE C

CRISIL RATING RATIONALE

APPENDED OVERLEAF

Ratings

CRISIL
An S&P Global Company

Rating Rationale

June 13, 2019 | Mumbai

Tata Capital Limited

'CRISIL AAA/Stable' assigned to Preference Shares

Rating Action

Total Bank Loan Facilities Rated	**Rs.25 Crore**
Long Term Rating	**CRISIL AAA/Stable (Reaffirmed)**

Rs.40 Crore Preference Shares	**CRISIL AAA/Stable (Assigned)**
Preference Shares Aggregating Rs.2690 Crore	**CRISIL AAA/Stable (Reaffirmed)**
Non-Convertible Debentures Aggregating Rs.2500 Crore	**CRISIL AAA/Stable (Reaffirmed)**
Rs.2000 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its **'CRISIL AAA/Stable'** rating on preference shares of Rs 40 crore of Tata Capital Limited (TCL). CRISIL has also reaffirmed its ratings on the company's other debt instruments and bank facilities at 'CRISIL AAA/Stable/CRISIL A1+'.

CRISIL has also **withdrawn** its rating on the non-convertible debentures of Rs 225 crore (See Annexure 'Details of Rating Withdrawn' for details) in line with its withdrawal policy. CRISIL has received independent confirmation that these instruments are fully redeemed.

The current rated quantum of preference shares stood at Rs 2253.5 crore (see annexure below), of which Rs 2046.7 crore is outstanding. For debentures, the rated quantum stood at Rs 1525 crore, of which Rs 775 crore is outstanding while the remaining remains unutilized (see annexures below)

On August 15, 2018, CRISIL upgraded its long-term rating on the bank facilities and debt instruments of TCL and its subsidiaries, including TCFSL, collectively referred to herein as the TCL group to 'CRISIL AAA/Stable' from 'CRISIL AA+/Stable'. The rating on commercial paper was reaffirmed at 'CRISIL A1+'.

The rating is driven by increased strategic importance of the financial services business to Tata Sons Limited (Tata Sons; rated 'CRISIL AAA/FAAA/Stable/CRISIL A1+'). This is in line with the Tata group's focus on domestic consumption as a key theme in their growth philosophy. The TCL group, as the principal vehicle for non-captive lending, plays a key role through which this strategy will be implemented.

Tata Sons infused Rs 2500 crore of equity capital in fiscal 2019. This equity capital infusion in fiscal 2019 is almost equal to the Rs 2800 crore of total equity capital infused from inception till March 31, 2018, and is a strong indicator of the parent's focus on the lending business.

The rating action also factors in the strong support by the parent Tata Sons demonstrated by articulation of its intention to (i) to maintain majority shareholding in the TCL group, (ii) to assist TCL group in organizing for any shortfall in maintaining capital adequacy as per applicable regulations and (iii) to conduct the business of TCL group in a manner that would enable TCL group to perform its obligations to all lenders and debt holders in full and timely manner.

TCL group's business performance has also improved, with significant scale-up and diversification in its portfolio over the past few years. Asset quality and earnings are also on an improving trend, with the group discontinuing businesses which have posed asset quality challenges in recent years. The TCL group is also further strengthening its risk function- both in people and in processes, which should hold it in good stead. Capital position will remain comfortable, with continued capital infusion from Tata Sons.

Analytical Approach

For arriving at its ratings, CRISIL has combined the business and financial risk profiles of TCL and its subsidiaries Tata Capital Housing Finance Limited (TCHFL), Tata Capital Financial Services Ltd (TCFSL), Tata Cleantech Capital Limited (TCCL), Tata Securities Ltd and Tata Capital Pte Ltd, Singapore) . This is because they have significant operational and management linkages, and operate under the common Tata Capital brand. The ratings also factor in strong support from TCL's parent, Tata Sons given the strategic importance of TCL and its subsidiaries as the principal vehicle of non-captive lending in the group and the Tata Sons' strong articulation of support.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths

***Strategic importance to, and expectation of strong support from the ultimate parent, Tata Sons**

CRISIL's ratings on debt instruments of TCL group continue to be based on the expectation of strong support that the group is expected to receive from the ultimate parent, Tata Sons. This is due to Tata Sons' majority ownership in the TCL group, coupled with the increasing importance of the financial services business to the Tata group.

Tata Sons directly owns 94.23% of TCL's equity shares and most of the remaining stake is held by the other Tata group companies and trusts. TCL in turn holds 100% stake in its two main subsidiaries- TCFSL and TCHFL and 80.50% in TCCL. Tata Sons also has personnel from its senior management on TCL's board. Tata Sons has infused equity capital (including share premium) of around Rs.5600 crore in TCL since TCL's inception; Rs 2500 crore of this has been infused just in fiscal 2019 till date indicating the intent of the group to step up its focus on the lending business.

TCL group, as the Tata group's non-captive lending vehicle, is the primary financial services arm, and remains critical to the group, given the growth opportunities in this sector over the medium to long term. TCL group is also strategically important to the Tata group because it caters to the funding requirements of various entities associated with the group, such as its suppliers, vendors, and dealers. The shared brand and infrastructural synergies with various Tata group companies strengthen the integration of the TCL group with the overall Tata group. Business synergies are set to increase further as TCL taps into the Tata group ecosystem as part of its growth strategy. CRISIL believes that Tata Sons will continue to have majority ownership in, and management control of TCL and its subsidiaries, over the medium term.

***Comfortable capitalization to support medium term growth plans, supported by regular infusion from parent**
TCL group has comfortable capitalization, with absolute networth (per IndAS but including CCCPS and on a consolidated basis) of Rs 9470 crore as March 31, 2019. The capital infusion in fiscal 2019 will further strengthen the networth. As on March 31, 2019 both TCFSL and TCHFL remain adequately capitalized with overall capital adequacy ratio of 16.84% and 16.24% respectively (16.68% and 17.20% respectively as on March 31, 2018). The gearing of TCFSL and TCHFL (after adjusting for compulsorily convertible cumulative preference shares that is being treated as debt with the introduction of IND-AS) stood at 6.4 times and 10.8 times as on March 31, 2019 (7.0 times and 11.09 times respectively as on March 31, 2018).

TCL group's consolidated gearing stood at 7.1 times as on March 31, 2019. CRISIL believes that TCL group is adequately capitalized to absorb asset-side risks. CRISIL also believes that despite its significant growth plans, TCL group's capitalization is expected to remain comfortable, given Tata Sons' commitment to support growth in the financial services business.

***Diversified resource profile**
TCL group also has access to funding from a diverse base of lenders; the funding profile is fairly balanced with a mix of non-convertible debentures, bank borrowings, and short-term debt. As on March 31, 2019, overall market borrowings stood at about half of total borrowings. TCL and its subsidiaries have the ability to mobilize debt at competitive costs, given their association with the Tata group.

Weaknesses
***Average asset quality; expected to improve with strengthened risk management systems and processes**
Asset quality is expected to improve going ahead with the group exiting segments such as infrastructure lending in which they have faced asset quality challenges in the past, as well as the strengthening of the risk management infrastructure.

On a consolidated basis, TCL group's gross non-performing assets (NPAs) and net NPAs stood at 1.7% and 0.4% respectively as on March 31, 2019, lower than the 2.4% and 0.7% respectively as on March 31, 2018.

In case of TCFSL, the reported asset quality metrics continued to improve with gross NPA ratio down to 2.5% as on March 31, 2019, down from 3.3% last fiscal and 4.9% in fiscal 2017. On an absolute basis also, the GNPA came down to Rs 1093 crore (-11% Y-o-Y); a large part of this has been driven by write-offs in discontinued businesses. The company's provision coverage ratio has improved to 84% thereby translating into net NPA to 0.4% end fiscal 2019. Asset quality in the continuing businesses is better and with the enhanced focus on risk management, is expected to improve going ahead. However, the impact of seasoning as well as the ability to manage the unsecured loan book, whose share is expected to increase, will need to be seen over time.

TCHFL's reported gross NPA also improved 0.9% end fiscal 2019 from 1.2% previous and 0.9% in fiscal 2017. The provision coverage ratio stood at 58%, leading to net NPA of 0.38% end fiscal 2019. Given TCHFL's strong growth, the impact of seasoning will be visible only over the medium term. TCCL had no gross NPAs as on March 31, 2019. CRISIL will monitor the ability of these companies to maintain low delinquency levels across asset classes over economic cycles.

Moderate, though improving earnings profile
TCL group's profitability has been subdued in the past due to high credit costs. Net interest margins (based on total income) have been relatively stable at around 5% for the past 3 years. End fiscal 2019, the company's consolidated net profit stood at Rs 590 crore on total income (net of interest expenses) of Rs 3266 crore.

For TCFSL, the net profit stood at Rs 437 crore , up 9% Y-o-Y, on total income (net of interest expenses) of Rs 2461 crore, up 23% Y-o-Y. TCFSL's return on average assets stood at 1%. In case of TCHFL, the net profit stood at Rs 50 crore, down 42% Y-o-Y on total income (net of interest expenses) of Rs 666 crore, +16% Y-o-Y. With expected improvement in asset quality, earnings metrics are also expected to move up. The healthy CRISIL-adjusted provision coverage ratio (PCR), at around 84% for TCFSL and 58% for TCHFL, also support profitability.

With expected improvement in asset quality, earnings metrics are also expected to move up. The healthy CRISIL-adjusted provision coverage ratio (PCR), also support profitability. CRISIL will continue to monitor TCL group's profitability, especially credit costs and operating efficiencies over the medium term.

Liquidity
In next six months from June 2019 till November 2019, the company has repayments due to the tune of ~Rs 660 crore. There are no lumpy exposures and the debt profile remains well staggered over next few months. The refinance will be through combination of incremental debt raising as well as liquidation of debt investments (aggregating to Rs 466 crore) in the subsidiaries. Being a core investment company (CIC), TCL's own income sources comprises mainly of dividend income that is up-streamed by its two main subsidiaries i.e. TCFSL and TCHFL.

Outlook: Stable
CRISIL believes that TCL group will remain highly strategically important to Tata Sons, and continue to benefit from the strong parent support over the medium term. The outlook may be revised to 'Negative' in case of a decline in Tata Sons' credit quality or in

CRISIL's view, a diminution in expected support to TCL group. The outlook may also be revised to 'Negative' in case of significant pressure on the TCL group's asset quality, impacting the group's earnings.

About the Company
TCL is the holding company for several of the financial services businesses of the Tata capital group and is registered with the Reserve Bank of India as a systemically important, non-deposit-taking, core investment company. Tata Capital has a diversified product portfolio with a presence in both the wholesale and retail finance segments. It had sizeable AUM of Rs 77,110 crore end fiscal 2019 as against Rs 61,445 crore as on March 31, 2018 and Rs 51,847 crore as on March 31, 2017. The fund-based products and services are primarily offered by TCFSL (both wholesale and retail finance segments), TCHFL (mortgage finance), and TCCL (infrastructure finance). The fee-based services ' distribution of mutual funds and insurance products, stock broking, and investment banking ' are offered through the wholly owned subsidiary, Tata Securities Ltd.

TCL on a standalone basis reported net profit of Rs 210 crore on total income (net of interest expenses) of Rs 335.5 crore as on March 31, 2018 as against net profit of Rs 180 crore on total income (net of interest expenses) of Rs 305.3 crore previous year.

Key Financial Indicators (TCL - Consolidated)

As on/for the year ended March 31	Unit	2019	2018
Total Assets	Rs crore	80,477	64,088
Total income (net of interest expenses)	Rs crore	3,266	3,347
Profit after tax	Rs crore	590	776
Gross NPA	%	1.8	2.4
Return on assets (annualized)	%	0.8	1.3
Gearing	Times	7.4	8.0

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of issuance	Coupon rate (%)	Maturity Date	Issue Size (RS.crore)	Rating assigned along with Outlook
NA	Preference Shares*	NA	NA	NA	40.00	CRISIL AAA/Stable
NA	Preference Shares*	NA	NA	NA	40.00	CRISIL AAA/Stable
NA	Preference Shares*	NA	NA	NA	40.00	CRISIL AAA/Stable
NA	Preference shares*	NA	NA	NA	6.80	CRISIL AAA/Stable
INE976I04317	Preference Shares	13-Mar-19	7.75%	12-Mar-26	40.00	CRISIL AAA/Stable
INE976I04309	Preference shares	15-Jun-18	7.10%	14-Jun-25	33.45	CRISIL AAA/Stable
INE976I04283	Preference shares	20-Apr-18	7.10%	19-Apr-25	40.00	CRISIL AAA/Stable
INE976I04291	Preference shares	10-May-18	7.10%	09-May-25	40.00	CRISIL AAA/Stable
INE976I04234	Preference shares	26-Jul-17	7.50%	25-Jul-24	75.00	CRISIL AAA/Stable
INE976I04242	Preference shares	28-Jul-17	7.33%	27-Jul-24	75.00	CRISIL AAA/Stable
INE976I04259	Preference shares	04-Aug-17	7.33%	03-Aug-24	75.00	CRISIL AAA/Stable
INE976I04267	Preference shares	15-Sep-17	7.15%	14-Sep-24	75.00	CRISIL AAA/Stable
INE976I04275	Preference shares	29-Sep-17	7.10%	28-Sep-24	75.00	CRISIL AAA/Stable
INE976I04010	Preference shares	NA	NA	09-Aug-19	147.61	CRISIL AAA/Stable
INE976I04028	Preference shares	NA	NA	21-Oct-19	61.74	CRISIL AAA/Stable
INE976I04036	Preference shares	NA	NA	09-Dec-19	25.00	CRISIL AAA/Stable
INE976I04044	Preference shares	NA	NA	20-Jan-20	15.65	CRISIL AAA/Stable
INE976I04051	Preference shares	NA	NA	26-Feb-20	30.00	CRISIL AAA/Stable
INE976I04069	Preference shares	NA	NA	27-Mar-20	30.65	CRISIL AAA/Stable
INE976I04119	Preference shares	NA	NA	06-Nov-20	2.79	CRISIL AAA/Stable
INE976I04127	Preference shares	NA	NA	31-Mar-21	5.00	CRISIL AAA/Stable
INE976I04135	Preference shares	NA	NA	18-Aug-21	204.99	CRISIL AAA/Stable
INE976I04143	Preference shares	NA	NA	21-Apr-22	464.85	CRISIL AAA/Stable
INE976I04150	Preference shares	NA	NA	06-Sep-22	35.00	CRISIL AAA/Stable
INE976I04168	Preference shares	NA	NA	01-Sep-23	75.00	CRISIL AAA/Stable
INE976I04176	Preference shares	NA	NA	15-Sep-23	100.00	CRISIL AAA/Stable
INE976I04184	Preference shares	NA	NA	06-Oct-23	50.00	CRISIL AAA/Stable
INE976I04192	Preference shares	NA	NA	26-Oct-23	75.00	CRISIL AAA/Stable
INE976I04200	Preference shares	NA	NA	09-Mar-24	135.00	CRISIL AAA/Stable
INE976I04218	Preference shares	NA	NA	06-Jul-24	65.00	CRISIL AAA/Stable

INE976I04226	Preference shares	NA	NA	11-Jul-24	75.00	CRISIL AAA/Stable
NA	Debentures*	NA	NA	NA	750	CRISIL AAA/Stable
INE976I08268	Debentures	05-Sep-17	7.75%	05-Mar-20	200	CRISIL AAA/Stable
INE976I08250	Debentures	22-Jun-17	8.05%	21-Jun-19	100	CRISIL AAA/Stable
INE976I08276	Debentures	18-Jun-18	9.32%	18-Dec-19	450	CRISIL AAA/Stable
INE976I08227	Debentures	18-Aug-16	0.0865	19-Aug-19	25	CRISIL AAA/Stable
NA	Commercial Paper	NA	NA	7-365 days	2000	CRISIL A1+
NA	Cash Credit and Working Capital demand loan	NA	NA	NA	15	CRISIL AAA/Stable
NA	Proposed Long-Term Bank Loan Facility	NA	NA	NA	10	CRISIL AAA/Stable

*Yet to be issued

Annexure - Details of Rating Withdrawn

ISIN	Name of the instrument	Date of issuance	Coupon rate (%)	Maturity Date	Issue Size (Rs.Cr)
INE976I08243	Debentures	31-May-17	0.082	31-May-19	225

Annexure - List of Entities Consolidated

Entity consolidated	Extent of consolidation	Rationale for consolidation
Tata Capital Limited	Full	Holding Company
Tata Capital Financial Services Limited	Full	Subsidiary
Tata Capital Housing Finance Limited	Full	Subsidiary
Tata Cleantech Capital Limited	Full	Subsidiary
Tata Securities Limited	Full	Subsidiary
Tata Capital Pte Ltd, Singapore	Full	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2019 (History)		2018		2017		2016		Start of 2016
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	2000.00	CRISIL A1+	31-05-19	CRISIL A1+	15-08-18	CRISIL A1+	13-09-17	CRISIL A1+	13-10-16	CRISIL A1+	CRISIL A1+
				14-05-19	CRISIL A1+	10-05-18	CRISIL A1+	01-08-17	CRISIL A1+	09-09-16	CRISIL A1+	
				08-03-19	CRISIL A1+	17-04-18	CRISIL A1+	28-07-17	CRISIL A1+	25-08-16	CRISIL A1+	
						05-04-18	CRISIL A1+	24-07-17	CRISIL A1+	25-08-16	CRISIL A1+	
								18-07-17	CRISIL A1+	19-08-16	CRISIL A1+	
								30-06-17	CRISIL A1+	29-07-16	CRISIL A1+	
								12-06-17	CRISIL A1+	26-05-16	CRISIL A1+	
Non Convertible Debentures	LT	1525.00 13-06-19	CRISIL AAA/Stable	31-05-19	CRISIL AAA/Stable	15-08-18	CRISIL AAA/Stable	13-09-17	CRISIL AA+/Stable	13-10-16	CRISIL AA+/Stable	--
				14-05-19	CRISIL AAA/Stable	10-05-18	CRISIL AA+/Stable	01-08-17	CRISIL AA+/Stable	09-09-16	CRISIL AA+/Stable	
				08-03-19	CRISIL AAA/Stable	17-04-18	CRISIL AA+/Stable	28-07-17	CRISIL AA+/Stable	25-08-16	CRISIL AA+/Stable	
						05-04-18	CRISIL AA+/Stable	24-07-17	CRISIL AA+/Stable	25-08-16	CRISIL AA+/Stable	
								18-07-17	CRISIL AA+/Stable	19-08-16	CRISIL AA+/Stable	
								30-06-17	CRISIL AA+/Stable	29-07-16	CRISIL AA+/Stable	
								12-06-17	CRISIL AA+/Stable	26-05-16	CRISIL AA+/Stable	
Preference Shares	LT	2253.53 13-06-19	CRISIL AAA/Stable	31-05-19	CRISIL AAA/Stable	15-08-18	CRISIL AAA/Stable	13-09-17	CRISIL AA+/Stable	13-10-16	CRISIL AA+/Stable	CRISIL AA+/Stable
				14-05-19	CRISIL AAA/Stable	10-05-18	CRISIL AA+/Stable	01-08-17	CRISIL AA+/Stable	09-09-16	CRISIL AA+/Stable	
				08-03-19	CRISIL AAA/Stable	17-04-18	CRISIL AA+/Stable	28-07-17	CRISIL AA+/Stable	25-08-16	CRISIL AA+/Stable	
						05-04-18	CRISIL AA+/Stable	24-07-17	CRISIL AA+/Stable	25-08-16	CRISIL AA+/Stable	
								18-07-17	CRISIL AA+/Stable	19-08-16	CRISIL AA+/Stable	

								30-06-17	CRISIL AA+/Stable	29-07-16	CRISIL AA+/Stable	
								12-06-17	CRISIL AA+/Stable	26-05-16	CRISIL AA+/Stable	
Fund-based Bank Facilities	LT/ST	25.00	CRISIL AAA/Stable	31-05-19	CRISIL AAA/Stable	15-08-18	CRISIL AAA/Stable	13-09-17	CRISIL AA+/Stable	13-10-16	CRISIL AA+/Stable	CRISIL AA+/Stable
				14-05-19	CRISIL AAA/Stable	10-05-18	CRISIL AA+/Stable	01-08-17	CRISIL AA+/Stable	09-09-16	CRISIL AA+/Stable	
				08-03-19	CRISIL AAA/Stable	17-04-18	CRISIL AA+/Stable	28-07-17	CRISIL AA+/Stable	25-08-16	CRISIL AA+/Stable	
						05-04-18	CRISIL AA+/Stable	24-07-17	CRISIL AA+/Stable	25-08-16	CRISIL AA+/Stable	
								18-07-17	CRISIL AA+/Stable	19-08-16	CRISIL AA+/Stable	
								30-06-17	CRISIL AA+/Stable	29-07-16	CRISIL AA+/Stable	
								12-06-17	CRISIL AA+/Stable	26-05-16	CRISIL AA+/Stable	

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	**Amount (Rs.Crore)**	**Rating**	**Facility**	**Amount (Rs.Crore)**	**Rating**
Cash Credit & Working Capital demand loan	**15**	**CRISIL AAA/Stable**	**Cash Credit & Working Capital demand loan**	**15**	**CRISIL AAA/Stable**
Proposed Long Term Bank Loan Facility	**10**	**CRISIL AAA/Stable**	**Proposed Long Term Bank Loan Facility**	**10**	**CRISIL AAA/Stable**
Total	**25**	**--**	**Total**	**25**	**--**

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for Consolidation
CRISILs Criteria for rating short term debt
Criteria for Notching up Stand Alone Ratings of Companies based on Group Support

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ANNEXURE D

ICRA RATING LETTER

APPENDED OVERLEAF

ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2019-20/MUMR/1504
November 27, 2019

Mr. Kiran Joshi
Tata Capital Housing Finance Limited
Tower A 1101 Peninsula Business Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013

Dear Sir,

Re: Revalidation of Credit Rating for Rs. 5,000 crore Retail Bonds Programme (Including non-convertible debentures and subordinated debt) of Tata Capital Housing Finance Limited

This is with reference to your email dated November 27, 2019 for re-validating the rating for the captioned programme.

We hereby confirm that the **"[ICRA]AAA"** (pronounces ICRA triple A) rating with Stable Outlook assigned to the captioned programme and last communicated to you vide our letter dated September 20, 2019 stands. Instruments with [ICRA]AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Please note that, the rating assumes that there will be no credit rating related acceleration clause under the proposed debt programme. The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: 2019-20/MUM/1174 dated September 20, 2019.

With kind regards,

Yours faithfully,
For ICRA Limited

ABHISHEK DAFRIA
Vice President
abhishek.dafria@icraindia.com

SANDEEP SHARMA
Analyst
sandeep.sharma@icraindia.com

ANNEXURE E

ICRA RATING RATIONALE

APPENDED OVERLEAF

October 30, 2019

Tata Capital Housing Finance Limited: Rating assigned

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
NCD programme	0.00	1,000	[ICRA]AAA (Stable); assigned
NCD programme	2,358	2,358	[ICRA]AAA (Stable); outstanding
Retail Bonds programme (incl. NCDs and Subordinated debt)	5,000	5,000	[ICRA]AAA (Stable); outstanding
Subordinated Debt programme	1,100	1,100	[ICRA]AAA (Stable); outstanding
Commercial Paper	8,000	8,000	[ICRA]A1+; outstanding
Total	**16,458**	**17,458**	

*Instrument details are provided in Annexure-1

Rationale

Tata Capital Limited (TCL) is a holding company with a diversified presence in lending business through its three key subsidiaries i.e. Tata Capital Financial Services Limited (TCFSL), Tata Capital Housing Finance Limited (TCHFL) and Tata Cleantech Capital Limited (TCCL). TCL's subsidiaries operate primarily in consumer loans, housing finance, vehicle financing, commercial finance, infrastructure finance and other financial services businesses. While arriving at the rating for TCHFL, ICRA has considered the business and financial risk profiles of Tata Capital Limited (TCL, rated [ICRA]A1+) and its subsidiaries together as these entities have significant operational and management linkages and operate under the common Tata Capital brand.

The ratings for Tata Capital Limited (TCL) derive significant strength from its parentage, Tata Sons Limited (TSL; rated [ICRA]AAA(Stable)/[ICRA]A1+), which owns 94.23% equity shares[1] of TCL as on March 31, 2019 and strategic importance of the financial services business (housed under TCL and its subsidiaries) to Tata Group. TCHFL, in turn, is a 100% subsidiary of TCL. The rating is also supported by TSL's stated intent to keep TCL adequately capitalized on consolidated basis and also to continue maintaining significant ownership and management control in TCL. The importance of Tata Capital group to TSL is also highlighted through the Rs. 2,500 crore capital infusion in FY2019. The ratings also factor in the group's diverse product mix and higher share of retail loan book, diversified funding profile and financial flexibility arising being a part of Tata Group, improvement in asset quality indicators and healthy provision cover. The credit strengths are partially offset by the relatively high level of consolidated gearing level and moderate earnings profile. However, TSL's Stated intent to keep TCL and its subsidiaries adequately capitalised provides comfort. ICRA believes the prudent capitalisation level is one of the key mitigants against the delinquencies and other credit risks associated with the lending business.

ICRA takes note of the increased scale of operations of TCHFL with assets under management (AUM) growing by ~27% CAGR from FY2016 to FY2019 to Rs. 26,888 crore, as well as the improvement in asset quality indicators (GNPA/NNPA of 0.9%/0.4% as on March 31, 2019 compared to 1.2%/0.4% as on March 31, 2018) on account of controlled fresh slippages

[1] Balance stake held by Tata Investment Corporation Limited (2.32%), TCL Employee Welfare Trust (1.51%) and Others (1.94%).

and write-offs. Further, ICRA has noted that the company's ALM profile exhibits some mismatches in the short-term buckets though these are adequately backed by unutilised banks lines. Given the company's parentage, ICRA expects it to be able to refinance the asset liability gaps.

Key rating drivers

Credit strengths

Strong parentage and strategic importance to the Group – TCHFL is wholly owned subsidiary of TCL and in turn TCL is majority owned subsidiary of TSL with TSL owning 94.23% equity shares of TCL as on March 31, 2019. TCL enjoys strong financial and operational support from TSL, which in the past has included access to capital, management and systems and supervision by a strong board. TCL also enjoys strong commitment from TSL given that TCL (through its subsidiaries) is the primary financial services lending arm for Tata group. Given the importance of the financial services business to Tata Group and TSL's stated intent to keep TCL adequately capitalized on consolidated basis, ICRA expects TSL to continue to provide financial support to enable TCL to maintain comfortable capitalization profile and also to continue maintaining significant ownership and management control in TCL. The importance of Tata Capital group to TSL is also highlighted through the Rs. 2,500 crore capital infusion in FY2019. Any dilution in importance of TCL for TSL or in the expectation of support from TSL or change in TSL's credit profile would be a key rating sensitivity.

Diverse product mix; higher share of retail portfolio - Total AUM (on a combined basis for TCFSL+TCHFL+TCCL) grew by ~25% to ~Rs. 75,926 crore as on March 31, 2019 from Rs. 60,499 crore as on March 31, 2018 with retail loans comprising ~60% of consolidated portfolio as on March 31, 2019. The combined loan book is fairly diversified across various products in wholesale and retail lending. Wholesale loan book comprised of corporate loans and credit substitutes and builder loans (20% of total combined loan book), channel financing (12%), infrastructure and project loans (7%) and loan against shares (1%) as on March 31, 2019. During FY2019, the wholesale loan book grew by 31% driven by growth in corporate lending and project loans. ICRA also notes the relatively lower credit concentration of large exposures within wholesale book vs. peers. Retail loan book comprised home loans (24% of total combined loan book), home equity/LAP (16%), personal loans (8%), construction equipment financing (5%), auto financing (4%) and others (2%). During FY2019, retail book grew by 22% driven by growth across segments. While ICRA expects portfolio growth to moderate from the level seen in FY19, loan book is expected to remain well diversified across products and borrower / group level exposures.

TCHFL has grown its portfolio at a CAGR of ~27% over the last three years to Rs. 26,888 crore as on March 31, 2019 of which 68% was in the home loan segment, 21% in the LAP and 11% in the builder and construction finance segments. ICRA views the housing finance segment as an important extension of the existing bouquet of financial products offered by TCL, making TCHFL strategically important to the parent. With growing focus on the financial services business, the importance of the company has increased. The company intends to expand its operations to Tier II and Tier III cities to tap the growing affordable housing market, which accounts for ~10% of the total portfolio as on March 31, 2019 (5% as on March 31, 2018). ICRA takes note of the Government's thrust on the affordable housing segment which augers well for TCHFL given its increased focus on the segment

Diverse borrowing profile and good financial flexibility- Tata Capital group enjoys good financial flexibility, being a part of Tata Group, with access to funds at competitive rates of interest and from various sources. The consolidated funding profile of TCL is fairly diversified with a mix of non-convertible debentures, bank borrowings, and commercial paper. As on March 31, 2019, overall capital market borrowings stood at about ~51% of total borrowings. The proportion of commercial papers in the overall funding mix declined to ~14% as on March 31, 2019 (18% as on March 31, 2018). ICRA takes comfort from the company's cash flow from its short-term assets and policy of maintaining adequate unutilised bank facilities as a liquidity backup.

TCHFL enjoys good financial flexibility, being a part of Tata Group, with access to funds at competitive rates of interest. The funding profile of TCHFL is fairly diversified with a mix of non-convertible debentures, bank borrowings, NHB borrowings and commercial paper. As on March 31, 2019, overall bank borrowings stood at about ~45% of total borrowings. The proportion of commercial papers in the overall funding mix declined to ~10% as on March 31, 2019 (16% as on March 31, 2018). Given the company's parentage, ICRA expects it to be able to refinance the asset liability gaps.

Comfortable asset quality and healthy provision cover - On a combined basis, TCL's asset quality indicators improved with reported gross non-performing assets (NPAs) and net NPAs of 1.75% and 0.36% respectively as on March 31, 2019 as against 2.43% and 0.72% respectively as on March 31, 2018. There has been an improvement in the asset quality indicators for the group, with NPAs steadily declining over the last 4 years owing to increased write-offs, controlled fresh slippages and expansion of the overall loan book. Overall provision cover was healthy at 80% as on March 31, 2019. Group's consolidated stage-2 assets were also under control at 2.32% of gross advances as on March 31, 2019. Going forward, ICRA expects the overall asset quality to remain comfortable, albeit some uptick is possible on account of increasing vulnerability of the loan book owing to stress in some of the key lending segments and limited portfolio seasoning, given the steep growth witnessed in the past few years. ICRA however expects the company to maintain healthy provision cover in the near to medium term which would help strengthen the balance sheet against asset quality risks. Going forward, the company's ability to manage asset quality profile would remain a key rating sensitivity.

TCHFL's asset quality remains comfortable however on account of sluggishness in real estate sector, vulnerability of company's lending towards builders and construction finance (11% of TCHFL's loan book as on March 31, 2019) remains relatively high. During FY2019, on account of write off and controlled slippages, gross NPA and net NPAs at 0.9% and 0.4% as on March 31, 2019. (1.2% and 0.4% as on March 31, 2018).

Credit challenges

Consolidated gearing remains relatively high however stated intent of TSL to keep TCL group's capitalisation adequate provides comfort - On a consolidated basis for TCL, the capitalisation profile is supported by demonstrated financial support by the parent reflected in latest capital infusion of Rs. 2,500 crore during FY2019 and stated intent of TSL to provide regular capital support to TCL to enable it to maintain adequate capitalization profile. As a result of the capital infusion in FY19, TCL's consolidated gearing declined to 8.67 times as on March 31, 2019 from 11.75 times as on March 31, 2018. The gearing, nonetheless, remains at a relatively high level on consolidated basis as compared to peers. ICRA expects financial support from the parent in the future to further reduce the gearing level in the medium term. TCL's capital adequacy on standalone basis remains comfortable with a capital adequacy ratio of 61%, significantly above the regulatory requirement of 30% for CICs and a comfortable leverage ratio of 0.74 times (against the regulatory requirement of maximum 2.5 times for CICs). Regulatory capital adequacy for three key subsidiaries of the group remains comfortable with CAR and Tier 1 of TCFSL at 16.84% and 12.11% respectively, TCHFL at 16.24% and 11.94% respectively and TCCL at 16.10% and 15.70% respectively as on March 31, 2019. ICRA believes the prudent capitalisation level is one of the key mitigants against the delinquencies and other credit risks associated with the lending business. Given the strategic importance of Tata Capital Limited to Tata Group, ICRA expects capital support from the parent to be forthcoming to keep TCL and its subsidiaries adequately capitalised.

TCHFL had grown its portfolio at a CAGR of ~27% over the last three years to Rs. 26,888 crore as on March 31, 2019. Since TCHFL's pace of growth has been higher than internal capital generation, the need for external capital has remained high. The company's capitalisation has been supported by regular capital infusions from the parent (Rs. 165 crore in FY2017 and Rs. 301 crore in FY2018 and Rs. 555 crore during FY2019). During FY2019, Rs.408 Crore of CCCPS was converted into equity. Notwithstanding TCHFL's ability to raise equity and the high level of support from the parent, the adjusted gearing levels were relatively high at 10.80 times (adjusting for CCCPS in net worth that is being treated as debt with the transition to Ind-AS) as on March 31, 2019. The company's capital adequacy and Tier 1 capital was 16.24% and 11.94% respectively as on March 31, 2019.

Moderate earnings profile - TCL's consolidated profitability remains moderate as reflected in return on assets (RoA) of 1.39% in FY2019 and 1.12% in FY2018. The group profitability was moderate largely on account of higher operating expenses and higher credit costs and increased competition in key lending segments. TCL's net interest margins (NIMs) declined to 2.82% in FY2019 from 3.17% in FY2018 on account of tightened liquidity environment. Profitability during FY2019 supported by significant gains from derecognition of investment in associates and fair value changes. However, despite higher credit costs (0.90% in FY2019 from 0.55% during FY2018) and increase in operating expenses (2.31% in FY2019 from 2.10% during FY2018), the company reported return on assets (RoA) and return on equity (RoE) of 1.39% and 17.42%, respectively, during FY2019 as compared with 1.12% and 17.19%, respectively, during FY2018. ICRA expects TCL's profitability to improve over medium term with scaling up of operations and TCL's focus on better yielding assets. Going forward, TCL's ability to manage recoveries or mitigate losses through the enforcement of security while arresting fresh slippages and thus keeping a check on the credit costs will have a strong bearing on its earning profile.

TCHFL's lending spreads moderated to 2.17% during FY2019 from 2.45% during FY2018 on account of increase in cost of funds owing to tightened liquidity environment. TCHFL's net interest margins declined to 2.31% in FY2019 from 2.66% in FY2018 due to increase in cost of funds. The company's operating expenses remains high at 1.40% of ATA in FY2019 (1.30% in FY2018). Also, its credit provisions increased to 0.83% of ATA in FY2019 from 0.73% in FY2018, with significant write-offs in the loan book. Consequently, its return of assets declined to 0.21% in FY2018 from 0.46% in FY2017.

Liquidity Position: Strong

The liquidity profile of the group is strong at a consolidated level. As per ALM as on September 30, 2019, total combined (TCL+TCFSL+TCHFL+TCCL) outflows for next 6 months stood at Rs. 22,047 crore of which WCDL constitute ~Rs. 6,895 crore. As on September 30, 2019, combined cash and liquid investments stood at Rs. 1,042 crore as per ALM. Additionally, the total sanctioned unused bank lines maintained across subsidiaries aggregating to Rs. 9,675 crore as on September 30, 2019 and expected inflows of ~Rs. 16,854 crore over next 6 months provides comfort over the consolidated liquidity profile of group. TCL also enjoys strong financial flexibility to mobilise long term funding on the back of its established track record and strong parentage.

Rating Sensitivities

Negative triggers - Significant change in shareholding pattern of TCHFL or reduction in stake of TSL in TCL, change in expectation of support from parent (TSL) or deterioration in credit profile of TSL could warrant a rating downgrade. Negative pressure on rating could arise if, there is a deterioration in asset quality with consolidated Gross NPA remaining above 5% on sustained basis or deterioration in consolidated capitalization profile of TCL on sustained basis.

Analytical Approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Rating Methodology for Housing Finance Companies Impact of Parent or Group Support on an Issuer's Credit Rating
Parent/Group Support	Ultimate Parent/Investor: Tata Sons Limited TCL is majority owned subsidiary of TSL with TSL owning 94.23% equity shares of TCL as on March 31, 2019. TCHFL, in turn, is a 100% subsidiary of TCL. TCL enjoys strong financial and operational support from TSL, which in the past has included access to capital, management and systems and supervision by a strong board. TCL also enjoys strong commitment from TSL given that TCL (through its subsidiaries) is the primary financial services lending arm for Tata group.
Consolidation / Standalone	While arriving at the rating for TCHFL, ICRA has considered the consolidated performance of TCL and its subsidiaries carrying businesses as finance companies given the strong operational and financial synergies between the companies. *Details mentioned in Annexure 2*

About the company

Tata Capital Housing Finance Limited (TCHFL) is a 100% subsidiary of Tata Capital Limited (TCL) and was incorporated for providing long-term housing finance. The company's incorporation was an integral part of TCL's plan to augment its existing product pipeline in the retail segment. TCHFL is registered with the National Housing Bank as a housing finance company. The company commenced its lending operations in July 2009 and had a total portfolio of around Rs. 26,888 crore as on March 31, 2019. For FY2019, the company reported a profit after tax of Rs. 50.49 crore (vis-à-vis Rs. 87.61 crore in FY2018) on a total income of Rs. 2,440.01 crore in FY2019 (vis-à-vis Rs. 1,927.01 crore in FY2018). The company's total net worth stood at Rs. 978.94 crore as on March 31, 2019.

About Tata Capital Limited

TCL is a subsidiary of Tata Sons Limited, which holds 94.23% of TCL. Balance shareholding of TCL is owned by Tata Investment Corporation Limited, TCL Employee Welfare Trust and others.

TCL is registered as a core investment company and is the holding company for various financial services of the Group including Tata Capital Financial Services Limited (TCFSL), Tata Capital Housing Finance Limited (TCHFL), Tata Cleantech Limited (TCCL). TCL also holds strategic and private equity investments in some companies. For FY2019, the company reported a standalone net profit of Rs. 27.53 crore on a total standalone asset base of Rs. 9,573 crore against a net profit of Rs. 36.56 crore on a total asset base of Rs. 7,279.12 crore in FY2018.

On a consolidated basis, TCL reported PAT of Rs. 1,029 crore in FY19 on total asset base of Rs. 82,644 crore vs. PAT of Rs. 678 crore in FY18 on total asset base of Rs. 65,213 crore.

About Tata Sons Limited

Tata Sons Private Limited, founded in 1917 by the Tata Group's founder, Shri JN Tata, is the principal holding company for the Tata Group and owner of the Tata brand and associated trademark. Charitable trusts own most of Tata Sons' shareholding at 66%. While income from dividends and profit generated on sale of investments constitute the principal revenue source for the company, it also includes royalty fees earned from Group companies for using the Tata brand. Such fees, however, are largely spent on brand promotion. Tata Sons also provides certain Group level services to Tata companies, key among them being facilitating business excellence within the Group by conducting training programmes (through Tata Quality Management Services), legal assistance and human resource (HR) services. TCS, one of the largest software companies in India and the highest contributor to Tata Sons in terms of revenues and profits, was spun-off as a separate entity during FY2005. Currently, Tata Sons' equity investments are spread across seven major industry segments and include investments in flagship concerns like TCS, Tata Steel Limited, The Tata Power Company Limited, Tata Motors Limited, Tata Chemicals Limited, TTSL and Tata Global Beverages Limited, among others.

Key financial indicators –TCHFL (Standalone)

	As per Ind-AS FY2018	FY2019
Profit After Tax	88	50
Net Worth (adjusted)	*1,645	*2,251
Total Managed Portfolio	21,090	26,888
Total Assets	20,708	27,383
Return on Assets	0.46%	0.21%
Return on Equity	*6.04%	*2.59%
Gearing (times)	*11.09	*10.80
Gross NPA%	1.22%	0.90%
Net NPA%	0.42%	0.38%
Net NPA / Net Worth	*5.09%	*4.46%
CAR%	17.22%	16.24%

Amount in Rs. crore; Source: TCHFL, ICRA research; as per ICRA calculations

**In our calculations, CCCPS of Rs. 1,272 crore as on March 31, 2019 and Rs. 1,125 crore as on March 31, 2018 has been included in net worth. If this is treated as borrowings (as reported under Ind-AS) the net worth would stand at Rs. 979 crore, gearing of 26.13 times, RoE of 6.74% and Net NPA/Net worth of 10.25% as on March 31, 2019 (net worth would stand at Rs. 520 crore, gearing of 37.21 times, RoE of 18.44% and Net NPA/Net worth of 16.10% as on March 31, 2018)*

Key financial indicators-TCL (consolidated)

	FY 2018	FY 2019
Net Interest Income	1,918	2,087
Non-Interest Income	735	1,641
Operating expenses	1,271	1,705
Profit Before Tax	1,045	1,358
Profit After Tax	678	1,029
Net Worth	4,799	8,118
Total Assets	64,397	81,826
Return on Assets	1.12%	1.39%
Return on Equity	17.19%	17.42%
Gearing (times)	11.75	8.67

Amount in Rs. crore; Source: TCL, ICRA research; as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

	Instrument	Rating (FY2020) Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Current Rating 30-Oct-2019	Earlier Rating 27-Sep-2019	Chronology of Rating History for the past 3 years FY2019 26-Oct-2018	24-Aug-2018	23-May-2018	FY2018 13-Sep-2017	12-Apr-2017	FY2017 25-Jan-2017	31-May-2016	20-May-2016
1	Non-convertible Debenture Programme	Long Term	1,000	0.00	[ICRA] AAA (Stable); assigned	-	-	-	-	-	-	-	-	-
2	Non-convertible Debenture Programme	Long Term	2,358	1,502.50	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA]AA+ (Stable)	[ICRA] AA+ (Stable)	[ICRA] AA+ (Stable)	[ICRA] AA+ (Stable)	[ICRA] AA+ (Stable)	[ICRA] AA+ (Stable)
3	Commercial Paper Programme	Short Term	8,000	-	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+	[ICRA]A1+	[ICRA] A1+	-	-	[ICRA]A1+; withdrawn	[ICRA]A1+
4	Subordinated Debt Programme	Long Term	1,100	597.50	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA]AA+ (Stable)	[ICRA] AA+ (Stable)	[ICRA] AA+ (Stable)	[ICRA] AA+ (Stable)	[ICRA] AA+ (Stable)	[ICRA] AA+ (Stable)
5	Retail Bond Programme	Long Term	5,000	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	-	-	-	-

Source: ICRA research

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Non-Convertible Debentures Programme	NA	NA	NA	1,855.50^	[ICRA]AAA(Stable)
INE033L07AU5	Non-Convertible Debentures Programme	9-Dec-14	9.22%	9-Dec-24	200.00	[ICRA]AAA(Stable)
INE033L07AZ4	Non-Convertible Debentures Programme	23-Jan-15	9.05%	23-Jan-25	150.00	[ICRA]AAA(Stable)
INE033L07DP9	Non-Convertible Debentures Programme	17-Aug-15	8.85%	17-Aug-20	100.00	[ICRA]AAA(Stable)
INE033L07DU9	Non-Convertible Debentures Programme	31-Aug-15	8.87%	29-Aug-25	20.00	[ICRA]AAA(Stable)
INE033L07DW5	Non-Convertible Debentures Programme	8-Oct-15	8.70%	8-Oct-25	7.50	[ICRA]AAA(Stable)
INE033L07EY9	Non-Convertible Debentures Programme	30-Jun-16	8.70%	30-Jun-26	10.00	[ICRA]AAA(Stable)
INE033L07EZ6	Non-Convertible Debentures Programme	5-Jul-16	8.70%	5-Jul-21	20.00	[ICRA]AAA(Stable)
INE033L07FI9	Non-Convertible Debentures Programme	15-Sep-16	8.20%	15-Sep-21	10.00	[ICRA]AAA(Stable)
INE033L07FQ2	Non-Convertible Debentures Programme	20-Apr-17	7.71%	29-Apr-20	5.00	[ICRA]AAA(Stable)
INE033L07FS8	Non-Convertible Debentures Programme	7-Jun-17	7.75%	30-Jun-20	5.00	[ICRA]AAA(Stable)
INE033L07FT6	Non-Convertible Debentures Programme	14-Jun-17	7.70%	15-Jun-20	55.00	[ICRA]AAA(Stable)
INE033L07FW0	Non-Convertible Debentures Programme	31-Aug-17	7.40%	31-Aug-20	350.00	[ICRA]AAA(Stable)
INE033L07FY6	Non-Convertible Debentures Programme	20-Jul-18	8.76%	30-Sep-19	570.00	[ICRA]AAA(Stable)
NA	Subordinated Debt Programme	NA	NA	NA	502.50^	[ICRA]AAA(Stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE033L08023	Subordinated Debt Programme	29-Sep-11	10.00%	29-Sep-21	25.30	[ICRA]AAA(Stable)
INE033L08031	Subordinated Debt Programme	28-Oct-11	10.00%	28-Oct-21	1.10	[ICRA]AAA(Stable)
INE033L08049	Subordinated Debt Programme	04-Nov-11	10.00%	04-Nov-21	10.10	[ICRA]AAA(Stable)
INE033L08056	Subordinated Debt Programme	25-Jan-12	10.15%	25-Jan-22	13.50	[ICRA]AAA(Stable)
INE033L08064	Subordinated Debt Programme	12-Mar-12	10.15%	12-Mar-22	10.20	[ICRA]AAA(Stable)
INE033L08072	Subordinated Debt Programme	10-May-12	10.00%	10-May-22	1.00	[ICRA]AAA(Stable)
INE033L08098	Subordinated Debt Programme	30-May-12	10.00%	30-May-22	0.30	[ICRA]AAA(Stable)
INE033L08080	Subordinated Debt Programme	30-May-12	10.05%	30-May-22	30.00	[ICRA]AAA(Stable)
INE033L08106	Subordinated Debt Programme	22-Aug-12	10.25%	22-Aug-22	33.00	[ICRA]AAA(Stable)
INE033L08122	Subordinated Debt Programme	15-Apr-13	9.70%	15-Apr-23	25.00	[ICRA]AAA(Stable)
INE033L08171	Subordinated Debt Programme	26-Sep-14	10.15%	26-Sep-24	48.00	[ICRA]AAA(Stable)
INE033L08189	Subordinated Debt Programme	28-Apr-15	9.25%	28-Apr-25	40.00	[ICRA]AAA(Stable)
INE033L08197	Subordinated Debt Programme	22-Jul-15	9.25%	22-Jul-25	35.00	[ICRA]AAA(Stable)
INE033L08205	Subordinated Debt Programme	16-Sep-15	9.20%	16-Sep-25	10.00	[ICRA]AAA(Stable)
INE033L08213	Subordinated Debt Programme	21-Sep-15	9.20%	19-Sep-25	15.00	[ICRA]AAA(Stable)
INE033L08221	Subordinated Debt Programme	04-Nov-15	8.99%	04-Nov-25	30.00	[ICRA]AAA(Stable)
INE033L08239	Subordinated Debt Programme	15-Dec-15	9.00%	15-Dec-25	25.00	[ICRA]AAA(Stable)
INE033L08247	Subordinated Debt Programme	17-Dec-15	9.00%	17-Dec-25	25.00	[ICRA]AAA(Stable)
INE033L08254	Subordinated Debt Programme	15-Mar-16	9.00%	13-Mar-26	20.00	[ICRA]AAA(Stable)
INE033L08262	Subordinated Debt Programme	04-Aug-16	8.92%	04-Aug-26	200.00	[ICRA]AAA(Stable)
NA	Retail Bonds Programme (including non-convertible debentures and	NA	NA	NA	5,000.00^	[ICRA]AAA(Stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
	subordinated debt)					
NA	Commercial Paper Programme	NA	NA	7-365 days	8,000	[ICRA]A1+

^ Unutilised;
Source: TCHFL; Data as on August 31, 2019

Annexure 2: List of entities considered for consolidated analysis:

Tata Capital Limited
Tata Capital Financial Services Limited
Tata Capital Housing Finance Limited
Tata Cleantech Capital Limited
Tata Securities Limited
Tata Capital Growth Fund
Tata Capital Special Situation Fund
Tata Capital Innovation Fund
Tata Capital Growth Fund II
Tata Capital Growth II General Partners LLP
Tata Capital Healthcare Fund I
Tata Capital Pte Limited

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+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore	+ (91 80) 2559 7401/4049
Ahmedabad	+ (91 79) 2658 4924/5049/2008
Hyderabad	+ (91 40) 2373 5061/7251
Pune	+ (91 20) 2556 0194/ 6606 9999

ANNEXURE F

CONSENT OF THE DEBENTURE TRUSTEE

APPENDED OVERLEAF

IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154

No. 9895/ITSL/OPR/2019-20

November 27, 2019

To,

TATA Capital Housing Finance Limited
11th Floor Tower A Peninsula Business Park
Ganpatrao Kadam Marg Lower Parel
Mumbai - 400013

Dear Sir,

Re: Proposed public issue of non-convertible debentures by TATA Capital Housing Finance Limited (the "Company") aggregating to INR 5000,00,00,000 (Rupees Five Thousand Crore Only) (the "Issue").

We refer to your letter dated November 25, 2019, in relation to the captioned subject matter (the "**Letter**") and the non-convertible debentures issued by the Company (details of the documents are more particularly set out in the Letter) pursuant to the Debenture Documents. We hereby confirm that the Debenture Documents govern all such credit facilities. Capitalised terms which are not defined herein have the same meanings as in the Letter.

As requested by you in terms of the Letter, we consent for the following:

(1) to include our name as the 'debenture trustee' in respect of the non-convertible debentures proposed to be issued by the Company in: (a) the draft shelf prospectus and the tranche prospectus(es) proposed to be filed by the Company with the Stock Exchange, SEBI and any other legal, regulatory or statutory authority, as may be required; (b) the shelf prospectus and the tranche prospectus(es) which are proposed to be filed by the Company in respect of the proposed Issue with SEBI, the Stock Exchange, registrar of companies and any other legal, regulatory or statutory authority, as may be required; and (c) such other necessary documents, related advertisements and subsequent communications sent to the holders of instruments proposed to be issued by the Company pursuant to the Issue and/or to any other person in connection with the Issue;

(2) to borrow pursuant to the Issue; and

(3) to grant first ranking *pari passu* charge over assets secured in our favour / benefit under the Debenture Documents, for the benefit of the holders of debentures, pursuant to the Issue.

We confirm that the Company is not in violation of any of the terms and conditions, including any covenants or restrictions imposed on the Company pursuant to the Debenture Documents, and that no cross default or event of default has occurred or is continuing till date in relation to such documents.

The following details with respect to us may be disclosed in the draft shelf prospectus, shelf prospectus and tranche prospectus(es) (as the case may be):

(1) Name: IDBI Trusteeship Services Limited
(2) Address: Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai- 400 001
(3) Telephone number: 022- 4080 7000
(4) Fax number: 022- 4080 7080

(5) Investor Grievance Email ID: itsl@idbitrustee.com
(6) Website: www.idbitrustee.com
(7) Contact person: Nikhil Lohana
(8) SEBI Registration No. IND000000460

We also authorise you to deliver a copy of this letter of consent to any legal, regulatory or statutory authority, as required pursuant to applicable laws or if requested for by any such other legal, regulatory or statutory authority or by court order.

We confirm that this letter can be relied on by the lead managers and the legal advisors in relation to the Issue.

We confirm that we will immediately inform the Company and the lead managers appointed in relation to the Issue of any change to the aforementioned information until the instruments issued pursuant to the Issue are listed with the Stock Exchange. Furthermore, in the absence of any such communication, the aforementioned information should be considered to be correct and duly updated until the instruments issued pursuant to the Issue remain listed with any stock exchange.

We agree to keep information regarding the proposed Issue, the contents of the Letter and this consent as strictly confidential.

Yours sincerely,

For **IDBI Trusteeship Services Limited**

IDBI Trusteeship Services Ltd. ITSL

Authorised Signatory