TATA CAPITAL HOUSING FINANCE LIMITED

Annual Report 2013-14

DIRECTORS' REPORT

TO THE MEMBERS OF
TATA CAPITAL HOUSING FINANCE LIMITED

The Directors present their Sixth Annual Report and the Audited Statement of Accounts for the Financial Year ("FY") ended March 31, 2014.

1. BACKGROUND

Tata Capital Housing Finance Limited ("Company" or "TCHFL"), is a wholly owned subsidiary of Tata Capital Limited ("TCL"), and is registered with National Housing Bank ("NHB") to carry on housing finance activities. The Company offers a range of Housing Loans and Loans against Property to various segments of society viz. salaried individuals, self employed individuals, self employed professionals, non-individual entities, etc. and has been focusing on business opportunities available within the Tata ecosystem. The housing finance market in India is growing fast and is served by multiple institutions that cater to people in diverse geographies and across income spreads. Mortgage lending has significantly contributed to the growth in housing construction and housing consumption activities.

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

2. INDUSTRY OUTLOOK AND ECONOMIC SCENARIO

India is in transition and if it desires to regain its position as a leading emerging market investment destination, clarity and consistency of policy action is paramount. The election results hold the key. In anticipation, the equity markets have created an all time high and currency markets are buoyant. However, investors, private and foreign, will wait for stability of governance and policy action before committing long term capital to the country. At its core, India is facing a difficult economic situation on the growth, asset quality, inflation and fiscal deficit fronts. Growth is estimated to have bottomed, but recovery is predicated upon clarity of policy matters and decision making by the Government, both factors out of the control of private enterprise. Monsoons will clearly be a variable in FY 2014-15, given the various predictions of a below par monsoon. Lastly on the fiscal deficit, targets have been met, but many constituents continue to question the quality and means of this achievement.

The Government's first GDP estimate for FY 2013-14 estimates growth at 4.9%, largely in line with market expectations. The Interim budget which was the last budget of the UPA-II Government was "not" biased towards populist measures but focused on growth measures like reduction in excise duties on capital and consumer goods and maintaining the fiscal deficit target within limits. The key to a higher growth would be reviving investments (initially by revival of stalled projects), especially in the private sector and higher domestic savings, especially financial savings, by containing inflation and positive real return.

The home loan industry is expected to grow at a compounded annual growth rate of 16.2% from FY 2012 to FY 2016 on a large base of ₹ 6.3 trillion. Mortgage penetration in India, despite a rising trend, is still quite low not only relative to advanced economies but even relative to its peers like Malaysia, Korea, Thailand and China. Mortgage to GDP ratio in India is currently only 9% and is expected to grow to 12% by FY 2015. This implies huge growth opportunity for the sector as also for your Company. As per estimates, the total outstanding mortgages in India will increase 8 fold with Mortgage to GDP ratio increasing to 20% by FY 2020.

The medium and long-term demand for residential housing is likely to remain strong led by buoyant economic growth, resulting in better job prospects, job security and enhanced affordability of houses and increased finance penetration. Any increase in population directly impacts demand for housing units and, through this, floor space area requirements. As per CRISIL Research, urbanization will accelerate, translating into a Compounded Annual Growth Rate of 2.0-2.5 per cent in urban population between 2010 and 2015, as compared to the overall population growth of 1.3 per cent during the same period. This difference in growth rates implies that the gap between urban and rural population will narrow. The Finance penetration is expected to increase to 43% in urban areas and 8.8% in rural areas by FY 2015-16.

The year ahead will be challenging on the interest rate front against the above backdrop, the Company will continue to follow its strategy of maintaining a balanced housing loan book between the salaried and self-employed segment and grow its disbursement significantly to become one of the major players among the HFCs over the next few years.

3. FINANCIAL RESULTS

The performance of the Company for the FY ended March 31, 2014, is summarized below:

(₹ in crore)

	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(i)	Total Income	643	387
(ii)	Total Expenditure	559	349
(iii)	Profit / (Loss) before tax	84	38
(iv)	Provision for Tax (net of deferred tax)	25	11
(v)	Net Profit/ (Loss) after tax	59	27
(vi)	Balance brought forward from previous year	24	5
(vii)	Amount available for appropriation	83	32
	Appropriations		
	(a) Proposed dividend on Compulsorily Convertible Cumulative Preference Shares	15	2
	(b) Dividend Distribution Tax	3	0.39
	(c) Transfer to Special Reserve	12	6
(viii)	Balance carried to Balance Sheet	53	24

During the year under review, the Company disbursed Mortgage Loans amounting to ₹ 3,159 crore (Previous year: ₹ 2,591 crore), representing an increase of over 22%. This included Housing Loans of ₹ 2,685 crore. Company's loan portfolio stood at ₹ 6,366 crore on March 31, 2014 (March 31, 2013: ₹ 4,237 crore), representing an increase of 50%. The Cost to Income ratio in FY 2013-14 was 47% as compared to 56% in the previous year. The asset quality was stable with Gross NPA and Net NPA at 0.39% and 0.29%, respectively, as on March 31, 2014.

The Company's Gross Income for the FY ended March 31, 2014, increased to ₹ 643 crore from ₹ 387 crore in the previous year, an increase of 66%. The interest expenses for the year increased by 68% to ₹ 456 crore in FY 2013-14 from ₹ 271 crore, in the previous year.

Total Income (Net Interest Margin plus other revenue) of the Company increased by 62%, to ₹ 188 crore, from ₹ 116 crore, in the previous year. Net Interest Margin as a percentage of average assets stood at 1.70% for the FY 2013-14. Total Income included Investment and Fee Income of ₹ 4 crore and ₹ 5 crore, respectively for the FY 2013-14.

Operating Cost increased by 30% to ₹ 70 crore, in FY 2013-14, from ₹ 54 crore, in the previous year. Manpower expenses for FY 2013-14 were ₹ 31 crore as against ₹ 21 crore in the previous year, an increase of 46%.

The cumulative provisioning on the asset book as on March 31, 2014 was ₹ 37 crore, of which standard asset provisioning amounted to ₹ 30 crore. The provision for taxation during the year was ₹ 25 crore.

The Net Profit after Tax for the year increased by 109%, from ₹ 28 crore in the previous year to ₹ 58 crore in the current financial year.

An amount of ₹ 12 crore is proposed to be transferred to Special Reserve Fund pursuant to Section 29C of the National Housing Bank Act, 1987 for FY 2013-14.

4. DIVIDEND

During FY 2013-14, the Company had issued and allotted Compulsorily Convertible Cumulative Preference Shares ("CCCPS") aggregating ₹ 149 crore, more particularly mentioned in point no. 6 below and these CCCPS are entitled to a fixed cumulative dividend of 9% p.a. Accordingly, the Directors have recommended, for the approval of the Members, dividend of 9% on CCCPS for FY 2013-14 on a pro – rata basis from the respective date of allotment. The said dividend, if approved by the Members, would involve a cash outflow of ₹ 17.79 crore (including dividend distribution tax of ₹ 2.58 crore).

In order to conserve the resources of the Company and to build up reserves and considering the business plans of the Company, the Board do not recommend payment of dividend on Equity Shares for the financial year ended March 31, 2014.

5. SHARE CAPITAL

During the year under review, based on the authority granted by the Members at the Extraordinary General Meeting of the Company held on March 5, 2014, the Authorised Share Capital of the Company was increased from ₹ 900 crore divided into 60 crore Equity Shares of ₹ 10/- each aggregating ₹ 600 crore and 30 crore Compulsorily Convertible Cumulative Preference Shares (“CCCPS”) of ₹ 10/- each aggregating ₹ 300 crore to ₹ 1,250 crore, divided into 75 crore Equity Shares of ₹ 10/- each aggregating ₹ 750 crore and 50 crore CCCPS of ₹ 10/- each aggregating ₹ 500 crore, respectively.

The Paid-up Share Capital of the Company as on March 31, 2014 was ₹ 507.33 crore (March 31, 2013: ₹ 358.33 crore) consisting of 25,33,33,332 Equity Shares of ₹ 10/- each and 25,40,00,000 CCCPS of ₹ 10/- each. The conversion ratio / price would be determined closer to the date of conversion.

During the year under review, the Company had issued and allotted 14,90,00,000 CCCPS of ₹ 10/- each at par, aggregating ₹ 1,49,00,00,000 to TCL, on a ‘Right basis’, details of which are, as under:

Sr. No.	Date of Allotment	No. of CCCPS
1.	June 4, 2013	1,00,00,000
2.	June 28, 2013	1,00,00,000
3.	July 30, 2013	2,00,00,000
4.	August 8, 2013	2,00,00,000
5.	September 20, 2013	2,00,00,000
6.	December 2, 2013	2,00,00,000
7.	February 6, 2014	2,90,00,000
8.	March 26, 2014	2,00,00,000
	Total	**14,90,00,000**

6. BORROWINGS

During FY 2013-14, the Company met its funding requirements through a combination of short term debt (comprising Commercial Paper and Bank Loans) and long term debt (comprising Non Convertible Debentures (“NCDs”), Subordinated Debt and Bank Loans). During the year, the Company issued, through private placements, Secured Redeemable NCDs of an aggregate Face Value of ₹ 989.10 crore, Unsecured Redeemable Non-Convertible Subordinated Debentures as Tier II Capital of an aggregate Face Value of ₹ 35.80 crore and received NHB funding of ₹ 293.75 crore. The aggregate debt outstanding as at March 31, 2014 was ₹ 5,653.34 crore (of which ₹ 891.70 crore was payable within one year). The Debt Equity ratio of the Company as at March 31, 2014 was 9.5 times.

The Company has been regular in repayment of its borrowings and payment of interest.

The Company has raised NCDs with tenor of upto 10 years which has helped in Asset Liability Management and has strengthened the long term resource base of the Company.

7. CREDIT RATING

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

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

8. RISK MANAGEMENT

Risk Management is an integral part of the Company’s business strategy. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. The Board sets and approves the strategic plans and objectives for risk management and risk philosophy.

The Risk Management Committee of the Board assists the Board in its oversight of various risks including credit risk, operational risk, market risk, liquidity risk, investment risk, etc. The Committee reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposures related to specific issues and provides oversight of risk across the organization.

In addition, the Asset Liability Committee of the Board reviews the Liquidity and Interest rate risk profile of the organization on a periodic basis. Operational risk is monitored on an ongoing basis through a key risk indicators. Fraud risk is managed through a fraud risk management framework within the organization.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Company's internal control system is commensurate with the size, nature and operations of the Company.

10. IT SUPPORT

There were several highlights during FY 2013-14, in the IT department. The Company has achieved stability in core lending systems and has almost completed automation of all the business processes. The Company has implemented a business value framework where all projects would be tracked against the achievement of key and strategic business objectives. The customer portal is being constantly enhanced, currently offering the ability to download statement of account, Interest certificate – Paid & Provisional with a view of the entire relationship with the Company. Customers can also apply for and complete the loan approval processes through our online portal. The emphasis is on continuous improvement and upgradation of systems and the underlying processes.

TCS Bancs LOS system is used for loan approval process by the Company and approvals are done through the system. For Loan approval, policy parameters are configured in the system and necessary deviations are getting triggered as per policy. The Interest re-pricing activity is automated in BanCs LMS System and the revised rate is getting impacted in contracts on the reset date.

The Company has completed the initial assessment of its IT capability maturity with a high score. There is a constant endeavour to move up the IT maturity curve (including benchmarking against internationally accepted IT Capability Maturity Framework) and deliver value to businesses and customers. The Company has identified several IT projects for FY2014-15 that would provide the Company a clear advantage and benefit the stakeholders. The Company has also embarked on a 'digitalization' journey where the latest technology would be deployed, covering the internet and cloud, analytics, social media and mobility areas.

11. HUMAN RESOURCES

The Company had 691 employees as at March 31, 2014, including 444 Customer Relationship Executives. The Company recognizes the value of its human capital and is continuously upgrading the skill levels of its workforce through regular internal and external training and management development programmes

12. COMPLIANCE

The Company had complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the NHB relating to accounting standards, prudential norms for asset classification, income recognition, provisioning norms and capital adequacy.

The Company has deployed "ComplianceCheck" ("Application"), an online platform to report and monitor compliances. The Application has features such as generation of compliance alerts, generation of compliance reports and updating the compliance tasks based on regulatory developments.

The Company has complied with all applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 and the NHB Act, 1987, NHB Directions, 2010 and other applicable rules/regulations/guidelines issued from time to time.

The Capital Adequacy Ratio ("CAR") of the Company was 15.14% as on March 31, 2014 against the CAR of 12%, as prescribed by NHB.

13. DEPOSITS

The Company has not accepted any public deposits during the year under review.

14. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Praveen P Kadle is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, seeks re-appointment.

In accordance with the provisions of Section 149 of the Companies Act, 2013 and the Rules made there under, which came into effect from April 1, 2014, approval of the Members will be sought at the ensuing Annual General Meeting of the Company for formalizing the appointment of Mr. Janki Ballabh, Director as an Independent Director of the Company not liable to retire by rotation, for a term until October 23, 2017.

15. ACCOUNTS AND ACCOUNTING STANDARDS

The Company adheres to the Accounting Standards issued by The Institute of Chartered Accountants of India ("ICAI") in the preparation of its financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard issued by ICAI and the Companies (Accounting Standards) Rules, 2006, as amended from time to time.

16. CORPORATE GOVERNANCE

A summary of the Corporate Governance measures adopted by the Company is given below:

i. The Company recognizes its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others.

ii. The Board comprises Mr. Praveen P Kadle (Chairman), Mr. Janki Ballabh (Independent Director), Mr. Govind Sankaranarayanan, Mr. Shailesh H Rajadhyaksha and Mr. R Vaithianathan. Mr. Vaithianathan is the Managing Director ("MD") of the Company and the other four Directors are Non – Executive Directors.

During FY 2013-14, eight Board Meetings were held. Board Meetings were held at least once in every three months.

iii. Mr. R Vaithianathan is the Managing Director of the Company for a period of 5 years with effect from June 1, 2012.

iv. The Board has constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. These are the Audit Committee, Asset Liability Committee, Risk Management Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee. The Company Secretary is the Secretary of all the aforementioned Committees.

v. The Audit Committee comprises Mr. Janki Ballabh (Chairman), Mr. Govind Sankaranarayanan and Mr. Shailesh H Rajadhyaksha. Besides, the Members of the Audit Committee, meetings of the Audit Committee are attended by the Statutory Auditors, Internal Auditor and the Company Secretary. The Internal Auditor function is headed by the Head – Internal Audit of the Company to ensure independence of operations.

A gist of the responsibilities of the Audit Committee is as under:

- Recommend appointment and removal of Auditors and their remuneration, nature and scope of audit
- Ensure adequacy of internal controls and compliances and recommend remedial measures
- Review adequacy of the Internal Audit function
- Oversee financial reporting process and disclosure of financial information.
- Review financial statements before submission to the Board
- Act as the link between Statutory Auditors, Internal Auditors and Board of Directors
- Review accounting policies
- Monitor compliance with Tata Code of Conduct
- Review significant related party transactions
- Review findings of internal investigations / fraud / irregularities, etc.
- Carry out additional functions as contained in the listing agreement or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.

- Responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

During FY 2013-14, six Audit Committee Meetings were held. The Chairman of the Audit Committee attended the last Annual General Meeting of the Company.

vi. During FY 2013-14, four Asset Liability Committee Meetings and four Risk Management Committee Meetings were held.

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

Name of Director(s)	Sitting Fees paid for attending Board and Committee Meetings during FY 2013-14 (₹)
Mr. Janki Ballabh	3,30,000/-
Mr. Shailesh H. Rajadhyaksha	3,30,000/-
Mr. Govind Sankaranarayanan	3,30,000/-

viii. The Board has adopted the following policies for the Company:

a) Tata Code of Conduct for its employees including the Managing Director;

b) Collection and Recovery Policy;

c) Fair Practices Code;

d) Know Your Customer;

e) Anti Money Laundering Policy;

f) Home Loan Credit Policy;

g) Policy for Determining Interest Rates, Processing and other charges;

h) Asset Liability Management Policy;

i) Risk Management Policy;

j) Investment Policy;

k) Model Code of Conduct for Direct Selling Agents;

l) Policy for Operational Risk Management

m) Process for Fraud Risk Management

n) Interest on Housing Loan Policy

o) Tata Sons Guidelines for the Composition of the Board of Directors, Committees of the Board and Retirement age of Directors; and

p) Whistle - Blower Policy which provides a formal mechanism for all employees of the Company to make protected disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. No employee of the Company has been denied access to the Audit Committee.

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

x. Mr. S Balakrishna Kamath is the Compliance Officer of the Company.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of the activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy and technology absorption, are not applicable to the Company. During the year under review, the Company had no earnings or outgo in foreign exchange.

18. REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT

There were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

19. AUDITORS

Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai ("DHS") (ICAI Firm Registration Number: 117366W/W-100018), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. DHS has completed five years as the Statutory Auditors of the Company. The Company has received a letter from DHS to the effect that their appointment, if made, would be in accordance with Section 139 of the Companies Act, 2013 and that, they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013. In accordance with the provisions of the Companies Act, 2013, it is proposed to re-appoint DHS as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting ("AGM") till the conclusion of the next AGM.

20. PARTICULARS OF EMPLOYEES

Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 (as amended from time to time) and forming part of the Directors' Report for the year ended March 31, 2014, is provided in an Annexure forming part of this Report.

21. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

i. in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed and there are no material departures;

ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014, and of the profit of the Company for the year ended on that date;

iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and

iv. they have prepared the annual accounts on a 'going concern' basis.

22. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Praveen P Kadle
Chairman

Mumbai, May 5, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
TATA CAPITAL HOUSING FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA CAPITAL HOUSING FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("CARO" / "the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

(e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

SANJIV V. PILGAONKAR
(Partner)
(Membership No. 39826)

Mumbai, May 5, 2014

ANNEXURE TO THE AUDITORS' REPORT

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

Having regard to the nature of the Company's business / activities, paragraph 4(xiii) of the Order is not applicable.

1. In respect of the Company's fixed assets:

   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

   (b) According to the information and explanations given to us, the fixed assets were physically verified by the management in accordance with the programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of account.

   (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

2. The Company is primarily engaged in the business of providing long term finance for housing loans and therefore does not hold any physical inventories. Therefore the provisions of paragraph 4(ii) of the Order are not applicable to it.

3. According to the information and explanations given to us the Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub- clause (a) to (g) of paragraph 4(iii) of the Order are not applicable to it.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. There are no purchases of inventory and sale of goods during the period of audit. During the course of our audit, we have not observed any major weakness in such internal control system.

5. To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements, the particulars of which need to be entered into register maintained in section 301 of the Companies Act, 1956.

6. According to the information and explanations given to us, the Company has not accepted deposits from the public during the period covered by our audit report. According to the information and explanation given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard in the case of the Company.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the services rendered by the Company. Accordingly paragraph 4(viii) of the Order is not applicable to it.

9. (a) According to the information and explanations provided to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, service tax, income tax, cess and other material statutory dues applicable to it and there are no dues payable in respect of Employees' State Insurance, Investor Education and Protection Fund, Excise duty, Custom Duty and Sales Tax.

   (b) There were no undisputed amounts payable in respect of income-tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, wealth tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

10. The Company does not have accumulated losses. The Company has not incurred cash losses during the year covered by our audit and in the immediately preceding financial year. Therefore, the provisions of paragraph 4 (x) of the Order are not applicable to the Company.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and debenture holders.

12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.

13. In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore, the provisions of paragraph 4 (xiv) of the Order are not applicable to it.

14. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

15. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained other than temporary deployment pending application.

16. The Company is engaged in the housing finance business and is governed by National Housing Bank ("NHB") Directions for raising deposits and deployment of its funds in its business and the Company has followed the NHB guidelines for fund raising and deployment of funds and is adhering to the Asset Liabilities Management guidelines ("ALCO") prescribed by the NHB and accordingly based on the above information, we report that the Company has generally not used its short term funds in long term investments.

17. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

18. The Company has created security for debentures issued and outstanding as at March 31, 2014.

19. During the year, the Company has not raised any money by way of a public issue. Accordingly, the provisions of paragraph 4(xx) are not applicable to it.

20. To our best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year, although there were some instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation, made by the borrowers, the amounts whereof are not material in the context of the size of the Company and the nature of its business and which have been provided for.

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

SANJIV V. PILGAONKAR
(Partner)
(Membership No. 39826)

Mumbai, May 5, 2014

BALANCE SHEET AS AT MARCH 31, 2014

(₹ in Lakh)

PARTICULARS	Note No.	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	2	**50,733**	35,833
(b) Reserves and Surplus	3	**9,509**	5,460
		60,242	**41,293**
2. Non-current liabilities			
(a) Long-term borrowings	4	**374,658**	232,203
(b) Long-term liabilities	5	**2,953**	3,821
(c) Long-term provisions	6	**2,808**	1,827
		380,419	**237,851**
3. Current liabilities			
(a) Short-term borrowings	7	**101,506**	96,613
(b) Trade payables	8	**1,746**	1,643
(c) Other Current liabilities	9	**99,095**	54,566
(d) Short-term provisions	10	**2,233**	580
		204,580	**153,402**
TOTAL		**645,241**	**432,546**
II. ASSETS			
1. Non-Current assets			
(a) Fixed Assets	11		
(i) Tangible assets		**192**	167
(ii) Intangible assets		**–**	–
(iii) Capital work-in-progress		**32**	–
(iv) Intangible assets under development		**–**	–
(b) Deferred tax assets (net)	12	**1,321**	780
(c) Loans and advances - Financing Activity	13	**594,503**	405,221
(d) Long-term loans and advances - Others	14	**231**	124
(e) Other non-current assets	15	**2,602**	1,904
		598,881	408,196
2. Current assets			
(a) Investments		**–**	–
(b) Cash and Bank balances	16	**2,495**	4,963
(c) Loans and advances - Financing Activity	13	**42,069**	18,474
(d) Short-term loans and advances	17	**86**	56
(e) Other current assets	18	**1,710**	857
		46,360	**24,350**
TOTAL		**645,241**	**432,546**
See accompanying notes forming a part of the financial statements	1-31		

In terms of our report attached

For and on Behalf of the Board of Directors

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

Praveen P. Kadle
(Chairman)

Janki Ballabh
(Director)

Sanjiv V. Pilgaonkar
Partner

S.H. Rajadhyaksha
(Director)

G. Sankaranarayanan
(Director)

Mumbai
Date : May 05, 2014

R. Vaithianathan
(Managing Director)

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakh)

PARTICULARS		Note No.	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
I.	Revenue from Operations	19	**63,862**	38,258
II.	Investment Income	20	**382**	165
III.	Other Income	21	**11**	**285**
IV.	**Total Revenue (I + II + III)**		**64,255**	**38,708**
V.	**Expenses :**			
	Finance cost	22	**45,592**	27,107
	Employee benefits expenses	23	**3,066**	2,106
	Other operating expenses	24	**6,984**	5,402
	Amortisation of expenses	18(a)	**264**	215
	Depreciation	11	**40**	31
	Total Expenses		**55,946**	**34,861**
VI.	**Profit before tax (IV - V)**		**8,309**	**3,847**
VII.	**Tax expense:**			
	(1) Current tax		**3,022**	1,482
	(2) Deferred tax		**(541)**	**(423)**
	Total Tax expense		**2,481**	**1,059**
VIII.	**Profit after tax (VI - VII)**		**5,828**	**2,788**
IX.	**Earnings per share:**			
	(1) Basic (in ₹)		**1.60**	**1.02**
	(2) Diluted (in ₹)		**1.60**	**1.02**
	Face value of share (in ₹)		**10**	10
See accompanying notes forming a part of the financial statements		1-31		

In terms of our report attached

For and on Behalf of the Board of Directors

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

Praveen P. Kadle
(Chairman)

Janki Ballabh
(Director)

Sanjiv V. Pilgaonkar
Partner

S.H. Rajadhyaksha
(Director)

G. Sankaranarayanan
(Director)

Mumbai
Date : May 05, 2014

R. Vaithianathan
(Managing Director)

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

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakh)

		For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
1.	**NET CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before taxes	**8,309**	3,847
	Adjustments for :		
	Amortisation of share / debenture issue expenses	**264**	215
	Interest on fixed deposit	**–**	–
	Profit on sale of Mutual Fund Investments (Current Investments–non–trade)	**(382)**	(165)
	Miscellaneous Income	**–**	–
	Discounting charges on Commercial Paper	**7,318**	5,754
	Discounting charges on Zero Coupon Bond	**598**	–
	Depreciation	**40**	31
	Provision for employee benefits	**41**	23
	Provision against standard assets	**1,085**	977
	Provision for doubtful debts	**476**	185
	Interest Income	**(61,137)**	(36,222)
	Interest Expenses	**37,676**	21,353
	Operating Profit / (Loss) before working capital changes and adjustment for interest received and interest paid	**(5,712)**	**(4,002)**
	Adjustments for :		
	Loans and advances - Financing Activity	**(211,736)**	(208,761)
	Loans and advances - Others	**(919)**	(1,324)
	Current Liabilities and Provisions	**(135)**	1,214
	Cash used in operations before adjustment for interest received and interest paid	**(218,502)**	**(212,873)**
	Interest received	**59,927**	34,764
	Interest paid	**(40,748)**	(21,388)
	Cash used in operations	**(199,323)**	**(199,497)**
	Taxes paid	**(3,070)**	(1,471)
	NET CASH USED IN OPERATING ACTIVITIES	**(202,393)**	**(200,968)**
2	**NET CASH FLOW FROM INVESTING ACTIVITIES**		
	Proceeds from sale of Fixed Assets	**–**	7
	Purchase of Fixed Assets	**(97)**	(117)
	Purchase of Mutual Funds	**(949,000)**	(394,890)
	Redemption of Mutual Funds	**949,382**	395,055
	NET CASH FLOW FROM INVESTING ACTIVITIES	**285**	**55**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakh)

			For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
3	**NET CASH FLOW FROM FINANCING ACTIVITIES**			
	Issue of Equity Share Capital		**–**	2,600
	Issue of Preference share capital		**14,900**	10,500
	Share Issue Expenses		**(16)**	(11)
	Proceeds from long –term borrowings		**273,285**	132,779
	Repayment of long–term borrowings		**(91,484)**	(6,079)
	Debenture Issue / Loan Processing Expenses		**(960)**	(177)
	Net proceeds from short– term borrowings		**3,915**	66,053
	NET CASH FLOW FROM FINANCING ACTIVITIES		**199,640**	**205,665**
4	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS**		**(2,468)**	**4,752**
	Cash and cash equivalents as at the beginning of the year, comprising:			
	Bank balances with scheduled banks		**4,711**	99
	Cash on hand		**25**	11
	Cheques on hand		**227**	101
	Total		**4,963**	**211**
	Cash and cash equivalents as at the end of the year, comprising:			
	Bank balances with scheduled banks		**1,367**	4,711
	Cash on hand		**44**	25
	Cheques on hand		**1,084**	227
	Total		**2,495**	**4,963**
	See accompanying notes forming a part of the financial statements	1-31		

In terms of our report attached

For and on Behalf of the Board of Directors

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

Sanjiv V. Pilgaonkar
Partner

Mumbai
Date : May 05, 2014

Praveen P. Kadle
(Chairman)

S.H. Rajadhyaksha
(Director)

R. Vaithianathan
(Managing Director)

Janki Ballabh
(Director)

G. Sankaranarayanan
(Director)

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

1. Notes forming part of the Financial Statements

A. CORPORATE INFORMATION

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

B SIGNIFICANT ACCOUNTING POLICIES

I BASIS FOR PREPARATION OF ACCOUNTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 2013 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable., The National Housing Bank Act, 1987 and The Housing Finance Companies, ("NHB") Directions, 2010. The financial statements have been prepared on accrual basis under the historical cost convention.

II USE OF ESTIMATES

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

III REVENUE RECOGNITION

Interest income on loans

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

Fee and Other Charges

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

Income from Current and Long-term Investments

Income from 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 AND STANDARD LOANS

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

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

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

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

V INVESTMENTS

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

VI FIXED ASSETS

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

VII DEPRECIATION

Depreciation on tangible fixed assets is provided on straight-line method at the rates and in the manner as prescribed in Schedule XIV to the Companies Act, 1956 or over the estimated useful life of the asset, whichever is higher.

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

Depreciation rates used by the Company are:

Asset	Depreciation rates/Amortisation rates
Building	4 percent
Office Equipment	10 percent
Vehicles	23.75 percent
Plant & Machinery	25 percent
Furniture & Fixtures	Higher of 10 percent or rate determined based on period of lease
Leasehold improvements	Lease Period

VIII OPERATING LEASES

Payments under an operating lease arrangement, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are charged to the Statement of Profit and Loss on a straight-line basis over the lease term, unless another systematic basis is more appropriate.

IX TAXATION

Income Tax

The Company’s income taxes include current tax on the Company’s taxable profits and deferred tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax assets and liabilities are measured using enacted tax rates and tax regulations or those that have been substantively enacted at the balance sheet date.

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 assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reassessed at each balance sheet date, based upon management’s judgment as to whether their realisation is considered as reasonably certain.

X DEFERRED REVENUE EXPENDITURE

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

XI 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.

XII 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.

XIII EARNINGS PER SHARE

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earning per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

XIV EMPLOYEE STOCK PURCHASE SCHEME

The Company follows the intrinsic value method to account for the compensation cost of it's stock based employee compensation plans.

XV EMPLOYEE BENEFITS

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

(a) Defined-contribution plans

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

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

(b) Defined-benefit plans

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

(c) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under: (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

(d) Long-term employee benefits

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

XVI SEGMENT REPORTING

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

NOTES TO THE ACCOUNTS

2. SHARE CAPITAL

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
AUTHORISED		
750,000,000 Equity shares of ₹ 10 each (As at March 31,2013: 600,000,000)	**75,000**	60,000
500,000,000 9% Compulsorily Convertible Cumulative Preference shares of ₹ 10 each (As at March 31,2013: ₹ 3,000,000,000)	**50,000**	30,000
	125,000	**90,000**
ISSUED, SUBSCRIBED & PAID UP		
253,333,332 (as at March 31, 2013: 253,333,332) Equity shares of ₹ 10 each	**25,333**	25,333
254,000,000 (as at March 31, 2013: 105,000,000) 9% Compulsorily Convertible Cumulative Preference shares of ₹ 10 each	**25,400**	10,500
TOTAL	**50,733**	**35,833**

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

2. (a) Reconciliation of number of shares outstanding

Particulars	No. of shares	₹ in Lakh
Opening Share Capital as on April 01, 2012		
Equity Face Value ₹ 10 fully paid up	**233,333,332**	23,333
9% Preference Share Capital, Face Value of ₹ 10 fully paid up	**–**	–
Additions during the previous year		
Equity		
Rights Issue	**20,000,000**	2,000
(Equity shares of ₹ 10 each were issued at premium of ₹ 3 per share)		
9% Preference Share Capital		
Rights Issue	**105,000,000**	10,500
(Preference shares of ₹ 10 each, compulsorily convertible after 9 years)		
Opening Share Capital as on April 01, 2013		
Equity Face Value ₹ 10 fully paid up	**253,333,332**	25,333
9% Preference Share Capital, Face Value of ₹ 10 fully paid up	**105,000,000**	10,500
Total	**358,333,332**	**35,833**
Additions during the year		
9% Preference Share Capital		
Rights Issue	**149,000,000**	14,900
(Preference shares of ₹ 10 each, compulsorily convertible after 9 years)		
Total	**149,000,000**	**14,900**
Closing Share Capital as on March 31, 2014		
Equity Face Value ₹ 10 fully paid up	**253,333,332**	25,333
9% Preference Share Capital of ₹ 10 fully paid up	**254,000,000**	25,400
Total	**507,333,332**	**50,733**

2. (b) **Rights, preferences and restrictions attached to shares**

Equity Shares : The Company has one class of equity shares having a par value of ₹ 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 254,000,000, 9% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of face value ₹ 10/- each, convertible after 9 years from the date of issue. However,CCCPS holders have an option to convert into equity share at an earlier date. The CCCPS holders have a right to receive dividend, prior to the Equity Shareholders. The dividend proposed by the Board of Directors on the CCCPS is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders are eligible to receive the remaining assets of the Company before distribution to the Equity Shareholders, in proportion to their shareholding.

Tranche wise due date details for Compulsorily Convertible Debenture (₹ in Lakh)

Date of Allotment	Date of Conversion	Amount
12/Nov/12	12/Nov/21	2,600
03/Dec/12	03/Dec/21	2,400
04/Jan/13	04/Jan/22	3,000
28/Mar/13	28/Mar/22	2,500
04/Jun/13	04/Jun/22	1,000
28/Jun/13	28/Jun/22	1,000
30/Jul/13	30/Jul/22	2,000
08/Aug/13	08/Aug/22	2,000
20/Sep/13	20/Sep/22	2,000
02/Dec/13	02/Dec/22	2,000
06/Feb/14	06/Feb/23	2,900
26/Mar/14	26/Mar/23	2,000
Total		**25,400**

3. RESERVES AND SURPLUS

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Securities Premium Reserve		
Opening Balance	2,267	1,667
Add : Addition /Transfer during the year	–	600
Closing Balance	**2,267**	**2,267**
(b) Statutory Reserve (Refer Note 3.1 below)		
(As per Section 29C of National Housing Bank Act,1987)		
Opening Balance	742	184
Addition during the year	1,180	558
Closing Balance	**1,922**	**742**
(c) Surplus in the Statement of Profit and Loss		
Opening Balance	2,451	487
Add : Profit for the year	5,828	2,788
Less : Transfer to Special Reserve	1,180	558
Less : Proposed Dividend on Preference Shares	1,521	227
Less : Dividend distribution tax on Preference Shares	258	39
Closing Balance	**5,320**	**2,451**
Total	**9,509**	**5,460**

3.1 Notes :

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 ₹ 1,180 Lakh (previous year ₹ 558 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.

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Balance at the beginning of the year		
a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987	32	32
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	710	152
c) **Total**	**742**	**184**
Addition / Appropriation / withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act,1987	80	–
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	1,100	558
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	–	–
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	112	32
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	1,810	710
c) **Total**	**1,922**	**742**

3.2 Notes :

The Company has transferred an amount of ₹ 1,180 Lakh (Previous year ₹ 558 Lakh) to Special Reserve Account in terms of section 36 (1) (viii) of the Income Tax Act, 1961, which has also been considered as a transfer of profit to a reserve fund for the purpose of compliance with section 29 C (i) of the National Housing Bank Act 1987.

4. LONG TERM BORROWINGS

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Bonds/Debentures		
Secured		
(i) Privately Placed Non-Convertible Debentures (Refer Note No. 4.1 below) (Net of unamortised Discount ₹ NIL, Previous year ₹ 162 Lakh)	99,720	94,278
Unsecured		
(i) Non-Convertible Subordinated Debentures (Refer Note No. 4.2 below)	20,070	16,450
(b) Term loans		
Secured		
(i) From Banks (Refer Note No. 4.3 below)	153,333	93,234
(ii) From National Housing Bank (Refer Note No.4.4 below)	31,535	8,241
Unsecured		
(i) From Banks (Refer Note No.4.5 below)	70,000	20,000
Total	**374,658**	**232,203**

4.1 Privately Placed Non-Convertible Debentures are secured by charge on the immovable properties, book debts and receivables against secured loans, and to the extent of shortfall in asset by cover by way of a pari passu charge on the current assets of the Company

Description of Secured Redeemable Non Convertible Debentures (NCD)	Issue Date	Redemption Date	No. of NCDs	As at March 31, 2014 ₹ in Lakh	No. of NCDs	As at March 31, 2013 ₹ in Lakh
[A] Long Term NCD (Issued at par redeemable at Premium)						
TCHFL - Series U - FY 2012-13	12-Mar-13	10-Mar-23	100	1,000	100	1,000
TCHFL - Series R - FY 2012-13	18-Jan-13	18-Jan-23	150	1,500	150	1,500
TCHFL - Series Q - FY 2012-13	28-Dec-12	28-Dec-22	100	1,000	100	1,000
TCHFL - Series G - FY 2012-13	18-May-12	18-May-22	100	1,000	100	1,000
TCHFL - Series K - FY 2012-13	3-Oct-12	3-Oct-19	100	1,000	100	1,000
TCHFL - Series N - FY 2013-14	20-Jan-14	18-Jan-19	50	500	–	–
TCHFL - Series G - FY 2011-12	18-Nov-11	18-Nov-18	100	1,000	100	1,000
TCHFL - Series C - FY 2013-14	23-Apr-13	23-Apr-18	100	1,000	–	–
TCHFL - Series L - FY 2013-14	10-Jan-14	10-Jan-17	250	2,500	–	–
TCHFL - Series K - FY 2013-14	2-Dec-13	2-Dec-16	200	2,000	–	–
TCHFL - Series J - FY 2013-14	7-Nov-13	7-Nov-16	50	500	–	–
TCHFL - Series H - FY 2013-14	10-Sep-13	9-Sep-16	300	3,000	–	–
TCHFL - Series I - FY 2013-14	25-Oct-13	28-Jun-16	180	1,800	–	–
TCHFL - Series E - FY 2013-14	16-May-13	16-May-16	100	1,000	–	–
TCHFL - Series T - FY 2012-13	12-Mar-13	10-May-16	20	200	20	200
TCHFL - Series A - FY 2013-14	9-Apr-13	10-May-16	30	300	–	–
TCHFL - Series S - FY 2012-13	5-Feb-13	28-Apr-16	626	6,260	626	6,260
TCHFL - Series O - FY 2012-13	30-Oct-12	30-Oct-15	100	1,000	100	1,000
TCHFL - Series N - FY 2012-13	29-Oct-12	29-Oct-15	500	5,000	500	5,000
TCHFL - Series L - FY 2012-13	12-Oct-12	12-Oct-15	200	2,000	200	2,000
TCHFL - Series P - FY 2013-14	28-Jan-14	30-Jun-15	100	1,000	–	–
TCHFL - Series E - FY 2012-13	29-May-12	29-May-15	51	510	51	510
TCHFL - Series F - FY 2013-14	21-May-13	21-May-15	2000	20,000	–	–
TCHFL - Series U - FY 2013-14	20-Feb-14	20-May-15	250	2,500	–	–
TCHFL - Series M - FY 2013-14	9-Jan-14	12-May-15	60	600	–	–
TCHFL - Series T - FY 2013-14	14-Feb-14	8-May-15	210	2,100	–	–
TCHFL - Series S - FY 2013-14	10-Feb-14	4-May-15	210	2,100	–	–
TCHFL - Series V - FY 2013-14	21-Feb-14	4-May-15	350	3,500	–	–
TCHFL - Series Z - FY 2013-14	13-Mar-14	27-Apr-15	50	500	–	–
TCHFL - Series O - FY 2013-14	28-Jan-14	23-Apr-15	100	1,000	–	–
TCHFL - Series X - FY 2013-14	3-Mar-14	20-Apr-15	250	2,500	–	–
TCHFL - Series B - FY 2012-13	17-Apr-12	17-Apr-15	17	170	17	170
TCHFL - Series Q - FY 2013-14	6-Feb-14	15-Apr-15	190	1,900	–	–
TCHFL - Series AB - FY 2013-14	13-Mar-14	13-Apr-15	292	2,920	–	–
TCHFL - Series AA - FY 2013-14	13-Mar-14	10-Apr-15	35	350	–	–
TCHFL - Series AC - FY 2013-14	14-Mar-14	6-Apr-15	350	3,500	–	–
TCHFL - Series AD - FY 2013-14	14-Mar-14	6-Apr-15	50	500	–	–
TCHFL - Series AE - FY 2013-14	18-Mar-14	6-Apr-15	170	1,700	–	–

Description of Secured Redeemable Non Convertible Debentures (NCD)	Issue Date	Redemp-tion Date	No. of NCDs	As at March 31, 2014 ₹ in Lakh	No. of NCDs	As at March 31, 2013 ₹ in Lakh
TCHFL - Series R - FY 2013-14	7-Feb-14	6-Apr-15	160	1,600	–	–
TCHFL - Series Y - FY 2013-14	6-Mar-14	6-Apr-15	31	310	–	–
TCHFL - Series AF - FY 2013-14	19-Mar-14	2-Apr-15	750	7,500	–	–
TCHFL - Series W - FY 2013-14	3-Mar-14	2-Apr-15	420	4,200	–	–
TCHFL - Series P - FY 2012-13	26-Dec-12	26-Dec-14	2500	25,000	2500	25,000
TCHFL - Series C - FY 2011-12	2-Nov-11	23-Oct-14	70	700	70	700
TCHFL - Series D - FY 2011-12	8-Nov-11	23-Oct-14	30	300	30	300
TCHFL - Series B - FY 2013-14	18-Apr-13	23-May-14	403	4,030	–	–
TCHFL - Series J - FY 2012-13	7-Sep-12	7-Mar-14	1000	–	1000	10,000
TCHFL - Series M - FY 2012-13	5-Oct-12	5-Nov-13	500	–	500	5,000
TCHFL - Series A - FY 2011-12	16-Sep-11	16-Sep-13	150	–	150	1,500
TCHFL - Series B - FY 2011-12	27-Sep-11	13-Sep-13	50	–	50	500
Total (A)				**124,550**		**64,640**
[B] Long Term NCD (Zero Coupon Bond redeemable at Premium)						
TCHFL - Series H - FY 2012-13	16-Jul-12	1-Oct-15	40	400	40	400
TCHFL - Series C - FY 2012-13	4-May-12	4-Aug-15	50	500	50	500
TCHFL - Series BC - FY 2011-12	23-Feb-12	1-Jun-15	180	1,800	180	1,800
TCHFL - Series A - FY 2012-13	10-Apr-12	2-Apr-15	250	2,500	250	2,500
TCHFL - Series BF - FY 2011-12	7-Mar-12	6-Mar-15	100	1,000	100	1,000
TCHFL - Series BB- FY 2011-12	17-Feb-12	9-Feb-15	100	1,000	100	1,000
TCHFL - Series W- FY 2011-12	1-Feb-12	3-Feb-15	50	500	50	500
TCHFL - Series T- FY 2011-12	25-Jan-12	23-Jan-15	50	500	50	500
TCHFL - Series H - FY 2011-12	23-Nov-11	10-Nov-14	600	6,000	600	6,000
TCHFL - Series I - FY 2012-13	24-Jul-12	24-Jul-14	200	2,000	200	2,000
TCHFL - Series Q - FY 2011-12	16-Jan-12	10-Jul-14	300	3,000	300	3,000
TCHFL - Series Y- FY 2011-12	9-Feb-12	13-May-14	160	1,600	160	1,600
TCHFL - Series F - FY 2012-13	15-May-12	8-May-14	330	3,300	330	3,300
TCHFL - Series P - FY 2011-12	16-Jan-12	25-Apr-14	350	3,500	350	3,500
TCHFL - Series V - FY 2012-13	15-Mar-13	11-Apr-14	200	2,000	200	2,000
TCHFL - Series W - FY 2012-13	15-Mar-13	10-Apr-14	250	2,500	250	2,500
TCHFL - Series BH - FY 2011-12	20-Mar-12	8-Apr-14	220	2,200	220	2,200
TCHFL - Series K - FY 2011-12	23-Dec-11	9-Dec-13	200	–	200	2,000
TCHFL - Series BD - FY 2011-12	28-Feb-12	14-Aug-13	40	–	40	400
TCHFL - Series R - FY 2011-12	20-Jan-12	22-Jul-13	50	–	50	500
TCHFL - Series U- FY 2011-12	27-Jan-12	19-Jul-13	150	–	150	1,500
TCHFL - Series S - FY 2011-12	25-Jan-12	16-Jul-13	60	–	60	600
TCHFL - Series N - FY 2011-12	6-Jan-12	2-Jul-13	87	–	87	870
TCHFL - Series L - FY 2011-12	23-Dec-11	12-Jun-13	50	–	50	500
TCHFL - Series J - FY 2011-12	2-Dec-11	5-Jun-13	80	–	80	800
TCHFL - Series BG - FY 2011-12	16-Mar-12	31-May-13	30	–	30	300
TCHFL - Series I - FY 2011-12	2-Dec-11	29-May-13	67	–	67	670
TCHFL - Series BE - FY 2011-12	2-Mar-12	21-May-13	82	–	82	820
TCHFL - Series F - FY 2011-12	11-Nov-11	21-Apr-13	100	–	100	1,000

Description of Secured Redeemable Non Convertible Debentures (NCD)	Issue Date	Redemp-tion Date	No. of NCDs	As at March 31, 2014 ₹ in Lakh	No. of NCDs	As at March 31, 2013 ₹ in Lakh
TCHFL - Series Z - FY 2011-12	27-Feb-12	8-Apr-13	160	–	160	1,600
TCHFL - Series E - FY 2011-12	11-Nov-11	3-Apr-13	150	–	150	1,500
Total (B)				**34,300**		**47,360**
[C] Long Term NCD (Zero Coupon Bond issued at Discount)						
TCHFL - Series O - FY 2011-12	13-Jan-12	13-Jan-15	250	2,500	250	2,500
TCHFL - Series X- FY 2011-12	6-Feb-12	03-Feb-14	110	–	110	1,100
TCHFL - Series M - FY 2011-12	23-Dec-11	23-Dec-13	140	–	140	1,400
TCHFL - Series BA- FY 2011-12	14-Feb-12	30-Aug-13	579	–	579	5,790
TCHFL - Series V- FY 2011-12	31-Jan-12	17-Jul-13	52	–	52	520
Total				**2,500**		**11,310**
Less : Unamortised discount as on March 31,2014				163		760
Total (C)				**2,337**		**10,550**
Total (A+B+C)				**161,187**		**122,550**
Of which Current maturities have been classified under other Current Liabilities (Note No.9)				61,467		28,272
Long term borrowings				99,720		94,278

Note: Coupon rate of NCDs outstanding as on March 31, 2014 varies from 8.98% to 10.75%

4.2 Particulars of Unsecured Redeemable Non Convertible Subordinated Debentures (Tier II Bonds) outstanding as on March 31,2014

Description of NCD	Issue Date	Redem-ption Date	No. of NCDs	As at March 31, 2014 ₹ in Lakh	No. of NCDs	As at March 31,2013 ₹ in Lakh
TCHFL Tier II Bonds ‘E’ FY-2013-14	18-Mar-14	18-Mar-24	4	40	–	–
TCHFL Tier II Bonds ‘D’ FY-2013-14	10-Jan-14	10-Jan-24	77	770	–	–
TCHFL Tier II Bonds ‘C’ 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	150	1,500
TCHFL Tier II Bonds ‘D’ FY-2012-13	22-Aug-12	22-Aug-22	330	3,300	330	3,300
TCHFL Tier II Bonds ‘C’ FY-2012-13	30-May-12	30-May-22	300	3,000	300	3,000
TCHFL Tier II Bonds ‘B’ FY-2012-13	30-May-12	30-May-22	3	30	3	30
TCHFL Tier II Bonds ‘A’ FY-2012-13	10-May-12	10-May-22	10	100	10	100
TCHFL Tier II Bonds ‘F’ FY-2011-12	12-Mar-12	12-Mar-22	102	1,020	102	1,020
TCHFL Tier II Bonds ‘E’ FY-2011-12	25-Jan-12	25-Jan-22	135	1,350	135	1,350
TCHFL Tier II Bonds ‘D’ FY-2011-12	04-Nov-11	04-Nov-21	101	1,010	101	1,010
TCHFL Tier II Bonds ‘C’ FY-2011-12	28-Oct-11	28-Oct-21	11	110	11	110
TCHFL Tier II Bonds ‘B’ FY-2011-12	29-Sep-11	29-Sep-21	253	2,530	253	2,530
TCHFL Tier II Bonds ‘A’ FY-2011-12	29-Jul-11	29-Jul-21	250	2,500	250	2,500
Total				**20,070**		**16,450**

Note: Coupon rate of “NCDs” outstanding as on March 31, 2014 varies from 9.30% to 10.25%

4.3 Loans and advances from banks are secured by pari passu charge on the current assets of the Company and are repayable at maturity ranging between 3 years to 5 years from the date of loan taken. Rate of Interest payable on Term loan varies between 10.00% to 10.70%

4.4 Loan from National Housing Bank is secured by way of hypothecation of book debt and is repayable in 28/60 quarterly installments. Rate of Interest payable on Term loan varies between 7.35% to 10.00%

4.5 Unsecured term loan comprises a loan taken from Bank of India, HDFC Bank & Bank of Baroda

4.6 Discount of Commercial Paper varied between 10.25% to 10.95%

5. LONG TERM LIABILITIES (₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Others		
Interest accrued but not due on borrowings	2,953	3,821
Total	**2,953**	**3,821**

6. LONG TERM PROVISIONS (₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Provision for employee benefits	27	20
(b) Provisions against Standard Assets	2,781	1,807
Total	**2,808**	**1,827**

7. SHORT TERM BORROWINGS (₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Loans repayable on demand		
(i) Secured		
- Cash Credit (Refer Note No.4.3 above)	19,334	17,422
(b) Loans and advances from Related Parties		
Unsecured		
(i) Inter-Corporate Deposits	–	4,050
(c) Other loans and advances		
Unsecured		
(i) Bank Overdraft as per Books	12,863	13,904
(ii) Commercial Paper*(Refer Note No.4.6 above)	69,309	61,237
*Net of unamortised discount of ₹ 1271 Lakh (as at March 31, 2013 ₹ 1063 Lakh)		
Total	**101,506**	**96,613**

8. TRADE PAYABLES (₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(i) Payable to Micro, Medium and Small Enterprises (Refer note below)	–	–
(ii) Others		
(a) Accrued employee benefit expenses	404	326
(b) Accrued expenses	999	1,214
(c) Others	343	103
Total	**1,746**	**1,643**

Note: The Company has received information from their "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information received, there are no amount unpaid as at the year end.

9. OTHER CURRENT LIABILITIES

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Current maturities of long-term debt - Term Loan from Banks		
Secured		
(i) From Banks (Refer Note No. 4.3 above)	17,502	20,832
(ii) From National Housing Bank (Refer Note No.4.4 above)	5,201	1,401
Unsecured		
(i) From Banks (Refer Note No. 4.5 above)	5,000	–
(b) Privately Placed Non-Convertible Debentures (Refer Note 4.1 above) (Net of unamortised Discount ₹ 163 Lakh, As on March 2013 ₹ 598 Lakh)	61,467	28,272
(c) Interest accrued but not due on borrowings	8,995	3,580
(d) Advance Interest Income	630	224
(e) Other payables		
(i) Statutory Remittances	228	142
(ii) Payable to group Company	72	115
Total	**99,095**	**54,566**

10. SHORT TERM PROVISIONS

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Provision for employee benefits	59	40
(b) Provision for Standard Assets	197	85
(c) Provision for Proposed Dividend	1,521	227
(d) Provision for Dividend distribution tax	258	39
(e) Provision for Income tax (Net of Advance Tax ₹ 2,870 Lakh, as on March 2013 ₹ 1938 Lakh)	198	189
Total	**2,233**	**580**

11. FIXED ASSETS

(₹ in Lakh)

Particulars	Gross Block				Accumulated depreciation				Net Block	
	Opening balance as at April 1, 2013	Additions	Dis-posals	Closing balance as at March 31, 2014	Opening balance as at April 1, 2013	Depre-ciation/ Amorti-sation for the year	Dis-posals	Closing balance as at March 31, 2014	As at March 31, 2014	As at March 31, 2013
TANGIBLE FIXED ASSETS										
Building	48	–	–	48	5	2	–	7	41	43
	(48)	**–**	**–**	**(48)**	**(3)**	**(2)**	**–**	**(5)**	**(43)**	**(45)**
Office Equipment	32	17	–	49	4	5	–	9	40	28
	(11)	**(21)**	**–**	**(32)**	**(1)**	**(3)**	**–**	**(4)**	**(28)**	**(10)**
Vehicles	59	10	–	69	20	15	–	35	34	39
	(41)	**(27)**	**(9)**	**(59)**	**(8)**	**(14)**	**(2)**	**(20)**	**(39)**	**(33)**
Plant & Machinery	9	3	–	12	1	1	–	2	10	8
	–	**(9)**	**–**	**(9)**	**–**	**(1)**	**–**	**(1)**	**(8)**	**–**
Furniture & Fixtures	16	6	–	22	2	3	–	5	17	14
	–	**(16)**	**–**	**(16)**	**–**	**(2)**	**–**	**(2)**	**(14)**	**–**
Leasehold Improvements	44	29	–	73	9	14	–	23	50	35
	–	**(44)**	**–**	**(44)**	**–**	**(9)**	**–**	**(9)**	**(35)**	**–**
INTANGIBLE FIXED ASSETS	–	–	–	–	–	–	–	–	–	–
Total	**208**	**65**	**–**	**273**	**41**	**40**	**–**	**81**	**192**	**167**
Previous financial year	100	117	9	208	12	31	2	41	167	88
Add: Capital Work In Progress									**32**	**–**
Total									**224**	**167**

Note: Figures in brackets relate to previous year.

12 DEFERRED TAX ASSET

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

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Deferred Tax Asset		
On account of employee benefit expenses	44	31
On account of provision for doubtful loans	236	90
On account of provision for standard assets	1,012	643
On account of others	29	14
Deferred tax assets on account of depreciation on fixed assets*	–	2
Total	**1,321**	**780**
Less : Deferred Tax Liability		
On account of others	–	–
Total	**–**	**–**
Net Deferred Tax Asset	1,321	780

* Less than ₹ 50,000.

13. LOANS AND ADVANCES - FINANCING ACTIVITY-SECURED UNLESS OTHERWISE STATED

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
NON-CURRENT		
(a) Housing Loans		
(i) Considered good	482,982	313,443
(ii) Considered doubtful	416	181
	483,398	313,624
Less: Provision for Doubtful loans	416	181
	482,982	**313,443**
(b) Non Housing Loans		
(i) Considered good	111,521	91,778
(ii) Considered doubtful	259	78
	111,780	91,856
Less: Provision for Doubtful loans (Refer Note 13.1)	259	78
	111,521	**91,778**
TOTAL	**594,503**	**405,221**
CURRENT MATURITIES		
(a) Housing Loans		
(i) Considered good	33,087	13,686
(ii) Considered doubtful	9	3
	33,096	13,689
Less: Provision for Doubtful loans	9	3
	33,087	13,686
(b) Non Housing Loans		
(i) Considered good	8,983	4,788
(ii) Considered doubtful	10	3
	8,992	4,791
Less: Provision for Doubtful loans	10	3
	8,982	4,788
TOTAL	**42,069**	**18,474**
Total	**636,572**	**423,695**

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

(₹ in Lakh)

Category	Provision against Sub-Standard Assets		Provision against Doubtful Assets		Provision against Loss Assets	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Housing Loan						
Gross Non Performing Assets	1,180	1,119	465	–	16	–
Provision	177	168	232	–	16	–
Net Non Performing Assets	1,003	951	233	–	–	–
Non Housing Loan						
Gross Non Performing Assets	454	536	389	–	7	–
Provision	68	80	194	–	7	–
Net Non Performing Assets	386	456	195	–	–	–
Total						
Gross Non Performing Assets	1,634	1,655	854	–	23	–
Provision	245	248	426	–	23	–
Net Non Performing Assets	1,389	1,407	428	–	–	–

13.2 Loans granted by Tata Capital Housing Finance Limited are secured against hypothecation of mortgage of property.

13.3 The company has reported frauds aggregating ₹ 7 Lakh (Previous year : ₹ Nil) based on management reporting to risk committee.

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

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Others		
(a) Deposits	87	37
(b) Loan To TCL Employee Welfare Trust	66	66
(c) Advance payment of Income tax (Net of Provision for tax ₹ 4,377 Lakh, As on March 2013 ₹ 38 Lakh)	78	21
Total	**231**	**124**

15. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Others		
(a) Deferred Revenue Expenditure (to the extent not written off or adjusted) (Refer Note 18 (a) below)	282	105
(b) Unamortised commission paid to direct marketing agents	2,320	1,799
Total	**2,602**	**1,904**

16. CASH AND BANK BALANCES

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Cash on hand	44	25
(b) Cheques, drafts on hand	1,084	227
(c) Balances with banks - In Current accounts (Refer Note (i) below)	1,367	4,711
Total	**2,495**	**4,963**

(i) Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is ₹ 2,495 Lakh. (Previous year ₹ 4,963 Lakh)

17. SHORT-TERM LOANS AND ADVANCES

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Others		
(a) Prepaid Expenses	1	16
(b) Others	85	40
Total	**86**	**56**

18. OTHER CURRENT ASSETS

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(i) Deferred Revenue Expenditure (to the extent not written off or adjusted) (Refer Note 18 (a) below)	709	174
(ii) Unamortised commission paid to direct marketing agents	1,001	683
Total	**1,710**	**857**

18. (a) UNAMORTISED EXPENDITURE - SHARE ISSUE AND LOAN PROCESSING CHARGES

(₹ in Lakh)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
(a) Unamortised Share issue expenses		
Opening balance	92	147
Add: Expenses incurred during the year	16	11
Less: written off during the year	68	66
Closing balance	40	92
(b) Unamortised Debenture issue expenses		
Opening balance	152	138
Add: Expenses incurred during the year	166	151
Less: written off during the year	170	137
Closing balance	148	152
(c) Unamortised loan processing charges		
Opening balance	35	21
Add: Expenses incurred during the year	794	26
Less: written off during the year	26	12
Closing balance	803	35
Total	**991**	**279**

(₹ in Lakh)

PARTICULARS	As at March 31,2014		As at March 31,2013	
	Current	Non-Current	Current	Non-Current
(a) Unamortised Share issue expenses	30	10	27	65
(b) Unamortised Debenture issue expenses	82	66	59	93
(c) Unamortised loan processing charges	170	633	19	16
Total	**282**	**709**	**105**	**174**
Grand Total		**991**		**279**

19. REVENUE FROM OPERATIONS

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
(a) Interest Income	61,137	36,222
(b) Income from Financing activity (Refer note below)	2,725	2,036
Total	**63,862**	**38,258**

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

20. INVESTMENT INCOME

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Profit on sale of Current Investments	382	165
Total	**382**	**165**

21. OTHER INCOME

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
(a) Processing fee income	10	285
(b) Interest on Income Tax refund	1	–
Total	**11**	**285**

22. FINANCE COST

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
(a) Interest Expense		
(i) On Loans from Banks	21,650	11,812
(ii) On Non - Convertible Debentures	15,924	8,364
(iii) On Inter Corporate Deposit	102	202
(b) Discounting Charges		
(i) On Zero Coupon Debentures	598	975
(ii) On Commercial Paper	7,318	5,754
Total	**45,592**	**27,107**

23. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
(a) Salaries, wages and bonus	2,833	1,946
(b) Contribution to provident fund, superannuation fund and other funds	136	85
(c) Staff welfare expenses	97	75
Total	**3,066**	**2,106**

24. OTHER OPERATING EXPENSES

(₹ in Lakh)

	PARTICULARS	For the Year ended March 31, 2014		For the Year ended March 31, 2013	
(a)	Advertisement and Publicity		280		166
(b)	Business development expenses		141		182
(c)	Direct Marketing Agents' Commission expenses		1,062		582
(d)	Director's sitting fee		11		9
(e)	Facility management and office upkeep charges		38		34
(f)	Insurance		2		3
(g)	IT Outsourcing expenses		930		570
(h)	Legal and professional fees		401		600
(i)	Loan Processing charges		807		627
(j)	Postage and courier expenses		18		13
(k)	Printing and stationery		45		29
(l)	Provision for Doubtful loans		476		185
(m)	Write off - Loans and advances	45	–		
	Less : Provision reversal on write off	(45)	–		–
(n)	Provision for standard assets - Home Loan		922		592
(o)	Provision for standard assets-Home Equity		163		385
(p)	Rates and taxes		6		7
(q)	Record management charges		15		15
(r)	Rent		681		610
(s)	Repairs and maintenance expenses		8		5
(t)	Stamping charges		10		15
(u)	Service providers charges		502		387
(v)	Telephone expenses		56		40
(w)	Travelling and conveyance		272		178
(x)	Others		138		168
	Total		**6,984**		**5,402**

24. (a) National Housing Bank ("NHB") has issued circular No. NHB.HFC./CMD/2013 dated September 6.2013 for Provision on Standard Assets relating to Commercial Real Estate Loans. The Company has made provision of ₹ 435 Lakh on all commercial real estate loans.

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

(₹ in Lakh)

	PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
(i)	Statutory audit fees	22	22
(ii)	Tax audit fees	2	2
(iii)	Other services	2	2
	Total	**26**	**26**

Notes forming part of the Financial Statements

25. CONTINGENT LIABILITIES AND COMMITMENTS:

(a) Contingent Liabilities ₹ Nil. (Previous year ₹ Nil)

(b) Commitments: ₹ 72 Lakh, (Previous year ₹ 11 Lakh)

26. EMPLOYEE BENEFITS

Defined Contribution Plans

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

The Company recognised a charge of ₹ 102 Lakh (Previous year ₹ 64 Lakh) towards provident fund and family pension fund contribution and ₹ 13 Lakh (Previous year ₹ 8 Lakh) towards contribution to superannuation fund in the Statement of Profit and Loss during the current year.

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 23 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 (₹ in Lakh)

PARTICULARS	2013-14	2012-13
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	118	15
Current Service Cost	12	10
Interest Cost	9	1
Acquisition Cost / Transfer in	6	
Actuarial Losses / (Gain)	9	3
Transfer In	–	89
Benefits Paid	(1)	–
Closing Defined Benefit Obligation	153	118
Experience Gain / (Loss) adjusted on plan liability		0
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	103	13
Acquisition Cost / Transfer in	6	89
Expected Return on Plan Assets	9	1
Contributions by Employer	16	–
Actuarial Gains / (Losses)*	1	–
Benefits paid	–	–
Closing Fair Value of Plan Assets	135	103
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	135	103

PARTICULARS	2013-14	2012-13
Present value of the defined obligations at the end of the year	153	118
Funded status [Surplus / (Deficit)]	(18)	(15)
Unrecognised past service cost	–	–
Net Asset /(Liability) recognised in the balance sheet	(18)	(15)
Net Gratuity cost for the year ended March 31, 2014		
Service Cost	12	10
Interest on Defined benefit Obligation	10	1
Expected return on plan assets	(9)	(1)
Net actuarial loss recognised in the year	8	3
Net Gratuity Cost	21	13
Categorisation of plan assets is as follows		
Investor Pattern	**2013-14**	**2012-13**
Insurer managed funds:		
Government Securities	40%	30%
Deposit & money market securities	19%	15%
Debentures / Bonds	32%	47%
Equity Shares	9%	8%
	100%	100%
PARTICULARS	**2013-14**	**2012-13**
Assumptions		
Discount Rate	9.30%	8.00%
Expected Rate of Return on Plan Assets	8%	8%
Salary Escalation Rate	7.50% p.a for first 5 years and 5% thereafter.	7.50% p.a for first 5 years and 5% thereafter.
Mortality table	Indian Assured Lives (1994-96) (modified) Ultimate	Indian Assured Lives (1994-96) (modified) Ultimate
Withdrawal rate	0 – 2 years:10%	0 – 2 years:10%
	3 – 4 years: 5%	3 – 4 years: 5%
	5 – 9 years: 2.5%	5 – 9 years: 2.5%
	10 and more: 1%	10 and more: 1%

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

Experience adjustment	2013-14	2012-13	2011-12	2010-11	2009-10
- On Plan Liabilities	(26)	*	*	(3)	1
- On Plan Assets	1	*	–	–	–
Present value of benefit obligation	153	118	15	6	3
Fair value of Plan Assets	134	103	13	–	–
Excess of (obligation over plan assets)	19	15	2	6	3

* less then ₹ 50,000/-

The Company expects to contribute approximately ₹ 19 Lakh to the gratuity fund during FY 2014-15. (Previous Year ₹ 15 Lakh)

Long Term Service Awards :

Long Term Service award is an employee benefit in recognition for their loyalty and continuity of service for five years and above, the same is actuarially valued (Unfunded). The Long Term Service awards expense for financial year 2013-14 is ₹ 3 Lakh (Previous year ₹ 2 Lakh) and the provision as at March 31, 2014 is ₹ 8 Lakh (Previous year ₹ 5 Lakh)

27. **Disclosure as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" notified under the Companies (Accounting Standard) Rules, 2006:**

A. **List of related parties and relationship:**

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

B. **Transactions carried out with related parties referred in "A" above, in ordinary course of business:**

(₹ in Lakh)

Sr. No.	Party Name		Nature of transaction	2013-14	2012-13
1	Tata Sons Limited	a)	Expenses		
			- Brand Equity Contribution	160	96
		b)	Balance Payable	160	96
2	Tata Capital Limited	a)	Subscription of Share Capital		
			- Equity Shares	–	2,600
			- Preference Shares	14,900	10,500
			- Subordinated debt	–	3,300
		b)	ICD taken / repaid during the year		
			- ICDs accepted during the year	57,605	64,200
			- ICDs repaid during the year	61,655	60,150
		c)	Interest Expense on		
			- ICDs	102	189
			- Debentures	338	206
			- Share Application Money Pending Allotment	–	20
		d)	Reimbursement of expense	1	16
		e)	Management Fee	325	268
		f)	Dividend paid	227	–
		g)	Balance Payable	33	4,092
3	Tata Capital Financial Services Limited	a)	Asset Transfer		
			- Fixed Assets	–	82
			- Security Deposit	–	34
		b)	Liability Transfer		
			- Transfer to employee Loan	2	

Sr. No.	Party Name	Nature of transaction	2013-14	2012-13
		c) Others		
		- ESOP & Leave salary transfer	–	8
		d) Expenses		
		- Reimbursement of expenses	178	150
		- Rent Expenses	536	500
		- Brokerage	2	16
		e) Income		
		- Sourcing fee	10	284
		f) Expense		
		- Sourcing fee	106	–
		g) Balance Payable		
		- Towards expense payable on Company's behalf	36	73
4	e-Nxt Financials Limited	a) Expenses		
		- Service provided charges	439	383
		b) Balance Payable	96	129
5	TC Travel and Services Limited	a) Expenses		
		- Service provided charges	52	60
		b) Balance Payable	8	3
6	Tata Consultancy Services Limited	a) Expenses		
		- I.T. Service provided charges	876	537
		b) Balance Payable	345	178
8	Tata Securities Limited	a) Expenses		
		- Arranger fee paid	–	2
		b) Balance Payable	–	–
9	Tata AIA Life Insurance Company Limited	a) Amount paid on behalf of customer	253	584
		b) Administrative Income earned	157	128
		c) Balance payable	82	79
10	Tata AIG General Insurance Company Limited	a) Expenses		
		- Insurance premium paid	1	–
		b) Balance Payable	–	–
11	Tata Business Support Services Limited	a) Expenses		
		- Service Provided Charges	7	13
		b) Balance Payable	–	–
12	Tata Cleantech Capital Limited	a) Expenses		
		- Service Provided Charges*	–	–
		b) Balance Payable	–	–
13	Key Management Personnel	a) Remuneration	157	155

* Less than ₹ 50,000/-

28. EARNINGS PER SHARE (EPS):

PARTICULARS		2013-14	2012-13
Profit after tax		5,828	2,788
Less: Preference share dividend on Compulsorily convertible cumulative preference shares (Including Dividend Distribution Tax)		1,779	266
Profit after tax available to equity shareholders	₹ in Lakh	4,049	2522
Weighted average number of Equity shares used in computing Basic earnings per share	Nos	253,333,332	246,264,839
Face value of equity shares	Rupees	10	10
Basic earnings per share	Rupees	1.60	1.02
Profit after tax for Basic EPS	₹ in Lakh	4,049	2,522
Add: Preference share dividend on Compulsorily convertible cumulative preference shares (Including Dividend Distribution Tax)	₹ in Lakh	1,779	266
Profit after tax for Diluted EPS		5,828	2,788
Weighted average number of Equity shares used in computing Diluted earnings per share	Nos	342,260,513	265,666,314
Face value of equity shares	Rupees	10	10
Diluted earnings per share (Anti Dilutive)	Rupees	1.70	1.05
Diluted earnings per share	Rupees	1.60	1.02

29. LEASE PAYMENTS

(₹ in Lakh)

Lease Payments	2013-14	2012-13
- Within one year	99	88
- Later than one year and not later than five years	314	216
- Later than five years	38	37

The amount charged towards lease rental as part of Rent expenditure in ₹ 681 Lakh (Pervious year ₹ 610 Lakh)

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

I Capital to Risk Assets Ratio (CRAR)

(₹ in Lakh)

Items	As at March 31, 2014	As at March 31, 2013
CRAR (%)	15.14%	13.43%
CRAR – Tier I Capital (%)	10.65%	9.04%
CRAR – Tier II Capital (%)	4.49%	4.39%

II Exposure to Real Estate Sector

(₹ in Lakh)

Category	2013-14	2012-13
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 ₹ 15 Lakh	64,073	34,299
(ii) Individual housing loans above ₹ 15 Lakh	450,099	291,176
(iii) Other housing loans		

Category	2013-14	2012-13
- Loan given to corporate	9,636	5,976
- Non Housing Loan against residential property	57,666	39,245
- Non Housing Loan against non residential property	21,924	31,479
(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. 30,912	30,912	19,320
(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	**634,310**	**421,495**

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

III Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities as per NHB format

For the year 2013-14 (₹ in Lakh)

PARTICULARS	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 30/31 days (One month)	34,697	25,185	7,758	–
Over One months to 2 months	–	40,365	3,441	–
Over 2 months unto 3 months	1,300	4,897	3,333	–
Over 3 months to 6 months	12,967	18,161	9,395	–
Over 6 months to 1 year	10,935	42,169	18,044	–
Over 1 year to 3 years	121,236	91,720	70,287	–
Over 3 years to 5 years	122,799	2,500	64,163	–
Over 5 to 7 years	6,821	1,000	73,869	–
Over 7 to 10 years	2,217	24,570	118,943	–
Over10 years	1,795	–	267,339	–
Total	**314,767**	**250,567**	**636,572**	**–**

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

Maturity pattern of certain items of Assets and Liabilities as per NHB format

For the year 2012-13 (₹ in Lakh)

PARTICULARS	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 30/31 days (One month)	18,708	8,150	3,878	–
Over One months to 2 months	–	55,302	1,018	–
Over 2 months puts 3 months	350	1,786	941	–

PARTICULARS	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
Over 3 months to 6 months	350	17,195	3,140	–
Over 6 months to 1 year	34,151	11,333	9,496	–
Over 1 year to 3 years	49,871	81,111	42,783	–
Over 3 years to 5 years	68,969	6,460	42,935	–
Over 5 to 7 years	2,101	2,000	49,726	–
Over 7 to 10 years	207	20,950	85,083	–
Over10 years	327	–	184,695	–
Total	**175,034**	**204,287**	**423,695**	**–**

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

For and on Behalf of the Board of Directors

Praveen P. Kadle
(Chairman)

Janki Ballabh
(Director)

S. H. Rajadhyaksha
(Director)

R.Vaithianathan
(Managing Director)

G. Sankaranarayanan
(Director)

S Balakrishna Kamath
(Chief Financial Officer & Company Secretary)