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T R Chadha & Co LLP
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Independent Auditors' Report

To the Member of
Tata Capital Housing Finance Limited

Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of Tata Capital Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

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

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S	Key Audit Matter	Auditor's Response
a.	**Impairment of Financial Instruments** Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgement and estimates include: 1. Estimating the behavioral life of the product 2. Data inputs in relation to ECL model 3. Application of the micro economic variables on a forward-looking basis 4. Determination of loan book segmentation, probability of defaults, loss given defaults and exposure at default.	Our audit approach/procedures included the following: • Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors. • Performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. • Evaluated the design of general IT and application controls over key systems used in the ECL process and tested the relevant manual controls • Evaluated the reasonableness of the methodology and tool to compute ECL rates. • Performed test of details over calculations of ECL rate computation, in relation to the completeness and accuracy of data on sample basis. • Obtained written representations from the management on the reasonableness of the significant assumptions used in computation of ECL provision. • Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages.

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		• Assessed the disclosures included in the Ind-AS financial statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures.
b.	**Evaluation of Company's Information Technology (IT) systems and Controls over Financial Reporting** The information system is a critical component of Company's operations, enabling efficient processing of transactions, safeguarding of information, and supporting decision-making. The financial accounting and reporting systems of the Company are also fundamentally reliant on IT systems and IT controls. As such, it is important for us to evaluate the effectiveness of information system controls to ensure the correctness, integrity, availability, and confidentiality of data. We identified 'IT systems and controls including audit trail (audit log)' as key audit matter because of the pervasive nature of IT environment and the scale and complexity of the IT architecture.	Our audit approach/procedures include the following: • Evaluated the extent to which the controls are designed and implemented to mitigate the risk of material misstatement in financial reporting. • Obtained an understanding of the IT control environment and IT policies during the audit period. • Testing IT general controls related to User, Change Management Controls, Information Security Controls, Log management and Data backup. • Assessment and identification of key IT applications including those identified by the management for audit trail (audit log) further verifying, testing, and reviewing the design and operating effectiveness of the IT system based on reports and other financial and non-financial information generated from the system on a test check basis.

4. Other Information

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

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express any form of assurance conclusion thereon.

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

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

5. Management's Responsibility for the Financial Statements

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

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

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Financial Statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

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

7. Report on Other Legal and Regulatory Requirements

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

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

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

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in para III(f) below on reporting under rule 11(g).

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

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

g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under section 143(3)(b) and paragraph III(f) below on reporting under rule 11(g).

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

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a) The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its Financial Statements - Refer Note 31 of Financial Statements;

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

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

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

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

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

e) As stated in Note 21.3 to the financial statements, the Company has not declared and paid interim dividend during the year and until the date of this report.

f) Based on our examination, the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all the relevant transactions recorded in the software except the audit trail feature for interest rate reset for LAP Drop Line accounts of the Company which was in operation only from March 1, 2024. Further, Audit trail feature has not been tampered with.

g) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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IV. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act.

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

S. S. Agaskar

Suresh Agaskar
Partner
Membership No. 110321
UDIN: 24110321BKETHW8847
Place: Mumbai
Date: May 02, 2024

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

Vikas Kumar

Vikas Kumar
Partner
Membership No. 075363
UDIN: 24075363BKGYNH1335
Place: Mumbai
Date: May 02, 2024

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

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

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

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

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

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

(c)The title deeds of the immovable properties included in property, plant and equipment are held in the name of the Company.

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

(e)As disclosed by the Management in note 49 and as confirmed to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

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

(b)The Company has been sanctioned working capital limit in excess of Rs 5 crores in aggregate during the year from banks on the basis of security of current assets and the quarterly returns/statements are filed by the Company with such Banks. As disclosed by the management in note 15.10 of the financial statements and as verified by us, the same are in agreement with the books of accounts of the Company.

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

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

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

(c) In respect of loans and advances in nature of loans, granted by the Company during the normal course of its business, having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for

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C N K & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS repayment or receipt and the extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay. Further for loans where there are delays or defaults in repayment of principal and / or payment of interest as at the balance sheet date, the summary of the same are disclosed by Management in Note 39(A)(i)(1)(a) of Notes to Financial Statements.

(d) In respect of loans granted by the Company, the overdue amount remaining outstanding as at the balance sheet date is as reported by the management in Note 39(A)(i)(1)(a) of Notes of the Financial Statements. The total amount overdue for more than 90 days amounts to Rs. 493.89 crore with respect to 2,113 borrowers. The Company has taken reasonable steps in its normal course of business for recovery of overdue principal and interest in respect of such loans;

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

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year except loan given to TCL Employee Welfare Trust (a related party) aggregating to Rs. 2.37 crore which is repayable on demand. The same accounts for less than 0.01% of total gross advances as at March 31, 2024;

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

v. The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being a housing finance company registered with the National Housing Bank, and also the Company has not accepted any deposits from public or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

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

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

Further, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they become payable.

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(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2024 on account of disputes are given below;

Nature of Act	Forum	Period (AY)	Amount (Rupees in Crores)
Income Tax Act	CIT Appeals	2018-2019	0.51
Income Tax Act	CIT Appeals	2020-2021	0.17

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

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

(b) As disclosed by the management in note 49 and as confirmed to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The term loans availed by the Company have been generally applied for the purpose for which they were raised; other than temporary deployment of such funds pending final application of proceeds;

(d) On an overall examination of financials statement of the Company, funds raised by the Company on short term basis, have prima facie not been used during the year for long term purposes;

(e) The Company does not have any subsidiary, joint venture or associates and accordingly, the provision of Clause 3 (ix) (e) and (f) of the Order is not applicable.

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

(b) During the year, the Company has made preferential allotment of right shares and the requirement of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the same were raised.

xi. (a) We report that no fraud by the Company has been noticed or reported during the year nor have we been informed of any such case by the management. As regards to fraud on the Company, there is one instance aggregating to Rs.18.14 crore wherein frauds have been perpetrated by the Borrower of the Company as disclosed in note 41.15 of financial Statements.

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

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(c) As represented to us by the Management, no whistle blower complaints have been received by the Company during the year.

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

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an in house internal audit system which in our opinion is commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued related to the period under audit have been considered by us.

(xv) During the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence requirement to report on clause 3(xv) of the Order is not applicable.

(xvi) (a) As the Company is a Non-Banking Financial Company and registered under National Housing Bank (NHB) Act, 1987, it has been exempted from the requirement of Registration under section 45-IA of Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) (a) of the Order is not applicable to the Company.

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

(c) The Company is not a Core Investment Company and hence reporting under clause (xvi)(c) of the Order is not applicable

(d) The Group has five CICs which are registered with the Reserve Bank of India and two CICs which are not required to be registered with the Reserve Bank of India.

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

(xviii) There has been no resignation of the statutory auditors during the year and hence reporting under clause (xviii) of the Order is not applicable.

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

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

(xxi) Reporting under the clause (xxi) of the Order is not applicable as the same is required to be reported only in case of Consolidated Financial Statements.

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

Suresh Agaskar
Partner
Membership No. 110321
UDIN: 24110321BKETHW8847
Place: Mumbai
Date: May 02, 2024

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

Vikas Kumar
Partner
Membership No. 075363
UDIN: 24075363BKGYNH1335
Place: Mumbai
Date: May 02, 2024

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

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

We have audited the internal financial controls with reference to financial statements of **TATA CAPITAL HOUSING FINANCE LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements, both issued by the ICAI.Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial

CNK & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

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

CNK & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

Suresh Agaskar
Partner
Membership No. 110321
UDIN: 24110321BKETHW8847
Place: Mumbai
Date: May 02, 2024

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

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Vikas Kumar
Partner
Membership No. 075363
UDIN: 24075363BKGYNH1335
Place: Mumbai
Date: May 02, 2024

Tata Capital Housing Finance Limited

Balance Sheet
as at March 31, 2024

(Rs. in crore)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	1,658.11	698.28
(b) Bank balances other than (a) above	4	51.02	0.52
(c) Derivative financial instruments	6	49.50	45.13
(d) Receivables			
(i) Trade receivables	5	29.38	25.35
(ii) Other receivables		-	-
(e) Loans	7	51,401.88	36,916.71
(f) Investments	8	969.29	2,648.43
(g) Other financial assets	9	16.63	16.24
Total Financial assets		54,175.81	40,350.66
(2) Non-Financial assets			
(a) Current tax assets (Net)	10.2	5.27	13.83
(b) Deferred tax assets (Net)	10	79.23	136.30
(c) Investment Property	11	3.02	3.21
(d) Property, plant and equipment	11	69.50	46.29
(e) Capital work-in-progress	11.1	0.08	10.16
(f) Intangible assets under development	11.2	1.04	0.18
(g) Other intangible assets	11	8.56	8.01
(h) Right of use assets	40	114.72	76.38
(i) Other non-financial assets	12	18.11	15.37
Total Non-Financial assets		299.53	309.73
Total Assets		54,475.34	40,660.39
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments	6	6.57	0.16
(b) Payables			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	13.1	1.27	2.27
- Total outstanding dues of creditors other than micro enterprises and small enterprises	13	157.14	131.20
(ii) Other payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt Securities	14	21,437.97	16,287.43
(d) Borrowings (Other than debt securities)	15	24,455.83	17,639.49
(e) Subordinated liabilities	16	1,377.18	1,105.58
(f) Lease Liabilities	40	122.32	78.93
(g) Other financial liabilities	17	85.36	415.46
Total Financial liabilities		47,643.64	35,660.52
(2) Non-Financial liabilities			
(a) Current tax liabilities (Net)	10.3	24.99	59.31
(b) Provisions	18	35.20	39.94
(c) Other non-financial liabilities	19	60.51	36.58
Total Non-Financial liabilities		120.70	135.83
(3) Equity			
(a) Equity share capital	20	596.15	570.75
(b) Other equity	21	6,114.85	4,293.29
Total Equity		6,711.00	4,864.04
Total Liabilities and Equity		54,475.34	40,660.39
Summary of material accounting policy information	2		
See accompanying notes forming part of the financial statements	3-50		

In terms of our report of even date

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

Suresh Agaskar
Partner
Membership No: 110321
Mumbai

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

Vikas Kumar
Partner
Membership No: 075363
Mumbai

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

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)
Mumbai

Sujit Kumar Varma
Director
(DIN No. : 09075212)
Mumbai

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

Ankur Verma
Director
(DIN No. : 07972892)
Mumbai

Malvika Sinha
Director
(DIN No. : 08373142)
Mumbai

Nagaraj Ijari
Director
(DIN No. : 09390579)
Mumbai

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

Mahadeo Raikar
Chief Financial Officer
Mumbai

Sanka Gupta
Company Secretary
Mumbai

Mumbai
02 May 2024

Tata Capital Housing Finance Limited

Statement of Profit and Loss
for the year ended March 31, 2024

(Rs. in crore)

Particulars		Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Revenue from operations**			
(i)	Interest Income	22	4,840.64	3,625.08
(ii)	Fees and commission Income	23	77.71	59.47
(iii)	Net gain on fair value changes	25	56.57	47.43
II	**Other income**	26	214.28	86.34
III	**Total Income (I+II)**		5,189.20	3,818.32
IV	**Expenses**			
(i)	Finance costs	27	2,935.13	2,051.54
(ii)	Impairment / (Reversal) on financial instruments	29	(148.47)	32.14
(iii)	Employee benefits expenses	28	446.76	308.22
(iv)	Depreciation, amortisation and impairment	11	44.39	27.86
(v)	Other expenses	30	372.26	297.58
	Total expenses (IV)		3,650.07	2,717.34
V	**Profit before exceptional items and tax (III-IV)**		1,539.13	1,100.98
VI	**Exceptional Items**		-	-
VII	**Profit before tax (V-VI)**		1,539.13	1,100.98
VIII	Tax expense			
	(1) Current tax	10.1	332.23	269.34
	(2) Deferred tax	10.1	59.23	10.79
	Total tax expense		391.46	280.13
IX	**Profit for the year (VII-VIII)**		1,147.67	820.85
X	**Other Comprehensive Income**			
	(i) Items that will be reclassified subsequently to statement of profit or loss			
	(a) The effective portion of gain / (loss) on hedging instruments in a cash flow hedge		(8.60)	10.37
	(b) Income tax relating to effective portion of gain / (loss) on hedging instrument in a cash flow hedge		2.16	(2.61)
	(ii) Items that will not be reclassified subsequently to statement of profit or loss			
	(a) Remeasurement of defined employee benefit plans		0.46	(2.33)
	(b) Income tax relating to items that will not be reclassified to profit or loss		(0.12)	0.59
	Total Other Comprehensive Income (i+ii)		(6.10)	6.02
XI	**Total Comprehensive Income for the year (IX+X) (Comprising Profit and Other Comprehensive Income for the year)**		1,141.57	826.87
XII	**Earnings per equity share (Face value : Rs. 10 per share):**			
	(1) Basic (Rs.)		20.04	14.98
	(2) Diluted (Rs.)		20.04	14.98

Summary of material accounting policy information — 2
See accompanying notes forming part of the financial statements — 3-50

In terms of our report of even date

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Chartered Accountants
Firm's Registration No: 101961W/ W-100036

Suresh Agaskar
Partner
Membership No: 110321
Mumbai

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

Vikas Kumar
Partner
Membership No: 075363
Mumbai

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

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)
Mumbai

Sujit Kumar Varma
Director
(DIN No. : 09075212)
Mumbai

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

Ankur Verma
Director
(DIN No. : 07972892)
Mumbai

Malvika Sinha
Director
(DIN No. : 08373142)
Mumbai

Nagaraj Ijari
Director
(DIN No. : 09390579)
Mumbai

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

Mahadeo Raikar
Chief Financial Officer
Mumbai

Sanna Gupta
Company Secretary
Mumbai

Mumbai
02 May 2024

Tata Capital Housing Finance Limited

Statement of Cash Flow
for the year ended March 31, 2024

(Rs. in crore)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		1,539.13	1,100.98
Adjustments for :			
Amortisation of Ancillary borrowing cost			
Depreciation and amortisation		44.39	27.86
Net loss on derecognition of property, plant and equipment		0.14	-
Net gain on modification/derecognition of right of use assets		(0.49)	(0.11)
Assets written off		0.04	-
Interest expenses		2,935.13	2,051.54
Interest income		(4,840.64)	(3,610.48)
Net gain on fair value changes		(56.57)	(47.43)
Remeasurement of defined employee benefit plans through OCI		0.46	(2.33)
Share based payments- Equity-settled		6.00	3.27
Provision for leave encashment		1.88	1.41
Provision for long-term service award		0.08	0.04
Impairment (gain) / loss allowance on financial instruments		(164.39)	17.27
Provision against trade receivables		15.91	14.87
Interest paid		(2,829.66)	(1,833.85)
Interest received		4,666.96	3,483.19
Operating Profit before working capital changes		1,318.37	1,206.23
Adjustments for :			
Increase in trade receivables		(19.94)	(23.96)
Increase in Loans		(14,166.85)	(8,313.38)
Increase in Other financial asset		(1.94)	(16.61)
Increase in Other non-financial assets		(4.64)	(0.14)
Increase in Trade payables		24.94	31.67
(Decrease) / Increase in Other financial liabilities		(330.64)	208.93
Increase in Other non-financial liabilities		23.92	8.13
Cash used in operations		(13,156.78)	(6,899.13)
Taxes paid (net off refunds)		(358.11)	(265.28)
1 Net Cash Used In Operating Activities (A)		(13,514.89)	(7,164.41)
2 CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment (including capital advances)		(36.62)	(47.13)
Proceeds from sale of property, plant & equipment		0.64	0.19
Purchase of mutual fund units		(1,17,565.86)	(1,00,495.27)
Proceeds from redemption of mutual fund units		1,19,773.76	99,888.87
Purchase of Investments		(1,648.16)	(1,673.76)
Proceeds from sale of investments		1,190.00	1,476.00
Net Purchase of fixed deposits with banks having maturity exceeding 3 month		(50.25)	-
Net Cash Generated From / (Used In) Investing Activities (B)		1,663.51	(851.10)

CNK & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Tata Capital Housing Finance Limited

Statement of Cash Flow
for the year ended March 31, 2024

(Rs. in crore)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
3 CASH FLOW FROM FINANCING ACTIVITIES			
Share Issue Expenses		(0.03)	(0.03)
Proceeds from issue of Equity Share Capital		700.00	500.00
Payment of ancillary borrowing cost		(10.10)	(22.70)
Interim dividend paid on Equity		-	(32.31)
Proceeds from Borrowings (Other than debt securities)		16,567.07	13,844.29
Proceeds from Debt Securities		12,196.70	11,410.22
Proceeds from Subordinated Liabilities		296.11	129.00
Repayment of Borrowings (Other than debt securities)		(9,777.53)	(10,038.75)
Repayment of Debt Securities		(7,100.70)	(7,686.54)
Repayment of Subordinated Liabilities		(36.20)	(79.30)
Repayment of Lease Liabilities		(24.11)	(15.35)
Net Cash Generated From Financing Activities (C)		12,811.21	8,008.53
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)		959.83	(6.98)
Cash And Cash Equivalents As At The Beginning Of The Year		698.28	705.26
Cash And Cash Equivalents As At The End Of The Year		1,658.11	698.28
Reconciliation of cash and cash equivalents as above with cash and bank balances			
Cash and Cash equivalents at the end of the year as per above		1,658.11	698.28
Add : Restricted Cash		0.24	0.07
Add: Fixed deposits with original maturity over 3 months		50.78	0.45
Cash And Cash Equivalents And Other Bank Balances As At The End Of The Year		1,709.13	698.80

Summary of material accounting policy information	2
See accompanying notes forming part of the financial statements	3-50

In terms of our report of even date

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

Suresh Agaskar
Partner
Membership No: 110321
Mumbai

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

Vikas Kumar
Partner
Membership No: 075363
Mumbai

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

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)
Mumbai

Sujit Kumar Varma
Director
(DIN No. : 09075212)
Mumbai

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

Ankur Verma
Director
(DIN No. : 07972892)
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Malvika Sinha
Director
(DIN No. : 08373142)
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Nagaraj Ijari
Director
(DIN No. : 09390579)
Mumbai

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

Mahadeo Raikar
Chief Financial Officer
Mumbai

Sanka Gupta
Company Secretary
Mumbai

CNK & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Mumbai
02 May 2024

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

Tata Capital Housing Finance Limited

Statement of Changes in Equity
for the year ended March 31, 2024

(Rs. in crore)

A. Equity share capital

Particulars	Rs. in crore
Balance as at April 1, 2022	547.56
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2022	547.56
Changes in equity share capital during the year	23.19
Balance as at March 31, 2023	570.75
Balance as at April 1, 2023	570.75
Changes in equity share capital due to prior period errors	
Restated balance as at April 1, 2023	570.75
Changes in equity share capital during the year	25.40
Balance as at March 31, 2024	596.15

B. Other equity

Particulars	Reserves and surplus					Items of other comprehensive income		Total Other equity
	Securities premium	Special reserve account	Retained earnings	Share options outstanding account	General reserve	Effective portion of cash flow hedge reserve	Remeasurement of defined benefit liability /asset	
Balance as at April 1, 2022	1,856.72	410.15	739.76	5.20	3.96	2.52	0.94	**3,019.25**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	**1,856.72**	**410.15**	739.76	**5.20**	**3.96**	**2.52**	**0.94**	3,019.25
Profit for the period	-	-	820.85	-	-	-	-	**820.85**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	7.76	(1.74)	**6.02**
Total	**1,856.72**	**410.15**	**1,560.61**	**5.20**	**3.96**	**10.28**	**(0.80)**	**3,846.12**
Interim Dividend on equity shares	-	-	(32.31)	-	-	-	-	**(32.31)**
Share issue expenses written-off	(0.03)	-	-	-	-	-	-	**(0.03)**
Addition to ESOP reserve	-	-	-	2.69	-	-	-	**2.69**
Transfer to General Reserve	-	-	-	(0.17)	0.17	-	-	-
Transfer to Special Reserve Account	-	164.17	(164.17)	-	-	-	-	-
Addition to Securities Premium Account	476.82	-	-	-	-	-	-	**476.82**
Balance as at March 31, 2023	**2,333.51**	**574.32**	**1,364.13**	**7.72**	**4.13**	**10.28**	**(0.80)**	**4,293.29**
Balance as at April 1, 2023	**2,333.51**	**574.32**	**1,364.13**	**7.72**	**4.13**	**10.28**	**(0.80)**	**4,293.29**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2023	**2,333.51**	**574.32**	**1,364.13**	**7.72**	**4.13**	**10.28**	**(0.80)**	4,293.29
Profit for the year	-	-	1,147.67	-	-	-	-	**1,147.67**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(6.44)	0.34	**(6.10)**
Total	**2,333.51**	**574.32**	**2,511.80**	**7.72**	**4.13**	**3.84**	**(0.46)**	**5,434.86**
Share issue expenses written-off	(0.04)	-	-	-	-		-	**(0.04)**
Addition to ESOP reserve	-	-	-	5.43	-	-	-	**5.43**
Transfer to General Reserve	-	-	-	(6.49)	6.49	-	-	-
Transfer to Special Reserve Account	-	229.53	(229.53)	-		-	-	-
Addition to Securities Premium Account	674.60	-	-	-	-	-	-	**674.60**
Balance as at March 31, 2024	**3,008.07**	**803.85**	**2,282.27**	**6.66**	**10.62**	**3.84**	**(0.46)**	**6,114.85**

Summary of material accounting policy information *2*
See accompanying notes forming part of the financial statements *3-50*

In terms of our report of even date

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

Suresh Agaskar
Partner
Membership No: 110321
Mumbai

For T R Chadha & Co LLP
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Partner
Membership No: 075363
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For and on behalf of the Board of Directors
Tata Capital Housing Finance Limited

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Chairman
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Sarosh Amaria
Managing Director
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Mumbai

Mahadeo Raikar
Chief Financial Officer
Mumbai

Sanna Gupta
Company Secretary
Mumbai

Mumbai
02 May 2024

CNK & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

MUMBAI

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

i. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act") (as amended), other relevant provisions of the Act, guidelines issued by the National Housing Bank and Reserve Bank of India ("RBI") as applicable to a HFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by NHB / RBI or other regulators are implemented as and when they are issued / applicable, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Material accounting policy information has been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the material accounting policy information hitherto in use. The financial statements were authorised for issue by the Board of Directors (BOD) on May 02, 2024.

ii. Presentation of financial statements

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

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

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

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

iii. Basis of measurement

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

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

CNK & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

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

iv. Measurement of fair values:

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

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

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

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

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

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

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

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

Refer notes 37A and 37B

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

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v. Use of estimates and judgements

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

Judgements:

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

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

Assumptions and estimation of uncertainties:

Information about assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2024 are included in the following notes:

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

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vi. Interest

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

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

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

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

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

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

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

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

Revenue in the form of income from financial advisory (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at the transaction price allocated to the performance obligation, in accordance with Ind AS 115 - Revenue from contracts with customers.

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

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

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

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

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

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

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

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

viii. Dividend income

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

ix. Leases

Asset taken on lease:

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

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

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

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

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

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

x. Borrowing cost:

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

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

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

xi. Financial Instruments

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

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

a) **Financial assets**

Classification

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

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

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

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

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

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made an investment – by – investment basis.

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

Business model assessment

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

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

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

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

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

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

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

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

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

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.

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

Reclassifications within classes of financial assets

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

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

Impairment of Financial Asset
Impairment approach

Overview of the Expected Credit Losses (ECL) principles

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

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

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

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

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

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

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

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

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

Undrawn loan commitments

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

Financial guarantee contract

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

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

• the amount of the loss allowance determined in accordance with Ind AS 109; and

• the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Company's revenue recognition policies. The Company has not designated any financial guarantee contracts as FVTPL.

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

The Measurement of ECLs

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

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

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

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

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

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

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

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

The mechanics of the ECL method are summarised below:

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

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

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

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

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

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

Impairment of Trade receivable

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

Write-off

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

Collateral valuation and repossession

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

The Company provides fully secured, partially secured and unsecured loans to individuals and Corporates. In its normal course of business upon account becoming delinquent, the Company physically repossess properties or other assets in its retail portfolio. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential

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properties, vehicles, plant and machinery under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale unless the title is also transferred in the name of the Company.

Presentation of ECL allowance for financial asset:

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

Modification and De-recognition of financial assets

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract.
Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

De-recognition of financial assets

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

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

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

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

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

Securitization and Assignment

In case of transfer of loans through securitisation and direct assignment transactions, the transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.
In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised in the Statement of Profit and Loss.

Financial liability and Equity

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

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

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

Financial liabilities

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

Classification

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

De-recognition of financial liabilities

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

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Equity

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

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

b) Derivative Financial Instruments

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

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

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

Cash flow hedges

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

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

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. If the hedged future cash flows are no longer expected to occur, then the

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amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

c) Cash, Cash equivalents and bank balances

Cash, Cash equivalents and bank balances include fixed deposits, margin money deposits, and earmarked balances with banks are carried at amortised cost.

xii. Property, plant and equipment (PPE)

a) PPE

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

b) Capital work-in-progress

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

c) Other Intangible assets

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

d) Intangible assets under development

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

e) Depreciation and Amortisation

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

Depreciation on tangible property, plant and equipment deployed for own use has been provided on the straight-line method as per the useful life prescribed in Schedule II to the

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Companies Act, 2013 except in respect of buildings, computer equipment, office equipment and vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation for additions to/deductions from owned assets is calculated pro rata to the remaining period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. All capital assets with individual value less than Rs. 5,000 are depreciated fully in the year in which they are purchased.

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

Estimated useful life considered by the Company are:

Leasehold Improvements	As per lease period
Furniture and Fixtures	10 years
Computer Equipment	4 years
Office Equipment	5 years
Vehicles	4 years
Software Licenses	1 to 10 years
Buildings / Investment Property	25 years
Plant & Machinery	10 years

f) **Investment property**

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

Depreciation on investment property is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation is provided on useful life of assets as prescribed in Schedule II to the Companies Act, 2013.

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

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g) Impairment of assets

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

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

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

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

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

xiii. Non-Current Assets held for sale:

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

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

The Company has a policy to make impairment provision at one third of the value of the Asset for each year upon completion of three years up to the end of five years based on the past observed pattern of recoveries. Losses on initial classification as Held for sale and subsequent

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gains & losses on remeasurement are recognised in Statement of Profit and loss. Once classified as Held for sale, the assets are no longer amortised or depreciated.

xiv. Employee Benefits

Defined Contribution benefits include superannuation fund.

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

Defined contribution plans

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

Defined benefit plans

The Company makes Provident Fund contributions, a defined benefit plan for qualifying employees. Under the Schemes, both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office, as specified under the law, are made to the provident fund set up as an irrevocable trust by Tata Capital Limited ("the ultimate parent Company"). The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall on account of , if any, shall be made good by the Company. Hence the Company is liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government. The total liability in respect of the interest shortfall of the Fund is determined on the basis of an actuarial valuation. The interest liability arising only to the extent of the aforesaid differential shortfalls is a defined benefit plan. There is no such shortfall as at March 31, 2024.

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. As per Ind AS 19, the service cost and the net interest cost are charged to the Statement of Profit and Loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. Past service cost is recognised immediately to the extent that the benefits are already vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

'The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render

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the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the reporting period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

Other long-term employee benefits

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

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

Share based payment transaction

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

xv. Foreign currency transactions

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

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

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

xvi. Operating Segments

The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc., of houses/ flats to individuals and corporate bodies and has it's operations

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

xvii. Earnings per share

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

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

xviii. Taxation

Income Tax

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

Current Tax

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

Deferred Tax

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

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

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

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

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xix. Goods and Services Input Tax Credit

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

xx. Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent assets/liabilities

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

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

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

xxi. Commitments

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

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

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xxii. Statement of Cash Flows

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

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

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

xxiii. Dividend payable

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

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

xxiv. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

3. CASH AND CASH EQUIVALENTS

PARTICULARS	As at March 31, 2024	As at March 31, 2023
(a) Balances with banks		
- in fixed deposit accounts (with original maturity of 3 months or less)	-	200.12
- in current accounts	1,538.34	497.97
(b) Cheques on hand	119.77	0.19
Total	**1,658.11**	**698.28**

3.1 Of the above, the balance that meet the definition of Cash and Cash Equivalents as per Ind AS 7 Cash Flow Statement is Rs. 1,658.11 crore (March 31, 2023 : 698.28 crore)

4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- In fixed deposit accounts (Refer note 4.1 below)	50.78	0.45
- In current accounts (Refer note 4.2 below)	0.24	0.07
Total	**51.02**	**0.52**

4.1 Balance with banks in fixed deposit accounts comprises deposits that have an original maturity exceeding 3 months at balance sheet date and to the extent held as margin money or security against the borrowings, guarantees, other commitments.

4.2 Balance with banks in current accounts comprises of Rs. 0.24 crore (March 31, 2023 : Rs.0.07 crore) towards unclaimed matured debentures and accrued interest thereon.

5. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2024	As at March 31, 2023
At amortised cost		
(i) Receivables considered good - Unsecured	23.83	9.53
(ii) Receivables which have significant increase in Credit Risk	5.67	15.82
(iii) Receivables - credit impaired	0.33	14.89
	29.83	**40.24**
Less: Impairment loss allowance		
(i) Receivables considered good - Unsecured	0.10	-
(ii) Receivables which have significant increase in Credit Risk	0.02	-
(iii) Receivables - credit impaired	0.33	14.89
Total	**29.38**	**25.35**

5.1 Trade receivables include amounts due from the related parties Rs. 24.36 crore (March 31, 2023: Rs. 0.61 crore).

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

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

5.3 TRADE RECEIVABLES *(Continued)*

PARTICULARS	As at March 31, 2024							
	Unbilled Dues	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	23.83	-	-	-	-	23.83
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	5.67	-	-	-	-	5.67
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.31	-	-	0.01	0.01	0.33
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total								**29.83**

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

PARTICULARS	As at March 31, 2023							
	Unbilled Dues	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	9.53	-	-	-	-	9.53
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	15.82	-	-	-	-	15.82
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	14.87	0.01	0.01	-	14.89
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total								**40.24**

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

(Rs. in crore)

6. Derivative financial instruments

Part I	As at 31 March 2024 Notional value	Fair value assets	Notional value	Fair value - Liabilities	As at 31 March 2023 Notional value	Fair value assets	Notional value	Fair value - Liabilities
(i) Currency derivatives :								
Spot and Forwards	-	-	226.15	6.57	-	-	232.79	0.16
Currency swaps	625.10	46.78	-	-	615.85	45.07	-	-
Subtotal (i)	**625.10**	**46.78**	**226.15**	**6.57**	**615.85**	**45.07**	**232.79**	**0.16**
(ii) Interest rate derivatives :								
Interest rate swaps[1]	-	2.72	-	-	-	0.06	-	-
Subtotal (ii)	-	2.72	-	-	-	0.06	-	-
Total derivatives	**625.10**	**49.50**	**226.15**	**6.57**	**615.85**	**45.13**	**232.79**	**0.16**
Part II								
Included in above (Part I) are derivative held for hedging and risk management purpose as follows:								
(i) Fair value hedging								
(ii) Cash flow hedging								
Currency derivatives	625.10	46.78	226.15	6.57	615.85	45.07	232.79	0.16
Interest rate derivatives	-	2.72	-	-	-	0.06	-	-
Total derivatives	**625.10**	**49.50**	**226.15**	**6.57**	**615.85**	**45.13**	**232.79**	**0.16**

Notes:

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

2. Notional amounts of the respective currencies have been converted using exchange rates as at the balance sheet date.
3. Fair value assets and liabilities are presented as derivative financial instruments in the financial statements.

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

PARTICULARS	Hedging gains or (losses) recognised in other comprehensive income		Hedge ineffectiveness recognised in statement of profit and (loss)	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Forward exchange contracts, interest rate swaps and currency swaps	(8.60)	10.37	-	-

6.2 Change in fair value of hedging instrument and hedged item:

PARTICULARS	Change in fair value of hedging instrument		Change in the value of hedged item*	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Forward exchange contracts, interest rate swaps and currency swaps	(2.21)	56.40	(12.33)	14.58

*Change in the value of hedged item are presented as part of borrowings in the financial statements.

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

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	10.28	2.52
Effective portion of changes in fair value	(2.21)	56.40
Foreign currency translation differences	(12.33)	14.58
Amortisation of forward premium	5.94	(60.61)
Tax on movements on reserves during the year	2.16	(2.61)
Closing Balance	3.84	10.28

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

6.4 Hedge Ratio: There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward contracts, interest rate swaps and cross currency swaps contract match that of the foreign currency borrowings. The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward contracts, interest rate swaps and cross currency swaps are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the dollar offset method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.

6.5 Net investment hedging : Nil

6.6 Undesignated Derivatives : Nil

Tata Capital Housing Finance Ltd. Mumbai

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

7. LOANS

PARTICULARS	As at March 31, 2024	As at March 31, 2023
At amortised cost		
(I) Term loans		
- Housing Loans	36,524.27	27,075.72
- Non Housing Loans	15,309.17	10,445.22
- Credit Substitutes (refer note no. V below)	200.30	201.49
- Retained portion of assigned loans	5.97	8.67
Others		
- Loan to TCL Employee Welfare Trust (refer note no. VI below)	2.37	2.37
Gross Loans	**52,042.08**	**37,733.47**
Less: Impairment loss allowance		
- Stage I & II	334.42	429.70
- Stage III	286.51	348.65
Loans net of impairment loss allowance	**51,421.15**	**36,955.12**
- Unamortised loan sourcing costs	171.11	101.14
- Income received in advance	(190.38)	(139.55)
Total - I	**51,401.88**	**36,916.71**
(II)		
- Secured by tangible assets (refer note no. VII below)	48,120.93	35,140.50
- Secured by intangible assets (refer note no. VIII below)	1,730.77	1,117.34
- Covered by bank / government guarantees	19.38	62.89
- Unsecured	2,171.00	1,412.74
Gross Loans	**52,042.08**	**37,733.47**
Less: Impairment loss allowance		
- Stage I & II	334.42	429.70
- Stage III	286.51	348.65
Loans net of impairment loss allowance	**51,421.15**	**36,955.12**
- Unamortised loan sourcing costs	171.11	101.14
- Income received in advance	(190.38)	(139.55)
Total - II	**51,401.88**	**36,916.71**
(III)		
Loans in India		
- Public sector	-	-
- Others (refer note no. IX below)	52,042.08	37,733.47
Gross Loans	**52,042.08**	**37,733.47**
Less: Impairment loss allowance		
- Stage I & II	334.42	429.70
- Stage III	286.51	348.65
Loans net of impairment loss allowance	**51,421.15**	**36,955.12**
- Unamortised loan sourcing costs	171.11	101.14
- Income received in advance	(190.38)	(139.55)
Total - III	**51,401.88**	**36,916.71**
(IV)		
- Secured	48,192.54	34,318.23
- Unsecured	2,171.00	1,412.74
- Significant increase in credit risk (SICR)	1,184.65	1,417.32
- Credit impaired	493.89	585.18
Gross Loans	**52,042.08**	**37,733.47**
Less: Impairment loss allowance		
- Stage I & II	334.42	429.70
- Stage III	286.51	348.65
Loans net of impairment loss allowance	**51,421.15**	**36,955.12**
- Unamortised loan sourcing costs	171.11	101.14
- Income received in advance	(190.38)	(139.55)
Total - IV	**51,401.88**	**36,916.71**

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

(V) Investments in bonds, debentures and other financial assets which, in substance, form a part of the Company's financing activities ("Credit Substitutes") have been classified under Loans. Management believes that the classification results in a better presentation of the substance of these receivables and is in alignment with regulatory filings.

(VI) Loan repayable on demand pertains to loan given to TCL employee welfare trust (related party) and accounts for 0.01% of total gross loans and advances (March 31, 2023 : 0.01%).

(VII) Loans granted by the Company are secured by any or all of the following as applicable, based on their categorisation and disclosed accordingly as secured:
a) Equitable / registered mortgage of property.
b) Undertaking to create a security.
c) Against securities.

(VIII) Loans secured by intangible assets amounting to Rs. 1,730.77 crore (March 31, 2023: Rs. 1,117.34 crore) backed by development rights / slum development rights as collateral. The estimated value of such collateral is Rs. 6,189.07 crore (March 31, 2023: Rs. 5,033.29 crore).

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

(X) As per the Company's policy in terms of RBI circular RBI/2019-20/170, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, the Company can sell upto 10% out of its loans.

(XI) Disclosures for Loans or advances granted to promoters, directors and the related parties:

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Remarks
Promoter	-	0%	
Directors	-	0%	
KMPs	-	0%	
Related Parties	470.87	0.90%	Repayable on demand / Bullet payment

(XII) Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended

Loans to Directors, Senior Officers and Relatives of Directors:

Particulars	As at March 31, 2024	As at March 31, 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

(XIII) Impairment loss allowance excludes impairment allowance on loan commitments of Rs. 27.75 crore (March 31, 2023: Rs. 33.33 crore)

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

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T R Chadha & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

8. INVESTMENTS

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Investments in India		
(A) Investments carried at amortised cost - Quoted		
Government Securities	612.60	405.09
Treasury Bills	349.23	84.55
(B) Investments carried at fair value through profit or loss - Quoted		
Mutual funds	7.46	2,158.79
Total	**969.29**	**2,648.43**

8.1 There are no investments outside India.

8.2 Investments

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Value of Investments		
(i) Gross value of Investments	969.29	2,648.43
(a) In India	969.29	2,648.43
(b) Outside India	-	-
(ii) Provisions for Depreciation	-	-
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments	969.29	2,648.43
(a) In India	969.29	2,648.43
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

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Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

9. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2024	As at March 31, 2023
(a) Security deposits	16.31	16.04
(b) Advances to employees	0.32	0.20
Total	**16.63**	**16.24**

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

10. DEFERRED TAX ASSET (NET)

The major components of deferred tax assets and liabilities as at March 31, 2024 are as follows:

Particulars	Opening Balance	Recognised / (reversed) through profit and loss	Recognised / (reversed) through OCI	Closing Balance
Gross Deferred Tax Assets :-				
(a) Impairment loss allowance - stage III	77.35	(5.13)	-	72.22
(b) Impairment loss allowance - stage I & II	116.53	(25.38)	-	91.15
(c) Employee benefits	1.28	0.42	-	1.70
(d) Deferred income	34.65	12.71	-	47.36
(e) Depreciation on property, plant & equipment	0.71	0.19	-	0.90
(f) Right to use asset	2.61	1.76	-	4.37
(g) Other deferred tax assets	-	0.31	-	0.31
Gross Deferred Tax Liabilities :-				
(a) Deduction u/s 36(1)(viii)	(92.19)	(44.91)	-	(137.10)
(b) Fair value measurement of investments	(1.19)	0.80	-	(0.39)
(c) Fair value of cost flow hedge	(3.45)	-	2.16	(1.29)
Net deferred tax asset	136.30	(59.23)	2.16	79.23

The major components of deferred tax assets and liabilities as at March 31, 2023 are as follows:

Particulars	Opening Balance	Recognised / (reversed) through profit and loss	Recognised / (reversed) through OCI	Closing Balance
Gross Deferred Tax Assets :-				
(a) Impairment loss allowance - stage III	54.44	22.91	-	77.35
(b) Impairment loss allowance - stage I & II	133.82	(17.29)	-	116.53
(c) Employee benefits	0.92	0.36	-	1.28
(d) Deferred income	27.35	7.30	-	34.65
(e) Depreciation on property, plant & equipment	0.99	(0.28)	-	0.71
(f) Right to use asset	1.75	0.86	-	2.61
Gross Deferred Tax Liabilities :-				
(a) Deduction u/s 36(1)(viii)	(68.46)	(23.73)	-	(92.19)
(b) Fair value measurement of investments	(0.28)	(0.92)	-	(1.19)
(c) Fair value of cost flow hedge	(0.84)	-	(2.61)	(3.45)
Net deferred tax asset	149.70	(10.79)	(2.61)	136.30

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(Rs. in crore)

10. DEFERRED TAX ASSET (Continued)

10.1 INCOME TAXES

A. The income tax expense consist of the following:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax:		
Current tax expense for the year	331.62	269.34
Current tax benefit pertaining to prior years	0.61	-
Total	**332.23**	**269.34**
Deferred tax benefit		
Origination and reversal of temporary differences	59.23	10.79
Total income tax expense for the year	**391.46**	280.13

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before income taxes	1,539.13	1,100.98
Indian statutory income tax rate	25.17%	25.17%
Expected income tax expense	387.37	277.09
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Non deductible expenses	3.48	3.05
Tax on income at different rates	-	(0.01)
Tax pertaining to prior years	0.61	-
Total income tax expense (effective tax rate of 25.40%, March 31, 2023 25.39%)	**391.46**	280.13

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

C. Amounts recognised in OCI

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability liability / (asset)	0.46	(0.12)	0.34	(2.33)	0.59	(1.74)
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cost of hedge	(8.60)	2.16	(6.44)	10.37	(2.61)	7.76
Total	**(8.14)**	**2.04**	**(6.10)**	8.04	(2.02)	6.02

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

10.2 CURRENT TAX ASSETS (NET)

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
Advance tax (net of provision for Income tax Rs. 410.03 crore (March 31, 2023: Rs. 550.50 crore)	5.27	13.83
Total	5.27	13.83

10.3 CURRENT TAX LIABILITIES (NET)

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision for tax (net of advance tax Rs. 712.14 crore (March 31, 2023: Rs. 346.18 crore)	24.99	59.31
Total	24.99	59.31

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

11. PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTY

Particulars	Gross Block				Accumulated depreciation and amortisation				Net Carrying Value
	Opening balance as at April 1, 2023	Additions	Deletions	Closing balance as at March 31, 2024	Opening balance as at April 1, 2023	Depreciation/ Amortisation for the year*	Deletions	Closing balance as at March 31, 2024	as at March 31, 2024
Investment Property #^	4.32	-	-	4.32	1.11	0.19	-	1.30	3.02
	(4.32)	-	-	(4.32)	(0.84)	(0.27)	-	(1.11)	(3.21)
TANGIBLE ASSETS									
Buildings	2.48	-	-	2.48	0.66	0.11	-	0.77	1.71
	(2.48)	-	-	(2.48)	(0.63)	(0.03)	-	(0.66)	(1.82)
Leasehold Improvements	16.57	16.08	0.79	31.86	6.28	3.75	0.56	9.47	22.39
	(9.31)	(7.49)	(0.23)	(16.57)	(4.52)	(1.93)	(0.17)	(6.28)	(10.29)
Furniture & Fixtures	7.82	2.98	0.39	10.41	3.86	1.57	0.26	5.17	5.24
	(4.15)	(3.77)	(0.10)	(7.82)	(2.22)	(1.71)	(0.07)	(3.86)	(3.96)
Computer Equipment	31.93	13.66	5.55	40.04	12.70	9.31	5.49	16.52	23.52
	(19.58)	(17.05)	(4.70)	(31.93)	(11.63)	(5.76)	(4.69)	(12.70)	(19.23)
Office Equipment	7.18	3.41	0.26	10.33	3.25	1.66	0.23	4.68	5.65
	(4.29)	(2.96)	(0.07)	(7.18)	(2.49)	(0.82)	(0.06)	(3.25)	(3.93)
Plant & Machinery	5.74	3.49	0.30	8.93	1.36	0.82	0.23	1.95	6.98
	(3.06)	(2.75)	(0.07)	(5.74)	(0.94)	(0.45)	(0.03)	(1.36)	(4.38)
Vehicles	3.88	2.77	0.65	6.00	1.20	1.14	0.35	1.99	4.01
	(2.68)	(2.05)	(0.85)	(3.88)	(1.25)	(0.75)	(0.80)	(1.20)	(2.68)
PROPERTY, PLANT AND EQUIPMENT - TOTAL	75.60	42.39	7.94	110.05	29.31	18.36	7.12	40.55	69.50
	(45.55)	(36.07)	(6.02)	(75.60)	(23.68)	(11.45)	(5.82)	(29.31)	(46.29)
Software	15.30	4.20	-	19.50	7.29	3.65	-	10.94	8.56
	(10.97)	(4.33)	-	(15.30)	(4.95)	(2.34)	-	(7.29)	(8.01)
INTANGIBLE ASSETS - TOTAL	15.30	4.20	-	19.50	7.29	3.65	-	10.94	8.56
	(10.97)	(4.33)	-	(15.30)	(4.95)	(2.34)	-	(7.29)	(8.01)
Total	90.90	46.59	7.94	129.55	36.60	22.01	7.12	51.49	78.06
	(56.52)	(40.40)	(6.02)	(90.90)	(28.63)	(13.79)	(5.82)	(36.60)	(54.30)

Note : Figures in bracket relate to March 31, 2023.

Fair value of investment property as on March 31, 2024 Rs. 8.59 crore (March 31, 2023 : Rs. 8.53 crore). The fair value of the investment properties has been determined by an external independent property valuer.
* Total depreciation charged for the year in the Statement of Profit and Loss includes depreciation on right to use assets. Depreciation on right to use assets for the year is Rs. 22.19 crore (March 31, 2023: Rs. 13.80 crore).
^ Immovable property having net carrying value amounting to Rs. 0.22 crore (March 31, 2023: Rs. 0.24 crore) is hypothecated against borrowings, refer note 14.1(a) and 39B (iii).
The Company confirms that the title deeds of immovable properties and lease agreements for all the leased premises are held in the name of the Company.
None of the class of property, plant and equipment are revalued during the year.
Income earned and expense incurred in connection with investment property:

Particulars	As at March 31, 2024	As at March 31, 2023
Rental Income	0.05	0.07
Direct Operating expense from property that generated rental income	0.03	0.03
Direct Operating expense from property that did not generate the rental income*	0.00	-

* less than Rs. 50,000/-

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

11.1 CAPITAL WORK IN PROGRESS

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Opening Balance	10.16	3.52
Additions (Net)	32.31	42.71
Deductions	42.39	36.07
Closing Balance	0.08	10.16

As at March 31, 2024

PARTICULARS	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	0.08	-	-	-	0.08
(ii) Projects temporarily suspended	-	-	-	-	-
Total					0.08

CWIP completion schedule

PARTICULARS	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	0.08	-	-	-	0.08
(ii) Projects temporarily suspended	-	-	-	-	-
Total					0.08

As at March 31, 2023

PARTICULARS	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	10.16	-	-	-	10.16
(ii) Projects temporarily suspended	-	-	-	-	-
Total					10.16

CWIP completion schedule

PARTICULARS	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	10.16	-	-	-	10.16
(ii) Projects temporarily suspended	-	-	-	-	-
Total					10.16

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

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(Rs. in crore)

11.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Opening Balance	0.18	0.56
Additions (Net)	5.06	3.95
Deductions / Adjustments	4.20	4.33
Closing Balance	**1.04**	**0.18**

As at March 31, 2024

PARTICULARS	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	0.99	-	0.05	-	**1.04**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**1.04**

Intangible assets under development completion schedule

PARTICULARS	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	1.04	-	-	-	**1.04**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**1.04**

As at March 31, 2023

PARTICULARS	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	0.08	0.10	-	-	**0.18**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**0.18**

Intangible assets under development completion schedule

PARTICULARS	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	0.18	-	-	-	**0.18**
(ii) Projects temporarily suspended	-	-	-	-	-
Total					**0.18**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

12. OTHER NON-FINANCIAL ASSETS

PARTICULARS	As at March 31, 2024	As at March 31, 2023
(a) Capital advances	0.27	1.05
(b) Prepaid Expenses	8.29	6.31
(c) Balances with government authorities	5.64	5.23
(d) Other advances	3.91	2.78
Total	**18.11**	**15.37**

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

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T R Chadha & Co LLP CHARTERED ACCOUNTANTS MUMBAI

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

13. TRADE PAYABLES

PARTICULARS	As at March 31, 2024	As at March 31, 2023
(i) Accrued expenses	144.85	123.13
(ii) Payable to Dealers/Vendors	7.96	9.10
(iii) Others	5.60	1.24
Total	**158.41**	**133.47**

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

13.1 Total outstanding dues of micro enterprises and small enterprises

PARTICULARS	As at March 31, 2024	As at March 31, 2023
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1.27	2.27
(b) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
(e) The amount further of interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23	-	-
Total	**1.27**	**2.27**

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

13.2 TRADE PAYABLES (Continued)

PARTICULARS	As at March 31, 2024 Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	1.27	-	-	-	**1.27**
(ii) Others	144.85		12.29	-	-	-	**157.14**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**144.85**	**-**	**13.56**	**-**	**-**	**-**	**158.41**

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

PARTICULARS	As at March 31, 2023 Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	2.27	-	-	-	**2.27**
(ii) Others	123.13	-	8.07	-	-	-	**131.20**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**123.13**	**-**	**10.34**	**-**	**-**	**-**	**133.47**

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

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

14. DEBT SECURITIES

PARTICULARS	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Secured - In India		
Privately Placed Non-Convertible Debentures (Refer note 14.1 (a) and 14.2 below)	16,485.19	13,831.53
Privately Placed Non-Convertible Debentures - Zero Coupon Bond (Refer note 14.1 (a) and 14.3 below)	627.25	1,179.96
Public issue of Non-Convertible Debentures (Refer note 14.1 (b) and 14.4 below)	475.45	474.63
Unsecured - In India		
Commercial paper (Refer note 14.5 below) [Net of unamortised discount of Rs. 149.81 crore (March 31, 2023 : Rs. 48.66 crore) and ancillary borrowing cost of Rs. 0.11 crore (March 31, 2023 : 0.03 crore)]	3,850.08	801.31
Total	21,437.97	16,287.43

14.1(a) Privately Placed Non-Convertible Debentures are secured by pari passu charge on the specific immovable property, specified receivables and book debts arising out of Secured/Unsecured loans, investments in nature of credit substitutes, lease and hire purchase receivables, trade advances & bill discounting facility extended to borrower and sundry debtors and other assets of the Company.

14.1(b) Public issue of Non-Convertible Debentures are secured by way of a first ranking pari passu charge by way of mortgage over our Company's specific immovable property and any of the identified receivables, both present and future, in connection with business of the company, monies, cash flows and proceeds accruing to the company of any nature or arising of out of said receivables.

14.1(c) The Company has, at all times, for the secured Non-Convertible Debentures, maintained sufficient security cover as stated in the respective information memorandum towards the principal amount, interest accrued thereon, and such other sums as mentioned therein.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

14. DEBT SECURITIES *(Continued)*

14.2 Particulars of Privately Placed Secured Non-Convertible Debentures.

Description of Privately placed Secured Non-Convertible Debentures	Issue Date	Redemption Date	As at March 31, 2024 No. of NCDs	As at March 31, 2024 Rs. In Crore	As at March 31, 2023 No. of NCDs	As at March 31, 2023 Rs. In Crore
TCHFL NCD "A" FY 2021-22	18-May-21	17-May-24	2,600	260.00	2,600	260.00
TCHFL NCD "D" FY 2021-22	20-Jul-21	19-Jul-24	1,850	185.00	1,850	185.00
TCHFL NCD "E" FY 2021-22	15-Sep-21	13-Sep-24	5,000	500.00	5,000	500.00
TCHFL NCD R FY 2014-15	09-Dec-14	09-Dec-24	2,000	200.00	2,000	200.00
TCHFL NCD V FY 2014-15	23-Jan-15	23-Jan-25	1,500	150.00	1,500	150.00
TCHFL NCD"O" FY 2015-16	16-Jun-15	16-Jun-25	200	20.00	200	20.00
TCHFL NCD D Series FY 2022-23 - Option - I	05-Aug-22	05-Aug-25	2,920	292.00	2,920	292.00
TCHFL NCD "AE" FY 2015-16	31-Aug-15	29-Aug-25	200	20.00	200	20.00
TCHFL NCD "AG" FY 2015-16	08-Oct-15	08-Oct-25	75	7.50	75	7.50
TCHFL NCD "G" Series FY 2022-23 - Option - I	03-Nov-22	03-Nov-25	8,000	800.00	8,000	800.00
TCHFL NCD "AM" FY 2015-16 - Option I	06-Nov-15	06-Nov-25	350	35.00	350	35.00
TCHFL NCD "G" FY 2020-21	19-Jan-21	19-Jan-26	850	85.00	850	85.00
TCHFL NCD "AU" FY 2015-16 Option I	30-Mar-16	30-Mar-26	150	15.00	150	15.00
TCHFL NCD "H" FY 2022-23	08-Feb-23	08-May-26	30,000	300.00	30,000	300.00
TCHFL NCD "H" FY 2022-23 – Reissue No. 1	18-May-23	08-May-26	50,000	500.00	-	-
TCHFL NCD "B" FY 2021-22	15-Jun-21	15-Jun-26	1,700	170.00	1,700	170.00
TCHFL NCD "B" FY 2021-22 – Reissue No. 1	24-Jan-23	15-Jun-26	8,000	800.00	8,000	800.00
TCHFL NCD "B" FY 2021-22 Reissue No.2	20-Feb-23	15-Jun-26	1,500	150.00	1,500	150.00
TCHFL NCD "J" FY 2016-17	30-Jun-16	30-Jun-26	100	10.00	100	10.00
TCHFL NCD "A" FY 2023-24	10-Jul-23	18-Sep-26	25,000	250.00	-	-
TCHFL NCD "D" FY 2023-24	21-Feb-24	19-Feb-27	90,100	901.00	-	-
TCHFL NCD "C" FY 2023-24	21-Dec-23	19-Mar-27	50,000	500.00	-	-
TCHFL NCD "C" FY 2023-24 – Reissue No. 1	24-Jan-24	19-Mar-27	35,000	300.00	-	-
TCHFL NCD "A" Series FY 2022-23	18-May-22	18-May-27	1,780	178.00	1,780	178.00
TCHFL NCD "A" Series FY 2022-23 – Reissue No. 1	13-Jul-22	18-May-27	4,000	400.00	4,000	400.00
TCHFL NCD "A" Series FY 2022-23 – Reissue No. 2	18-May-23	18-May-27	5,000	500.00	-	-
TCHFL NCD "A" Series FY 2022-23 – Reissue No. 3	27-Feb-24	18-May-27	4,000	400.00	-	-
TCHFL NCD D Series FY 2022-23 - Option - II	05-Aug-22	05-Aug-27	2,000	200.00	2,000	200.00
TCHFL NCD "G" Series FY 2022-23 - Option - II	03-Nov-22	03-Nov-27	2,700	270.00	2,700	270.00
TCHFL NCD "G" Series FY 2022-23 - Option - II - Reissue No. 1	16-Nov-22	03-Nov-27	4,300	430.00	4,300	430.00
TCHFL NCD UNLISTED "A" SERIES FY 2022-23	27-Dec-22	26-Dec-27	11,250	1,125.00	11,250	1,125.00
TCHFL NCD "B" FY 2023-24	13-Dec-23	13-Dec-28	89,800	898.00	-	-
TCHFL NCD "F" 2019-2020	18-Nov-19	16-Nov-29	10,000	1,000.00	10,000	1,000.00
TCHFL NCD "F" Series FY 2022-23 - Reissue No. 1	29-Mar-23	17-Oct-31	5,000	500.00	5,000	500.00
TCHFL NCD "F" Series FY 2022-23	19-Oct-22	19-Oct-31	10,000	1,000.00	10,000	1,000.00
TCHFL NCD "G" FY 2021-22	09-Nov-21	07-Nov-31	3,030	303.00	3,030	303.00
TCHFL NCD "K" FY 2021-22	16-Feb-22	16-Feb-32	5,000	500.00	5,000	500.00
TCHFL NCD "B" Series FY 2022-23	27-Jun-22	25-Jun-32	811	81.10	811	81.10
TCHFL NCD "B" Series FY 2022-23 – Reissue No. 1	13-Jul-22	25-Jun-32	265	26.50	265	26.50
TCHFL NCD B Series FY 2022-23 - Reissue No.2	26-Aug-22	25-Jun-32	400	40.00	400	40.00
TCHFL NCD "E" Series FY 2022-23	13-Sep-22	13-Sep-32	7,220	722.00	7,220	722.00
TCHFL NCD "E" FY 2023-24	22-Mar-24	22-Mar-34	1,00,000	1,000.00	-	-
TCHFL NCD "E" FY 2016-17	04-May-16	04-May-23	-	-	200	20.00
TCHFL NCD "B" FY 2020-21	26-May-20	26-May-23	-	-	4,500	450.00
TCHFL NCD "C" FY 2020-21	27-Jul-20	27-Jul-23	-	-	2,500	250.00
TCHFL NCD "A" FY 2020-21	12-May-20	11-Aug-23	-	-	5,000	500.00
TCHFL NCD "F" FY 2020-21	31-Dec-20	23-Nov-23	-	-	3,000	300.00
TCHFL NCD "E" FY 2020-21 - Option II	03-Dec-20	01-Dec-23	-	-	3,000	300.00
TCHFL NCD "AP" FY 2015-16 - Option II	12-Jan-16	12-Jan-24	-	-	150	15.00
TCHFL NCD "L" FY 2021-22	23-Feb-22	23-Feb-24	-	-	5,500	550.00
TCHFL NCD "H" FY 2020-21	25-Mar-21	25-Mar-24	-	-	2,500	250.00
Total				**16,024.10**		**13,410.10**
Add: Unamortised premium				3.82		3.04
Add: Interest accrued but not due				505.41		475.45
Total				**509.23**		**478.49**
Less: Unamortised borrowing cost				(13.92)		(15.47)
Less: Unamortised discount				(34.22)		(41.59)
Total				**(48.14)**		**(57.06)**
Privately Placed Non-Convertible Debentures				**16,485.19**		**13,831.53**

Note: Coupon rate of above outstanding as on March 31, 2024 varies from 5.70% to 9.22 % (March 31, 2023 : 5.35% to 9.22%).

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

CNK & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

14. DEBT SECURITIES *(Continued)*

14.3 Particulars of Privately placed Secured Non-Convertible Debentures - ZCB.

Description of Privately Placed Non-Convertible Debentures - ZCB	Issue Date	Redemption Date	As at March 31, 2024 No. of NCDs	As at March 31, 2024 Rs. In Crore	As at March 31, 2023 No. of NCDs	As at March 31, 2023 Rs. In Crore
TCHFL NCD "C" Series FY 2022-23	06-Jul-22	05-Jul-24	1,600	160.00	1,600	160.00
TCHFL NCD "C" FY 2021-22	23-Jun-21	23-Sep-24	1,350	135.00	1,350	135.00
TCHFL NCD "C" FY 2021-22 - Reissue No. 1	08-Sep-21	23-Sep-24	2,000	200.00	2,000	200.00
TCHFL NCD "I" FY 2021-22	17-Dec-21	17-Dec-24	1,500	150.00	1,500	150.00
TCHFL NCD "H" FY 2021-22	23-Nov-21	23-Nov-23	-	-	1,750	175.00
TCHFL NCD "D" FY 2020-21	27-Oct-20	24-Jan-24	-	-	2,000	200.00
TCHFL NCD "J" FY 2021-22	01-Feb-22	31-Jan-24	-	-	2,000	200.00
Total				645.00		1,220.00
Add: Interest accrued but not due				-		29.39
Total				-		29.39
Less: Unamortised borrowing cost				(0.04)		(0.15)
Less: Unamortised discount				(17.71)		(69.28)
Total				(17.75)		(69.43)
Privately Placed Non-Convertible Debentures - ZCB				627.25		1,179.96

Note: Coupon rate of above outstanding as on March 31, 2024 varies from 5.70% to 7.31% (March 31, 2023 : 5.37% to 7.31%).

14.4 Public issue of Non-Convertible Debentures

Description of Public issue of Non-Convertible Debentures	Issue Date	Redemption Date	As at March 31, 2024 No. of NCDs	As at March 31, 2024 Rs. In Crore	As at March 31, 2023 No. of NCDs	As at March 31, 2023 Rs. In Crore
TCHFL NCD "Series II" FY 2019-20	14-Jan-20	14-Jan-25	51,892	5.19	51,892	5.19
TCHFL NCD "Series II" FY 2019-20	14-Jan-20	14-Jan-25	5,41,471	54.15	5,41,471	54.15
TCHFL NCD "Series III" FY 2019-20	14-Jan-20	14-Jan-25	3,35,925	33.59	3,35,925	33.59
TCHFL NCD "Series III" FY 2019-20	14-Jan-20	14-Jan-25	23,48,032	234.80	23,48,032	234.80
TCHFL NCD "Series IV" FY 2019-20	14-Jan-20	14-Jan-28	12,025	1.20	12,025	1.20
TCHFL NCD "Series IV" FY 2019-20	14-Jan-20	14-Jan-28	3,82,776	38.28	3,82,776	38.28
TCHFL NCD "Series V" FY 2019-20	14-Jan-20	14-Jan-28	1,17,900	11.79	1,17,900	11.79
TCHFL NCD "Series V" FY 2019-20	14-Jan-20	14-Jan-28	9,05,697	90.57	9,05,697	90.57
Total				469.57		469.57
Add: Interest accrued but not due				6.96		6.90
Less: Unamortised borrowing cost				(1.08)		(1.84)
Total				5.88		5.06
Public issue of Non-Convertible Debentures				475.45		474.63

Note: Coupon rate of above outstanding as on March 31, 2024 varies from 7.92% to 8.40% (March 31, 2023 : 7.92% to 8.40%).

14.5 Coupon Rate on Commercial Paper varies from 7.05% to 8.05% (March 31, 2023 : 5.24% to 8.10%).

14.6 The Company has not defaulted in the repayment of debt securities and interest thereon for the year ended March 31, 2024 and March 31, 2023.

14.7 Debt securities held by related parties as on March 31, 2024 is Rs. 153.86 crore (March 31, 2023: Rs. 174.46 crore).

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

15. BORROWINGS (OTHER THAN DEBT SECURITIES)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
At amortised cost		
(a) Term loans		
Secured - In India		
(i) From Banks (Refer note 15.1 and 15.2 below)	13,836.37	10,212.67
(ii) From Others (Refer note 15.3 and 15.4 below)	100.11	-
(iii) From National Housing Bank (Refer notes 15.5)	8,197.41	5,341.11
Secured - Outside India		
From Banks (Refer note 15.1 and 15.2 below)	835.80	821.94
(b) Loans repayable on demand		
Secured - In India		
From Banks		
(i) Bank Overdraft (Refer note 15.1 and 15.6 below)	0.02	-
(ii) Working capital demand loan (Refer note 15.1 and 15.6 below)	1,086.12	420.02
Unsecured - In India		
Working capital demand loan (Refer note 15.6 below)	400.00	400.00
(c) Loan from related parties		
Unsecured - In India		
(i) Inter corporate deposits from related parties (Refer note 15.7 below)	-	443.75
Total	24,455.83	17,639.49

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

15.2 Loans and advances from banks are repayable at maturity ranging between 1 month to 6 years (as at March 31, 2023: 3 months to 7 years) from the date of loan taken. Rate of interest payable to banks varies between 6.99% to 8.70% (March 31, 2023 : 6.60% to 8.65%).

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

15.4 Loans and advances from others are repayable at maturity ranging between 6 months to 7 years (as at March 31, 2023: Nil) from the date of loan taken. Rate of Interest payable to others is 8.10% (March 31, 2023 : Nil).

15.5 Loan from National Housing Bank is secured by way of hypothecation of book debt and guarantee / letter of comfort from Tata Capital Limited and is repayable in 3-39 (March 31, 2023: 14-60) quarterly installments. Rate of interest payable on National Housing Bank varies between 2.80% to 8.50% (March 31, 2023: 2.80% to 8.50%).

15.6 Rate of Interest payable on Bank Overdraft & Working Capital Demand Loan varies between 7.28% to 8.45% (March 31, 2023 : 6.15% to 8.28%).

15.7 Rate of Interest payable on Inter Corporate Deposit as at March 31, 2024 is Nil (March 31, 2023: 7.36 %).

15.8 As at March 31, 2024, the Company had undrawn committed borrowing facilities of Rs. 3,330 crore (March 31, 2023 : Rs. 3,650 crore).

15.9 The Company has not defaulted in the repayment of borrowings (other than debt securities) and interest thereon for the year ended March 31, 2024 and March 31, 2023.

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

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

CNK & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

T R Chadha & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

16. SUBORDINATED LIABILITIES

PARTICULARS	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Unsecured - In India		
Debentures		
Privately Placed Non-Convertible Subordinated Debentures (Refer note 16.1 below)	1,298.22	1,026.72
Public issue of Non-Convertible Subordinated Debentures (Refer note 16.2 below)	78.96	78.86
Total	**1,377.18**	**1,105.58**

Notes:
(a) The Company has not defaulted in the repayment of Subordinated Liabilities and interest for the year ended March 31, 2024 and March 31, 2023.

(b) Subordinated Liabilities held by related parties as on March 31, 2024 is Rs. 18.62 crore (March 31, 2023: Rs. 20.42 crore).

16.1 Particulars of Unsecured Privately Placed Non-Convertible Subordinated Debentures

Description of Unsecured Privately Placed Non-Convertible Subordinated Debentures	Issue Date	Redemption Date	As at March 31, 2024 No. of NCDs	As at March 31, 2024 Rs. In Crore	As at March 31, 2023 No. of NCDs	As at March 31, 2023 Rs. In Crore
TCHFL Tier II Bond A FY 2014-15	26-Sep-14	26-Sep-24	480	48.00	480	48.00
TCHFL Tier-II Bond A FY 2015-16	28-Apr-15	28-Apr-25	400	40.00	400	40.00
TCHFL Tier II Bond B FY 2015-16	22-Jul-15	22-Jul-25	350	35.00	350	35.00
TCHFL Tier II Bond C FY 2015-16	16-Sep-15	16-Sep-25	100	10.00	100	10.00
TCHFL Tier II Bond D FY 2015-16	21-Sep-15	19-Sep-25	150	15.00	150	15.00
TCHFL Tier II Bond E FY 2015-16	04-Nov-15	04-Nov-25	300	30.00	300	30.00
TCHFL Tier II Bond F FY 2015-16	15-Dec-15	15-Dec-25	250	25.00	250	25.00
TCHFL Tier II Bond G FY 2015-16	17-Dec-15	17-Dec-25	250	25.00	250	25.00
TCHFL Tier II Bond H FY 2015-16	15-Mar-16	13-Mar-26	200	20.00	200	20.00
TCHFL Tier II Bond A FY 2016-17	04-Aug-16	04-Aug-26	2,000	200.00	2,000	200.00
TCHFL Tier II Bond A FY 2020-21	11-Jan-21	10-Jan-31	500	50.00	500	50.00
TCHFL Tier II Bond A FY-2021-22	19-Apr-21	18-Apr-31	1,500	150.00	1,500	150.00
TCHFL Tier II Bond B FY-2021-22	14-Mar-22	12-Mar-32	25	25.00	25	25.00
TCHFL Tier II Bond B FY-2021-22 - Reissue 1	28-Mar-22	12-Mar-32	146	146.00	146	146.00
TCHFL Tier II Bond A FY-2022-23	19-Aug-22	19-Aug-32	129	129.00	129	129.00
TCHFL Tier II Bond A Series FY 2022-23 Reissue No.1	15-Mar-24	19-Aug-32	300	300.00	-	-
TCHFL Tier II Bond A FY-2013-14	15-Apr-13	15-Apr-23	-	-	250	25.00
TCHFL Tier II Bond B FY-2013-14	23-Apr-13	23-Apr-23	-	-	21	2.10
TCHFL Tier II Bond C FY 2013-14	20-May-13	19-May-23	-	-	10	1.00
TCHFL Tier II Bond D FY 2013-14	10-Jan-14	10-Jan-24	-	-	77	7.70
TCHFL Tier II Bond E FY 2013-14	18-Mar-14	18-Mar-24	-	-	4	0.40
Total				**1,248.00**		**984.20**
Add: Interest accrued but not due				57.33		44.97
Less: Unamortised borrowing cost				(3.24)		(2.45)
Less: Unamortised discount				(3.87)		-
Total				**50.22**		**42.52**
Privately Placed Non-Convertible Subordinated Debentures				**1,298.22**		**1,026.72**

Note: Coupon rate of above outstanding as on March 31, 2024 varies from 7.33% to 10.15% (March 31, 2023 : 7.33% to 10.25%).

16.2 Particulars of Unsecured Public issue of Non-Convertible Subordinated Debentures

Description of Unsecured Public issue of Non-Convertible Subordinated Debentures	Issue Date	Redemption Date	As at March 31, 2024 No. of NCDs	As at March 31, 2024 Rs. In Crore	As at March 31, 2023 No. of NCDs	As at March 31, 2023 Rs. In Crore
TCHFL Tier II Bond Series VI FY-2019-20	14-Jan-20	14-Jan-30	7,80,402	78.04	7,80,402	78.04
				78.04		**78.04**
Add: Interest accrued but not due				1.44		1.43
Less: Unamortised borrowing cost				(0.52)		(0.61)
Total				**0.92**		**0.82**
Public issue of Non-Convertible Subordinated Debentures				**78.96**		**78.86**

Note: Coupon rate of above outstanding as on March 31, 2024 is 8.70% (March 31, 2023 : 8.70%).

Tata Capital Housing Finance Ltd. Mumbai

T R Chadha & Co LLP Chartered Accountants Mumbai

CNK & Associates LLP Chartered Accountants Mumbai

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

17. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2024	As at March 31, 2023
(a) Payable for capital expenditure	0.91	0.94
(b) Advances from customers	6.34	9.32
(c) Accrued employee benefit expense	60.75	22.42
(d) Amounts payable - assigned loans	0.74	0.80
(e) Unclaimed matured debentures and accrued interest thereon	0.24	0.07
(f) Claimed amount under CGTMSE, ECLGS and other arrangements	0.66	-
(g) Book Overdraft	15.72	381.91
Total	**85.36**	**415.46**

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

18. PROVISIONS

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits:		
(a) Provision for gratuity	0.09	1.21
(b) Provision for compensated absences	6.95	5.07
(c) Provision for long-term service award	0.41	0.33
Others:		
(a) Provision for off Balance Sheet exposure	27.75	33.33
Total	**35.20**	**39.94**

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

19. OTHER NON-FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2024	As at March 31, 2023
(a) Statutory dues	46.45	24.35
(b) Others	14.06	12.23
Total	**60.51**	**36.58**

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

CNK & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ CNK MUMBAI

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

20. SHARE CAPITAL

PARTICULARS	As at March 31, 2024	As at March 31, 2023
AUTHORISED		
2,500,000,000 (as at March 31, 2023: 2,500,000,000 shares) Equity shares of Rs.10 each	2,500.00	2,500.00
2,000,000,000 (as at March 31, 2023: 2,000,000,000 shares) Preference shares of Rs.10 each	2,000.00	2,000.00
	4,500.00	4,500.00
ISSUED, SUBSCRIBED & PAID UP		
59,61,45,835 (as at March 31, 2023: 57,07,46,706 shares) Equity shares of Rs.10 each fully paid up	596.15	570.75
Total	596.15	570.75

20.1 Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at March 31, 2024			As at March 31, 2023		
	No. of shares	Rs. in Crore	% holding	No. of shares	Rs. in Crore	% holding
Tata Capital Limited (Holding Company)	59,61,45,835	596.15	100%	57,07,46,706	570.75	100%

20.2 Reconciliation of number of equity shares outstanding

Particulars	No. of Shares	Rs. in Crore
Equity Shares, Face Value Rs. 10 fully paid up		
Opening balance as on April 01, 2022	54,75,55,612	547.56
Additions during the year	2,31,91,094	23.19
Closing Balance as on March 31, 2023	57,07,46,706	570.75
Additions during the year	2,53,99,129	25.40
Closing Balance as on March 31, 2024	59,61,45,835	596.15

During the year, the Company has issued 2,53,99,129 equity shares of face value Rs. 10 each fully paid up, at a price of Rs. 275.60 each, including a premium of Rs. 265.60 each (March 31, 2023: 2,31,91,094 equity shares of face value Rs. 10 each fully paid up, at a price of Rs. 215.60 each, including a premium of Rs. 205.60 each).

20.3 Rights, preferences and restrictions attached to shares

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

20.4 Investment by Tata Capital Limited (Holding company / Promoter). The entire share capital is held by Tata Capital Limited and its nominees.

Name of company	Particulars of issue	No. of Shares	Rs. in Crore
Tata Capital Limited (Holding Company / Promoter)			
Equity Shares	Opening Balance as on April 1, 2022	54,75,55,612	547.56
	Additions during the year	2,31,91,094	23.19
	Closing Balance as on March 31, 2023	57,07,46,706	570.75
	Additions during the year	2,53,99,129	25.40
	Closing Balance as on March 31, 2024	59,61,45,835	596.15
	% change during the year as on March 31, 2023	4.24%	
	% change during the year as on March 31, 2024	4.45%	

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

20.6 There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
as at March 31, 2024

(Rs. in crore)

21. OTHER EQUITY

PARTICULARS	As at March 31, 2024	As at March 31, 2023
(a) Securities Premium Account	3,008.07	2,333.51
(b) Special Reserve Account	803.85	574.32
(c) Retained earnings	2,282.27	1,364.13
(d) Other Comprehensive Income		
(i) Effective portion of cash flow hedge reserve	*3.84*	*10.28*
(ii) Remeasurement of defined benefit (liability)/asset	*(0.46)*	*(0.80)*
(e) Share options outstanding account	6.66	7.72
(f) General Reserve	10.62	4.13
Total	**6,114.85**	**4,293.29**

21.1 As required by Section 29C of National Housing Bank Act 1987 and Section 36 (1) (viii) of the Income Tax Act,1961, the Company has transferred an amount of Rs. 229.53 crore (March 31, 2023: Rs. 164.17 crore) to Special Reserve.

Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended

Particulars		As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year			
	a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987	208.09	138.21
	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	366.23	271.94
	Total (A)	**574.32**	**410.15**
Addition / Appropriation / withdrawal during the year			
Add:	a) Amount transferred u/s 29C of the NHB Act,1987	51.09	69.88
	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	178.44	94.29
Less:	a) Amount appropriated from the Statutory Reserve u/s 29 C of the NHB Act 1987	-	-
	b) Amount withdrawn from the Special Reserve u/s 36 (1) (viii) of Income Tax Act,1961 which has been taken into account for the purpose of provision u/s 29C of NHB Act, 1987	-	-
	Total (B)	**229.53**	**164.17**
Balance at the end of the year			
	a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	259.18	208.09
	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	544.67	366.23
	Total (A+B)	**803.85**	**574.32**

21.2 The Company has transferred an amount of Rs. 178.44 crore (March 31, 2023: Rs. 94.29 crore) to Special Reserve Account in terms of section 36(1)(viii) of the Income Tax Act, 1961, which has also been considered as a transfer of profit to a reserve fund for the purpose of compliance with section 29 C (i) of the National Housing Bank Act 1987 (The Company is required to transfer at least 20% of net profits every year to a reserve).

21.3 The Company has not declared and paid, an interim dividend for financial year 2023-2024 on equity shares (March 31, 2023 : Rs. 32.31 crore).

21.4 Nature and Purpose of Reserves as per Para 79 of Ind AS 1

Sr. No.	Particulars	Nature and purpose of Reserves
1	Securities Premium Account	Premium received upon issuance of equity shares
2	Special Reserve Account/Statutory Reserve	As prescribed by Section 29C of National Housing Bank Act 1987, and Section 36 (1) (viii) of the Income Tax Act,1961. No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by NHB from time to time.
3	Retained earnings	Created out of accretion of profits
4	General Reserve	Created upon employees stock options that expired unexercised or upon forfeiture of options granted.
5	Share Options Outstanding Account	Created upon grant of Holding Company options to employees
6	Other Comprehensive Income	
	(i) Effective portion of cash flow hedge reserve	It represents the amortisation of premium on hedge instruments and cumulative gains/(losses) arising on revaluation of the hedged items and hedge instruments.
	(ii) Remeasurement of defined benefit (liability)/asset	It represents the cumulative gains/(losses) arising on remeasurement of post employment benefit obligation.

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

T R Chadha & Co LLP CHARTERED ACCOUNTANTS MUMBAI

CNK & ASSOCIATES LLP CHARTERED ACCOUNTANTS CNK MUMBAI

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

22. INTEREST INCOME

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
On Financial Assets measured at Amortised Cost		
(a) Interest on loans	4,786.28	3,570.27
(b) Interest income from investments	41.87	27.98
(c) Interest income on deposits with banks	1.82	11.57
(d) Other interest income	10.67	15.26
Total	4,840.64	3,625.08

23. FEES AND COMMISSION INCOME

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
On Financial Assets measured at Amortised Cost		
(a) Foreclosure charges	26.43	23.91
(b) Others (valuation charges, PDD charges etc)	51.28	35.56
Total	77.71	59.47

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
i Type of service		
- Fee and commission income	77.71	59.47
- Branch advertisement income (refer note no. 26)	88.54	84.32
- Income from distribution of financial products (refer note no. 26)	120.93	-
Total	287.18	143.79
ii. Primary geographical market:		
- Outside India	-	-
- India	287.18	143.79
Total revenue from contracts with customer	287.18	143.79
iii. Timing of revenue recognition		
- at a point in time upon rendering services	287.18	143.79
- over period of time upon rendering services	-	-
Total	287.18	143.79
iv. Trade receivables towards contracts with customers		
- Opening Balance	25.35	16.26
- Closing Balance	29.38	25.35
v. Impairment on trade receivables towards contracts with customers	0.45	14.89

As on March 31, 2024 and March 31, 2023, the Company does not have any unsatisified/partially satisified performance obligation.

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

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

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Net gain / (loss) on financial instruments at fair value through profit or loss	-	-
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others		
- On equity securities	-	-
- On other financial securities	56.57	47.43
- On derivative contracts	-	-
(C) Total net gain/(loss) on fair value changes	56.57	47.43
(D) Fair value changes :		
-Realised	59.75	43.76
-Unrealised	(3.18)	3.67
Total net gain/(loss) on fair value changes	56.57	47.43

26. OTHER INCOME

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Branch advertisement income	88.54	84.32
(b) Income from distribution of financial products	120.93	-
(c) Miscellaneous Income	4.81	2.02
Total	214.28	86.34

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

27. FINANCE COSTS

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
At Amortised cost		
(a) Interest on borrowings	1,437.17	996.68
(b) Interest on debt securities	1,116.31	825.41
(c) Interest on subordinated liabilities	88.28	89.16
(d) Interest on lease liabilities	8.90	5.07
(e) Discounting Charges on debt securities		
(i) On commercial paper	232.91	70.13
(ii) On debentures	51.56	65.09
Total	**2,935.13**	**2,051.54**

28. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Salaries, wages and bonus	399.55	273.97
(b) Contribution to provident and other fund	14.99	11.52
(c) Staff welfare expenses	23.19	17.46
(d) Expenses related to post-employment defined benefit plans	3.03	2.00
(e) Share based payments to employees	6.00	3.27
Total	**446.76**	**308.22**

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

29. IMPAIRMENT / (REVERSAL) ON FINANCIAL INSTRUMENTS

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Loans - at amortised cost		
(i) Impairment allowance - stage I & II	(100.85)	(68.68)
(ii) Impairment allowance - stage III	(62.13)	91.78
(iii) Write off - Loans (net of recoveries)*	(1.40)	(5.83)
(b) Trade receivables - at amortised cost		
(i) Impairment allowance	(14.44)	14.87
(ii) Write off - Trade receivables (net of recoveries)*	30.35	-
Total	**(148.47)**	**32.14**

Note:
* includes write off amounting to Rs. 158.50 crore (March 31, 2023: Rs. 117.90 crore) and write back amounting to Rs. 129.55 crore (March 31, 2023: Rs. 123.73 crore)

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Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

30. OTHER EXPENSES

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Advertisements and publicity	30.56	19.36
(b) Brand Equity and Business Promotion	14.07	10.43
(c) Corporate social responsibility cost (refer note no. 30.3)	16.53	12.58
(d) Incentive / commission / brokerage	0.19	0.21
(e) Information technology expenses	76.91	61.85
(f) Insurance charges	1.16	0.12
(g) Legal and professional fees	40.05	36.80
(h) Loan processing fees	32.26	28.29
(i) Printing and stationery	4.76	3.32
(j) Power and fuel	4.82	3.29
(k) Repairs and maintenance	1.44	0.99
(l) Rent	15.02	10.58
(m) Rates and taxes	1.80	1.37
(n) Service providers' charges	72.65	58.59
(o) Training and recruitment	7.26	5.78
(p) Telephone, telex and leased line	3.31	1.18
(q) Travelling and conveyance	16.12	15.52
(r) Assets written off	0.04	-
(s) Net loss on derecognition of property, plant & equipment	0.14	-
(t) Collection Charges	10.19	11.21
(u) Audit Fees (refer note no. 30.1)	1.29	1.24
(v) Other expenses	21.69	14.87
Total	**372.26**	**297.58**

30.1 Auditors Remuneration (excluding taxes) are as below.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Audit Fees	0.90	0.90
Tax Audit Fees	0.10	0.10
Other Services (Certification)	0.29	0.24
Total	**1.29**	**1.24**

* Other Services include out of pocket expenses of Rs. 0.07 crore (March 31, 2023: Rs. 0.02 crore)

30.2 Expenditure in foreign currency

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Other expenses:		
Legal and Professional fees	-	0.29
Information technology expenses	5.20	5.51
Training and recruitment	0.02	0.01
Total	**5.22**	**5.81**

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(Rs. in crore)

30.3 Corporate social responsibility expenses

(a) Gross amount required to be spent by the company during the year was Rs. 16.53 crore (March 31, 2023: Rs.12.58 crore)

(b) Amount spent during the year on:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Construction/acquisition of any asset		
Paid	2.19	2.92
Yet to be paid	-	-
(ii) On purposes other than above (i)		
Paid	14.34	9.66
Yet to be paid	-	-

(c) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year: Nil.

(d) The total of previous years' shortfall amounts: Nil
(e) The reason for above shortfalls by way of a note: Not Applicable
(f) The nature of CSR activities undertaken by the Company: The CSR activities are undertaken as per Section 135 CSR Rules of the Companies Act 2013. The company's mission is to improve the lives of the community, especially the socially and economically underprivileged communities, by making a long term, measurable and positive impact through projects in the areas of Climate Action, Health and Skill Development.
(g) Details of related party transactions: Nil
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately: Not Applicable

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

31. Contingent Liabilities and Commitments (to the extent not provided for):

(a) Contingent Liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Suits filed against the Company	3.56	5.50
Income Tax (Pending before Appellate authorities)	0.68	0.68
Bank Guarantees	0.75	0.25

(b) Commitments:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances given) Rs. 11.82 crore (March 31, 2023: 21.46 crore).

(ii) Undrawn Commitment given to Borrowers
As on March 31, 2024 Rs. 8,256.20 crore (March 31, 2023: Rs. 6,820.01 crore)
Less than 1 year: Rs. 2,213.96 crore (March 31, 2023: Rs. 1,845.45 crore)
More than 1 year: Rs. 6,042.24 crore (March 31, 2023: Rs. 4,974.56 crore)

32. Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" notified under the Companies (Indian Accounting Standard) Rules, 2015:

A. List of related parties and relationship:

Ultimate holding Company	Tata Sons Private Limited
Holding Company	Tata Capital Limited
Subsidiaries of Holding Company	Tata Capital Pte. Limited
	Tata Capital Growth Fund I
	Tata Capital Special Situation Fund
	Tata Capital Healthcare Fund I
	Tata Capital Healthcare Fund II
	Tata Capital Innovations Fund
	Tata Capital Growth Fund II
	Tata Capital Growth II General Partners LLP
	Tata Capital Advisors Pte. Ltd.
	Tata Capital Plc
	Tata Capital General Partners LLP
	Tata Capital Healthcare General Partners LLP
	Tata Opportunities General Partners LLP
	Tata Securities Limited
	Tata Capital Financial Services Limited (merged with Tata Capital Limited w.e.f. January 01, 2024)
	Tata Capital Healthcare II General Partners LLP
	Tata Cleantech Capital Limited (merged with Tata Capital Limited w.e.f. January 01, 2024)
	TCL Employee Welfare Trust
Associates of Holding Company (with which the company had transactions)	Fincare Business Services Limited Indusface Private Limited
Retiral Plans of Holding Company	Tata Capital Limited Gratuity Scheme
	Tata Capital Limited Employees Provident Fund Trust
	Tata Capital Limited Superannuation Scheme

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(Rs. in crore)

Subsidiaries, associates, joint venture & retiral plans of ultimate holding company and its subsidiaries & associates (with which the company had transactions)	Tata Consultancy Services Limited Tata AIA Life Insurance Company Limited Tata AIG General Insurance Company Limited Infiniti Retail Limited Tata Teleservices Limited Tata Teleservices (Maharashtra) Limited Tata Communications Limited Voltas Limited Titan Company Limited Tata Technologies Limited The Indian Hotels Company Limited Piem Hotel Limited Tata Motors Finance Limited TMF Business Services Limited Innovative Retail Concepts Private Limited Tata Electronics Private Limited Tata 1mg Technologies Private Limited Tata Unistore Limited Tata Steel Ltd Provident Fund Tata Industries Superannuation Fund Trust Tata Motors Limited Gratuity Fund Tata Sons Consolidated Provident Fund Tata Sons Consolidated Superannuation Fund TCE Employees Provident Fund Titan Industries Gratuity Fund Titan Watches Provident Fund Voltas Limited Employees Superannuation Scheme Voltas Limited Provident Fund Voltas Managerial Staff Provident Fund Tata Consulting Engineers Limited
Key Management Personnel ("KMP")	Mr. Anil Kaul (Managing Director) (Ceased to be Managing Director w.e.f 17th July 2023) Mr. Sarosh Amaria (Appointed as Managing Director w.e.f 18th July 2023) Mr. Rajiv Sabharwal (Chairman & Non-Executive Director) Mr. Ankur Verma (Non-Executive Director) Mr. Mehernosh B. Kapadia (Independent Director) Ms. Anuradha E. Thakur (Independent Director) (Ceased to be Independent Director w.e.f 30th December 2022) Mr. Sujit Kumar Varma (Independent Director) Ms. Malvika Sinha (Independent Director) (Appointed as a Independent Director w.e.f. 31st December 2022) Mr. Nagaraj Iajri (Independent Director) (Appointed as a Independent Director w.e.f. 1st April 2024) Mr. Mahadeo Bhiku Raikar (Chief Financial Officer) Ms. Priyal Shah (Company Secretary) (Appointed as a Company Secretary w.e.f 31st December 2021) (Ceased to be Company Secretary w.e.f 11th June, 2022) Ms. Sanna Gupta (Company Secretary) (Appointed as a Company Secretary w.e.f 6th December 2022)

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Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

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

Sr. No.	Party Name	Nature of transaction	2023-24	2022-23
1	**Tata Sons Private Limited**	**Expenses**		
		BEBP Expenses	14.10	10.43
		Training Expenses	0.02	0.01
		Consultancy charges	-	0.04
		Liabilities		
		Balance payable (Net)	14.10	10.43
2	**Tata Capital Limited^**			
		Income		
		Rent recovery	6.44	1.92
		Reimbursement of valuation expenses	1.23	0.97
		Guest House Recovery	0.04	0.06
		Expenses		
		Inter-Corporate Deposit (ICD) interest	11.59	7.92
		Service provider charges	12.19	12.50
		Insurance expenses	0.06	0.03
		Rent expenses	10.86	10.37
		Contribution towards Provident Fund	-	0.26
		Reimbursement of Professional charges	0.70	0.10
		Guest house expenses	0.10	0.05
		Referral Fees	1.93	0.32
		Reimbursement of Information technology expenses	0.15	-
		Other transactions		
		Interim Dividend paid - Equity Shares	-	32.31
		Inter-Corporate Deposit received	1,355.00	2,454.84
		Inter-Corporate Deposit repaid	1,798.67	2,011.17
		Infusion in Equity Share (inclusive of securities premium)	700.00	500.00
		Security Deposit paid	-	12.60
		* Purchase of Fixed Assets	-	0.00
		Sale of Fixed Asset	0.16	-
		Assets		
		Security Deposit receivable	12.60	12.60
		Liabilities		
		ICD Payable	-	443.67
		Accrued Interest on ICD Outstanding	-	0.08
		Balance Payable (Net)	2.26	1.87
3	**Tata Consultancy Services Limited**	**Expenses**		
		Information technology expenses	37.23	30.66
		Liabilities		
		Balance payable (Net)	13.24	13.05
4	**Tata AIA Life Insurance Company Limited**	**Income**		
		Branch advertisement income	50.69	-
		Income from distribution of financial products	16.02	-
		Expenses		
		Insurance Expense for Employees	1.17	1.02
		Other transactions		
		Advance given	1.10	1.75
		Assets		
		Balance Receivables (Net)	13.13	-

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

Sr. No.	Party Name	Nature of transaction	2023-24	2022-23
5	**Tata AIG General Insurance Company Limited**	**Income**		
		Income from distribution of financial products	30.24	-
		Expenses		
		Insurance expenses	0.69	0.17
		Other Transactions		
		Interest paid on Non-Convertible Debentures (NCDs)	10.15	10.15
		Advance given	0.59	0.09
		Assets		
		Balance Receivables (Net)	6.88	-
		Liabilities		
		Payable towards NCDs	124.46	124.46
6	**Infiniti Retail Limited**	**Other Transactions**		
		* Purchase of Property, Plant and Equipment	-	0.00
7	**Tata Teleservices Limited**	**Expenses**		
		Telephone Expenses	0.03	0.03
8	**Tata Teleservices (Maharashtra) Limited**	**Expenses**		
		Telephone Expenses	0.02	0.02
		Liabilities		
		* Balance payable (Net)	0.00	-
9	**Tata Communications Limited**	**Expenses**		
		Information technology expenses	1.52	1.08
10	**Voltas Limited**	**Expenses**		
		Repair & Maintainence	0.13	0.05
		Other transactions		
		Purchase of Fixed Assets	1.77	2.07
		Liabilities		
		Balance payable (Net)	0.04	-
11	**Titan Company Limited**	**Expenses**		
		* Staff welfare	0.01	0.00
		Other Transactions		
		Advance given	-	0.01
12	**Tata Capital Limited Employees Provident Fund Trust**	**Expenses**		
		Contribution to Provident Fund	9.26	7.04
		Other transactions		
		Employees Contribution to Provident Fund	14.57	10.84
		Interest paid on NCDs	0.05	0.05
		Repayment towards NCDs	0.50	-
		Liabilities		
		Payable towards NCDs	-	0.50
13	**Tata Capital Limited Superannuation Scheme**	**Expenses**		
		Contribution to Superannuation	0.15	0.11
14	**Tata Securities Limited**	**Income**		
		Rent income	0.13	0.39
		Expenses		
		* Referral Fees	0.00	0.01
		* DP Cost	0.00	-
		Assets		
		Balance receivable	0.01	-
		Liabilities		
		Balance payable	-	0.03

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

Sr. No.	Party Name	Nature of transaction	2023-24	2022-23
15	**Tata Technologies Limited**	**Expenses**		
		Information technology expenses	1.08	1.02
16	**The Indian Hotels Company Limited**	**Expenses**		
		Staff welfare	0.09	0.52
		Other Transactions		
		Advance given	0.04	-
17	**Piem Hotel Limited**	**Expenses**		
		Staff welfare	0.01	0.04
18	**Tata Motors Finance Limited #**	**Expenses**		
		Rent Expenses	0.74	-
		Liabilities		
		Balance Payable (Net)	0.08	-
19	**TMF Business Services Limited ##**	**Expenses**		
		Rent Expenses	0.25	0.89
		Liabilities		
		Balance Payable (Net)	-	0.08
20	**Innovative Retail Concepts Private Limited**	**Expenses**		
		* Staff welfare expenses	0.01	0.00
21	**Indusface Private Limited**	**Expenses**		
		Information technology expenses	0.01	0.02
22	**Tata Electronics Private Limited**	**Income**		
		Interest income on loan	3.00	-
		Other Transactions		
		Loan given	113.90	-
		Loan repaid	113.90	-
23	**Fincare Business Services Limited**	**Income**		
		Interest income on loan	3.50	-
		Other Transactions		
		Loan given	465.00	-
		Assets		
		Loan receivable including interest accrued	468.50	-
		Commitments		
		Off balance sheet exposure	35.00	-
24	**Tata 1mg Technologies Private Limited**	**Expenses**		
		Staff welfare expenses	0.03	-
25	**Tata Unistore Limited**	**Expenses**		
		* Staff welfare expenses	0.00	-
26	**Tata Steel Ltd Provident Fund**	**Other Transactions**		
		Interest paid on NCDs	3.35	4.37
		Liabilities		
		Payable towards NCDs	37.50	37.50
27	**Tata Industries Superannuation Fund Trust**	**Other Transactions**		
		Interest paid on NCDs	0.09	0.10
		Repayment towards NCDs	1.00	-
		Liabilities		
		Payable towards NCDs	-	1.00
28	**Tata Motors Limited Gratuity Fund**	**Other Transactions**		
		Interest paid on NCDs	0.79	0.80
		Repayment towards NCDs	8.20	-
		Liabilities		
		Payable towards NCDs	-	8.20

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Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

Sr. No.	Party Name	Nature of transaction	2023-24	2022-23
29	**Tata Sons Consolidated Provident Fund**	**Other Transactions**		
		Interest paid on NCDs	0.09	0.09
		Repayment towards NCDs	0.90	-
		Liabilities		
		Payable towards NCDs	-	0.90
30	**Tata Sons Consolidated Superannuation Fund**	**Other Transactions**		
		Interest paid on NCDs	0.15	0.15
		Repayment towards NCDs	1.60	-
		Liabilities		
		Payable towards NCDs	-	1.60
31	**TCE Employees Provident Fund**	**Other Transactions**		
		Interest paid on NCDs	-	0.10
32	**Titan Industries Gratuity Fund**	**Other Transactions**		
		Interest paid on NCDs	0.09	0.09
		Liabilities		
		Payable towards NCDs	1.00	1.00
33	**Titan Watches Provident Fund**	**Other Transactions**		
		Interest paid on NCDs	0.14	0.14
		Liabilities		
		Payable towards NCDs	1.50	1.50
34	**Voltas Limited Employees Superannuation Scheme**	**Other Transactions**		
		Interest paid on NCDs	0.15	0.15
		Liabilities		
		Payable towards NCDs	2.00	2.00
35	**Voltas Limited Provident Fund**	**Other Transactions**		
		Interest paid on NCDs	0.15	0.15
		Liabilities		
		Payable towards NCDs	2.00	2.00
36	**Voltas Managerial Staff Provident Fund**	**Other Transactions**		
		Interest paid on NCDs	0.30	0.30
		Liabilities		
		Payable towards NCDs	4.00	4.00
37	**Tata Consulting Engineers Limited**	**Other Transactions**		
		Interest paid on NCDs	2.01	-
		Repayment towards NCDs	10.00	-
		Liabilities		
		Payable towards NCDs	-	10.00
38	**TCL Employee Welfare Trust**	**Assets**		
		Loan receivable	2.37	2.37
39	**Close Member (Relative) of KMP**	**Other Transactions**		
		Interest paid on NCDs	-	0.01
		Liabilities		
		Payable towards NCDs	-	0.10
40	**KMP of Holding Company**	**Other Transactions**		
		* Interest paid on NCDs	0.00	0.00
		Liabilities		
		Payable towards NCDs	0.02	0.02

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

Sr. No.	Party Name	Nature of transaction	2023-24	2022-23
41	**Key Management Personnel (KMP)**	**Remuneration to KMP ###**		
		Short Term Employee Benefits	45.01	6.79
		Post Employment Benefits	0.21	0.18
		* Termination Benefits	0.43	0.00
		- Share based payments (No. of Shares) ^^		
		(i) Options granted till date	55,71,209	28,94,046
		(ii) Options exercised till date	35,48,012	46,420
		Other Transactions		
		Interest paid on NCDs	-	0.01
		Liabilities		
		Payable towards NCDs	-	0.10

*Less than Rs.50,000/-

^ Tata Capital Financial Services Limited and Tata Cleantech Capital Limited got merged with Tata Capital Limited with effect from January 01, 2024

Name changed from Tata Motors Finance Solutions Limited with effect from October 26, 2023

Name changed from Tata Motors Finance Limited with effect from August 07, 2023

###The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

^^ESOP has been granted by Tata Capital Limited (Holdings Company) - Refer note no. 35.

All transactions with these related parties are priced at arm's length and are in the ordinary course of business.

33. Earnings per Share (EPS):

Particulars		**2023-24**	**2022-23**
Profit after tax	Rs. in crore	1,147.67	820.85
Add: Preference dividend (including dividend distribution tax)	Rs. in crore	-	-
Profit after tax attributable to parent company	Rs. in crore	1,147.67	820.85
Weighted average number of Equity shares used in computing Basic / Diluted EPS	Nos	57,26,20,412	54,81,27,447
Face value of equity shares	Rupees	10.00	10.00
Earnings per share (Basic and Diluted)	Rupees	**20.04**	**14.98**

34. Movement in Impairment loss allowance - Stage I & II (provisions against standard assets) during the year is as under:

Particulars	**2023-24**	**2022-23**
Opening Balance	429.70	507.31
Additions during the year	90.49	263.00
Utilised during the year	(185.77)	(340.61)
Closing Balance	334.42	429.70

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

35. Share based payment
The Company is required to present disclosures as required by Para 44, 45, 46, 47, 50, 51 and 52 of Ind AS 102. It is required to present scheme wise terms and conditions of the ESOP schemes, present for the employees of the Company.

A. Description of share based payments:

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2021 RSU	ESOP 2022	ESOP 2023	ESOP 2023 Special Scheme
i. Vesting requirements	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	20% at the end of each 12 and 20 months and 30% at the end of each 32 and 44 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	100% at the end of 36 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	100% at the end of 36 months from the date of grant
ii. Maximum term of option	7 years	7 years	7 years	7 years	3 years	7 years	7 years	7 years
iii. Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
iv. Modifications to share based payment plans	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
v. Any other details as disclosed in the audited Ind AS financial statements	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

B. Summary of share based payments

31 March 2024

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2021 RSU	ESOP 2022	ESOP 2023	ESOP 2023 Special Scheme	Total
Outstanding balance at the beginning of the period	8,95,000	9,00,000	8,88,000	7,68,750	3,31,394	8,38,900	-	-	46,22,044
Options granted	-	-	-	-	-	-	11,75,420	1,80,000	13,55,420
Options forfeited	-	-	33,000	67,500	48,497	82,912	51,980	-	2,83,889
Options exercised	7,95,000	8,00,000	6,09,000	2,85,000	-	1,47,052	-	-	26,36,052
Options expired	-	-	-	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-	-	-	-
Options outstanding at the end of the period	1,00,000	1,00,000	2,46,000	4,16,250	2,82,897	6,08,936	11,23,440	1,80,000	30,57,523
Options exercisable at the end of the period	1,00,000	1,00,000	1,72,200	1,66,500	-	1,21,787	-	-	6,60,487
For share options exercised:									
Weighted average exercise price at date of exercise									50.39
Money realized by exercise of options (Rs. in crore)									13.28
For share options outstanding									
Range of exercise prices	50.60	51.00	40.30	51.80	51.80	85.00	151.15	151.15	
Average remaining contractual life of options	1.50	2.33	3.33	4.34	0.50	5.17	6.17	6.17	4.59
Modification of plans	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

35. Share based payment
31 March 2023

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2021 RSU	ESOP 2022	Total
Outstanding balance at the beginning of the period	8,95,000	9,00,000	9,30,000	7,68,750	3,31,394	-	38,25,144
Options granted	-	-	-	-	-	8,38,900	8,38,900
Options forfeited	-	-	-	-	-	-	-
Options exercised	-	-	42,000.00	-	-	-	42,000
Options expired	-	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-	-
Options outstanding at the end of the period	8,95,000	9,00,000	8,88,000	7,68,750	3,31,394	8,38,900	46,22,044
Options exercisable at the end of the period	8,95,000	6,30,000	3,55,200	1,53,750	-	-	20,33,950
For share options exercised:							
Weighted average exercise price at date of exercise							40.30
Money realized by exercise of options (Rs. in crore)							0.17
For share options outstanding							
Range of exercise prices	50.60	51.00	40.30	51.80	51.80	85.00	
Average remaining contractual life of options	2.50	3.34	4.34	5.34	1.50	6.17	3.62
Modification of plans	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	

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Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

35. Share based payment

C. Valuation of stock options

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes formula. The inputs used in measuring the fair values at grant date of the equity-settled sharebased payment plans were as follows :

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2021	ESOP 2023	ESOP 2023 Special Scheme
Share price:	**50.60**	**51.00**	**40.30**	**51.80**	**85.00**	**151.15**	**151.15**
Exercise Price:	**50.60**	**51.00**	**40.30**	**51.80**	**85.00**	**151.15**	**151.15**
Fair value of option:	**23.34**	**23.02**	**17.07**	**22.33**	**40.40**	**71.14**	**72.68**
Valuation model used:	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation
Expected Volatility:	0.38	0.41	0.42	0.41	0.43	0.43	0.43
Basis of determination of expected volatility:	Average historical volatility over 4.85 years of comparable companies	Average historical volatility over 4.85 years of comparable companies	Historical volatility of equity shares of comparable companies over the period ended December 15, 2020 based on the life of options	Historical volatility of equity shares of comparable companies over the period ended October 01, 2021 based on the life of options	Historical volatility of equity shares of comparable companies over the period ended May 31, 2022 based on the life of options	Historical volatility of equity shares of comparable companies over the period ended May 31, 2023 based on the life of options	Historical volatility of equity shares of comparable companies over the period ended May 31, 2023 based on the life of options
Contractual Option Life (years):	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Expected dividends:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Risk free interest rate:	8.04%	6.28%	5.22%	5.87%	7.14%	7.06%	7.05%
Vesting Dates	20% vesting on September 30, 2019	20% vesting on August 01, 2020	20% vesting on December 14, 2021	20% vesting on September 30, 2022	20% vesting on May 31, 2023	20% vesting on May 31, 2024	100% vesting on May 31, 2026
	40% vesting on September 30, 2020	40% vesting on August 01, 2021	40% vesting on July 31, 2022	40% vesting on July 31, 2023	40% vesting on May 31, 2024	40% vesting on May 31, 2025	
	70% vesting on September 30, 2021	70% vesting on August 01, 2022	70% vesting on July 31, 2023	70% vesting on July 31, 2024	70% vesting on May 31, 2025	70% vesting on May 31, 2026	
	100% vesting on September 30, 2022	100% vesting on August 01, 2023	100% vesting on July 31, 2024	100% vesting on July 31, 2025	100% vesting on May 31, 2026	100% vesting on May 31, 2027	
Valuation of incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

35. Share based payment

D) Options granted and inputs used for measurement of fair value of options, for the key managerial employees and other senior employees

As at March 31, 2024

Name of Scheme	Mr. Anil Kaul** Granted	Mr. Anil Kaul** Exercised	Mr. Sarosh Amaria## Granted	Mr. Sarosh Amaria## Exercised	Mr. Mahadeo Bhiku Raikar Granted	Mr. Mahadeo Bhiku Raikar Exercised	Ms. Sanna Gupta# Granted	Ms. Sanna Gupta# Exercised
ESPS 2009	-	-	1,23,250	1,23,250	26,420	26,420	-	-
ESPS 2011	-	-	-	-	-	-	-	-
ESOP 2011	-	-	80,000	80,000	-	-	-	-
PS 2013	-	-	13,286	13,286	-	-	-	-
ESPS 2013	-	-	-	-	-	-	-	-
ESOP 2013	-	-	-	-	-	-	-	-
ESOP 2016	-	-	10,000	10,000	10,000	10,000	-	-
ESOP 2017	-	-	10,000	10,000	10,000	10,000	-	-
ESOP 2018	6,00,000	6,00,000	4,00,000	4,00,000	-	-	-	-
ESOP 2019	6,00,000	6,00,000	4,00,000	4,00,000	-	-	-	-
ESOP 2020	6,60,000	4,62,000	4,40,000	3,08,000	-	-	-	-
ESOP 2021	4,50,000	1,80,000	4,50,000	1,80,000	-	-	-	-
ESOP 2021 RSU	1,93,986	-	1,93,986	-	-	-	-	-
ESOP 2022	3,31,640	66,328	3,31,640	66,328	12,000	2,400	-	-
ESOP 2023	-	-	2,00,000	-	25,000	-	-	-
ESOP 2023 Special Scheme	-	-	-	-	-	-	-	-
Total	28,35,626	19,08,328	26,52,162	15,90,864	83,420	48,820	-	-

As at March 31, 2023

Name of Scheme	Mr. Anil Kaul** Granted	Mr. Anil Kaul** Exercised	Mr. Mahadeo Bhiku Raikar Granted	Mr. Mahadeo Bhiku Raikar Exercised	Ms. Priyal Shah* Granted	Ms. Priyal Shah* Exercised	Ms. Sanna Gupta# Granted	Ms. Sanna Gupta# Exercised
ESPS 2009	-	-	26,420	26,420	-	-	-	-
ESPS 2011	-	-	-	-	-	-	-	-
ESOP 2011	-	-	-	-	-	-	-	-
PS 2013	-	-	-	-	-	-	-	-
ESPS 2013	-	-	-	-	-	-	-	-
ESOP 2013	-	-	-	-	-	-	-	-
ESOP 2016	-	-	10,000	10,000	-	-	-	-
ESOP 2017	-	-	10,000	10,000	-	-	-	-
ESOP 2018	6,00,000	-	-	-	-	-	-	-
ESOP 2019	6,00,000	-	-	-	-	-	-	-
ESOP 2020	6,60,000	-	-	-	-	-	-	-
ESOP 2021	4,50,000	-	-	-	-	-	-	-
ESOP 2021 RSU	1,93,986	-	-	-	-	-	-	-
ESOP 2022	3,31,640	-	12,000	-	-	-	-	-
Total	28,35,626	-	58,420	46,420	-	-	-	-

* Ms. Priyal Shah was appointed as a Company Secretary w.e.f. 31st December , 2021 and ceased to be Company Secretary w.e.f 11th June, 2022.
# Ms. Sanna Gupta was appointed as a Company Secretary w.e.f. 6th December , 2022.
**Mr. Anil Kaul ceased to be Managing Director w.e.f 17th July 2023.
##Mr. Sarosh Amaria appointed as Managing Director w.e.f 18th July 2023.

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

36. Employee benefit expenses

A. Defined contribution plans

The Company makes contribution towards superannuation fund, a defined contribution retirement plan for qualifying employees. The Superannuation fund is administered by superannuation fund set up as Trust by Tata Capital Limited ("the parent Company"). The Company is liable to pay to the superannuation fund to the extent of the amount contributed. The Company recognizes such contribution as an expense in the year of contribution. The Company has recognised ₹ 0.15 crore (March 31, 2023 : ₹ 0.11 crore) for Superannuation Fund contributions in the Statement of Profit and Loss.

B. Defined benefit plan

1) Provident Fund
The Company makes Provident Fund contributions, a defined contribution plan for qualifying employees. Under the Schemes, both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary). The contributions, except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office, as specified under the law, are made to the provident fund set up as an irrevocable trust by Tata Capital Limited ("the ultimate parent Company"). The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Hence the Company is liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government. The total liability in respect of the interest shortfall of the Fund is determined on the basis of an actuarial valuation. The interest liability arising only to the extent of the aforesaid differential shortfalls is a defined benefit plan. There is no such shortfall as at March 31, 2024.

The Provident Fund contributions along with the interest shortfall if any are recognized as an expense in the year in which it is determined. The Company has recognised ₹ 13.86 crore (March 31, 2023 : ₹ 10.71 crore) for Provident Fund contributions and ₹ Nil (March 31, 2023 : ₹ Nil) for interest shortfalls in the Statement of Profit and Loss.

2) Gratuity
The Company offers its employees defined benefit plans in the form of a gratuity scheme (a lump-sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are recorded in the Other Comprehensive Income. The Company provides gratuity for employees in India as per payment of Gratuity Act, 1972. The gratuity scheme for employees is as under:

Eligibility	Continuous service for 5 years (not applicable in case of death or disability while in service)
Benefit payable upon	Retirement, Withdrawal, Death/Diability
Benefit payable	For service less than 10 years: 15/26 X Salary X Service
	For service greater than 10 years: Salary X Service
Salary definition	Last drawn monthly basic salary + Dearness Allowance
Service definition	Number of years of service rounded to the nearest integer
Normal retirement age	60 years

There are no statutory minimum funding requirements for gratuity plans mandated in India. However, a Company can fund the benefits by way of a separate irrevocable Trust to take advantage of tax exemptions and also to ensure security of benefits.

The Tata Capital Limited Gratuity Scheme is funded by way of a separate irrevocable Trust and the Company is expected to make regular contributions to the Trust. The fund is managed internally by the Company and the assets are invested as per the pattern prescribed under Rule 67 of Income Tax Rules, 1962. The asset allocation of the Trust is set by Trustees from time to time, taking into account the membership profile, the liquidity requirements of the plan and risk appetite of the plan sponsor as per the investment norms. Each year asset-liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and Contribution policies are integrated within this study.

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

1. Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

2. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

3. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

4. Investment risk : For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

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

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

36. Employee benefit expenses (Continued)

Movement in net defined benefit (asset) / liability

a) Reconciliation of balances of Defined Benefit Obligations.

	For the year ended March 31, 2024		For the year ended March 31, 2023	
Particulars	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Defined Obligations at the beginning of the year	13.22	-	9.90	-
Current service cost	3.01	-	2.10	-
Interest cost	0.87	-	0.61	-
Amalgamations / Acquisitions	3.08	-	0.06	-
a. Due to change in financial assumptions	0.31	-	0.14	-
b. Due to change in experience adjustments	1.47	-	1.36	-
Benefits paid directly by the Company	(1.92)	-	(0.95)	-
Defined Obligations at the end of the year	20.05	-	13.22	-

b) Reconciliation of balances of Fair Value of Plan Assets

	For the year ended March 31, 2024		For the year ended March 31, 2023	
Particulars	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
As on 31 March 2020				
Fair Value at the beginning of the year	12.01	-	11.99	-
Expected return on plan assets	2.24	-	(0.82)	-
Employer contributions	1.72	-	-	-
Amalgamations / Acquisitions	3.08	-	0.06	-
Interest Income on Plan Assets	0.91	-	0.78	-
Fair Value of Plan Assets at the end of the year	19.96	-	12.01	-

c) Funded status

	For the year ended March 31, 2024		For the year ended March 31, 2023	
Particulars	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Deficit of plan assets over obligations	(0.09)	-	(1.21)	-
Total	(0.09)	-	(1.21)	-

d) Categories of plan assets

	For the year ended March 31, 2024		For the year ended March 31, 2023	
Particulars	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Corporate bonds	0.04	-	0.30	-
Government securities	0.04	-	0.03	-
Insurer managed funds - ULIP Product	19.83	-	11.67	-
Cash	0.05	-	0.01	-
Total	19.96	-	12.01	-

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

36. Employee benefit expenses (Continued)

e) Amount recognised in Balance sheet

Particulars	For the year ended March 31, 2024 Total Funded	For the year ended March 31, 2024 Total Unfunded	For the year ended March 31, 2023 Total Funded	For the year ended March 31, 2023 Total Unfunded
Present value of the defined benefit obligation	20.05	-	13.22	-
Fair value of plan assets	19.96	-	12.01	-
Net asset / (liability) recognised in the Balance Sheet	**(0.09)**	**-**	**(1.21)**	**-**

f) Amount recognised in Statement of Profit and Loss

Particulars	For the year ended March 31, 2024 Total Funded	For the year ended March 31, 2024 Total Unfunded	For the year ended March 31, 2023 Total Funded	For the year ended March 31, 2023 Total Unfunded
Current Service Cost	3.01	-	2.10	-
Interest Cost (net)	(0.04)	-	(0.17)	-
Expenses for the year	**2.97**	**-**	**1.93**	**-**

g) Amount recognised in OCI

Particulars	For the year ended March 31, 2024 Total Funded	For the year ended March 31, 2024 Total Unfunded	For the year ended March 31, 2023 Total Funded	For the year ended March 31, 2023 Total Unfunded
a. Due to change in financial assumptions	0.31	-	0.14	-
b. Due to change in experience adjustments	1.47	-	1.36	-
c. (Return) on plan assets (excl. interest income)	(2.24)	-	0.82	-
Total remeasurements in OCI	**(0.46)**	**-**	**2.33**	**-**
Total defined benefit cost recognized in P&L and OCI	**2.51**	**-**	**4.26**	**-**

h) Expected cash flows for the following year

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expected total benefit payments	34.68	23.52
Year 1	1.63	1.36
Year 2	1.68	1.30
Year 3	2.17	1.62
Year 4	2.54	1.61
Year 5	3.27	2.06
Next 5 years	23.39	15.56

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

36. Employee benefit expenses (Continued)

i) Major Actuarial Assumptions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount Rate (%)	6.90%	7.10%
Salary Escalation/ Inflation (%)	Non CRE: 9.00%, CRE & J Grade: 6.50%	Non CRE: 9.00% ,CRE & J Grade:6.50 %
Expected Return on Plan assets (%)	6.90%	7.10%
Attrition		
Mortality Table	Indian assured lives Mortality (2006-08) (modified) Ult.	Indian assured lives Mortality (2006-08) (modified) Ult.
Medical cost inflation		
Disability		
Withdrawal (rate of employee turnover)	CRE and J Grade : 40% Non CRE : Service Rate Less than 5 years 25% More than 5 years 10%	CRE and J Grade : 40% Non CRE : Service Rate Less than 5 years 25% More than 5 years 10%
Retirement Age	60 years	60 years
Weighted Average Duration	6 years	6 years
Estimate of amount of contribution in the immediate next year	1.63	1.36

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

i) Sensitivity analysis

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

	For the year ended March 31, 2024		For the year ended March 31, 2023	
Particulars	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.49)	1.69	(0.98)	1.12
Future salary growth (1% movement)	1.64	(1.47)	1.09	(0.97)
Others (Withdrawal rate 5% movement)	(1.84)	2.73	(1.20)	1.78

Experience adjustments	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
Funded					
2023-24	20.05	19.96	(0.09)	(1.47)	2.24
2022-23	13.22	12.01	(1.21)	(1.36)	(0.82)
Unfunded					
2023-24	-	-	-	-	-
2022-23	-	-	-	-	-

j) Provision for leave encashment

	For the year ended March 31, 2024		For the year ended March 31, 2023	
Particulars	Non current	Current	Non current	Current
Liability for compensated absences	4.90	1.83	3.52	1.51

k) Provision for long service award scheme

	For the year ended March 31, 2024		For the year ended March 31, 2023	
Particulars	Non current	Current	Non current	Current
Liability for long term service awards	0.36	0.05	0.26	0.07

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(Rs. in crore)

37. Fair values of financial instruments

See accounting policy in Note 2(iv).

A. Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

b) Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

c) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at measurement date. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. Valuation techniques include net present value and discounted cash flow models, income approach, comparison with similar instruments for which observable market prices exist, option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free returns, benchmark interest rates and credit spreads used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company uses widely recognised valuation models to determine the fair value of financial instruments, such as forward rate agreement, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

For more complex instruments, the Company uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and may be derived from market prices or rates or estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, determination of expected volatilities and correlations and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Company believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counterparty where appropriate. Model inputs and values are calibrated against historical data, where possible, against current or recent observed transactions in different instruments. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management uses judgement to select the most appropriate point in the range.

Discounting of the cash flows of financial asset/ financial liability for computing the fair value of such instrument: the future contractual cash flows of instrument over the remaining contractual life of the instrument are discounted using comparable rate of lending/borrowing as applicable to financial asset/ financial liability in the month of reporting for a similar class of instruments.

Derivatives held for risk management :
The Company enters into structured derivatives to mitigate the currency exchange risk and interest rate risk on account of fluctuation in the foreign exchange rates and floating rates towards the principal and interest repayments of external commercial borrowing. Some of these instruments are valued using models with significant unobservable inputs, principally expected long-term volatilities and expected correlations between different underlyings.
In the valuation of derivative instruments, the Discounted Cash Flow (DCF) method plays a pivotal role. This method involves projecting the future cash flows that the derivative is expected to generate or obligate over its life. These cash flows are then discounted back to the present value using an appropriate discount rate, which reflects the risk profile of the cash flows and the time value of money.
The discount rate is typically derived from market-based inputs to ensure an objective valuation. In the context of derivatives, the DCF method accounts for various factors such as underlying asset price movements, interest rate changes, ~~and volatility~~, as well as contractual terms of the derivative. The strength of the DCF approach lies in its flexibility to model the unique features of derivatives, including embedded options.

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(Rs. in crore)

37. Fair values of financial instruments (Continued)

See accounting policy in Note 2(iv).

B. Valuation framework

The Company has a established a policy for the measurement of fair values addressing the requirement to independently verify the results of all significant fair value measurements. Specific controls include:
1) verification of observable pricing basis actual market transactions;
2) re-performance of model valuations;
3) a review and approval process for new models and changes to models
4) annual calibration and back-testing of models against observed market transactions;
5) analysis and investigation of significant annual valuation movements; and
6) review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous year.

When third party information, such as valuation agency report is used to measure fair value, the Company assesses the documents and evidence used to support the conclusion that the valuations meet the requirements of Ind AS. This includes:
1) understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
2) when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
3) if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

Significant valuation issues are reported to the Audit Committee.

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

37. Fair values of financial instruments (Continued)

C. Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2024 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	1,658.11	1,658.11
Other balances with banks	-	-	-	-	51.02	51.02
Derivative financial instruments	-	-	49.50	-	-	49.50
Trade receivables	-	-	-	-	29.38	29.38
Loans	-	-	-	-	51,401.88	51,401.88
Investments	7.46	-	-	-	961.83	969.29
Other financial assets	-	-	-	-	16.63	16.63
Total	7.46	-	49.50	-	54,118.85	54,175.81
Financial Liabilities:						
Derivative financial instruments	-	-	6.57	-	-	6.57
Trade and other payables	-	-	-	-	158.41	158.41
Borrowings *	-	-	-	-	47,270.98	47,270.98
Lease Liabilities	-	-	-	-	122.32	122.32
Other financial liabilities	-	-	-	-	85.36	85.36
Total	-	-	6.57	-	47,637.07	47,643.64

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

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

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	698.28	698.28
Other balances with banks	-	-	-	-	0.52	0.52
Derivative financial instruments	-	-	45.13	-	-	45.13
Trade receivables	-	-	-	-	25.35	25.35
Loans	-	-	-	-	36,916.71	36,916.71
Investments	2,158.79	-	-	-	489.64	2,648.43
Other financial assets	-	-	-	-	16.24	16.24
Total	2,158.79	-	45.13	-	38,146.74	40,350.66
Financial Liabilities:						
Derivative financial instruments	-	-	0.16	-	-	0.16
Trade and other payables	-	-	-	-	133.47	133.47
Borrowings *	-	-	-	-	35,032.50	35,032.50
Lease Liabilities	-	-	-	-	78.93	78.93
Other financial liabilities	-	-	-	-	415.46	415.46
Total	-	-	0.16	-	35,660.36	35,660.52

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

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(Rs. in crore)

37. Fair values of financial instruments (Continued)

Carrying amounts of cash and cash equivalents, trade receivables, and trade payables as on March 31, 2024 and March 31, 2023 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the period presented.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For mutual funds, published net asset value (NAV) is used for the purpose of computation of fair value.

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
a) Fair value is computed for financial asset carried at amortised cost by comparing the contracted internal rate of return with the weighted average coupon rate for the loans disbursed in the reporting month.
b) For all other financial assets and financial liabilities, the carrying value approximates the fair value of the instrument.

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

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments	-	7.46	-	7.46
Derivative financial instruments	-	49.50	-	49.50
Total	-	56.96	-	56.96
Financial Liabilities:				
Derivative financial instruments	-	6.57	-	6.57
Total	-	6.57	-	6.57

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments	-	2,158.79	-	2,158.79
Derivative financial instruments	-	45.13	-	45.13
Total	-	2,203.92	-	2,203.92
Financial Liabilities:				
Derivative financial instruments	-	0.16	-	0.16
Total	-	0.16	-	0.16

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

Measured at Level 3	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets at amortised cost:				
Loans	51,401.88	54,215.54	36,916.71	39,387.65
Investments	961.83	946.20	489.64	474.03
Total	52,363.71	55,161.74	37,406.35	39,861.68
Financial Liabilities at amortised cost:				
Borrowings (includes debt securities and subordinated liabilities)	47,270.98	47,392.42	35,032.50	34,957.37
Total	47,270.98	47,392.42	35,032.50	34,957.37

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Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

37. Fair values of financial instruments (Continued)

The following table summarises valuation techniques used to determine fair value, fair value measurements using significant unobservable inputs (level 3) and valuation inputs and relationship to fair value

Financial instruments	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2024	As at March 31, 2023				
Loans	54,215.54	39,387.65	Level 3	Discounted cash flows	Discounting rate and future expected cash flows	Higher the discounting rate lower the fair value of loans
Financial Assets at Fair value	54,215.54	39,387.65				

Financial instruments	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2024	As at March 31, 2023				
Borrowings (includes debt securities and subordinated liabilities)	47,392.42	34,957.37	Level 3	Discounted cash flows	Discounting rate and future expected cash flows	Higher the discounting rate lower the fair value of Borrowings
Financial Liabilities at Fair value	47,392.42	34,957.37				

Fair value of the Financial instruments measured at amortised cost:
The fair value of loans given is based on observable market transactions, to the extent available. Wherever the observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes interest rates, prepayment rates, primary origination or secondary market spreads. Input into the models may include information obtained from other market participants, which includes observed primary and secondary transactions.
To improve the accuracy of the valuation estimate for retail and smaller commercial loans, homogeneous loans are grouped into portfolios with similar characteristics such as product.
The fair value of borrowings is estimated using discounted cash flow techniques, applying the rates that are offered for borrowings of similar maturities and terms.
Treasury Bills and Government Securities are valued based on market quotes.

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(Rs. in crore)

38. Risk Management Framework

A) Introduction

The Company aims to operate within an effective risk management framework to actively manage all the material risks faced by the organisation and make it resilient to shocks in a rapidly changing environment. The Company is exposed to various types of risks namely credit risk, liquidity risk, market risks, operational risk, strategic risk (including emerging & external risks) and compliance & reputation risk. The Company have adopted a holistic and data driven enterprise level risk management approach which includes monitoring both internal and external indicators.

Changes in internal and external operating environment, digitalization, technological advancements and agile way of working have increased the significance of Fraud, Information & Cyber Security and Operational Risks. The Company continues to focus on increasing operational resilience and mitigation of these risks. We periodically adjust our strategy in cognizance with industry risk dynamics and emergence of new challenges and opportunities.Risk management framework has been laid down with long term sustainability and value creation covering the below objectives:

The Company's Risk Management framework has been created with an intent to:
•Build profitable and sustainable business with conservative risk management approach.
•Have risk management as an integral part of the organization's business strategy.
•Undertake businesses that are well understood and within acceptable risk appetite.
•Manage the risks proactively across the organization.
•Adopt best risk management practices with resultant shareholder value creation and increased stakeholder confidence.
•Develop a strong risk culture across the organization.

The risk management practices of the Company are compliant with ISO 31000: 2018 which is the international standard for risk management that lays down principles, guidelines and framework for risk management in an organisation.

B) Company's Risk Management Framework for Measuring and Managing Risk

Risk Management Framework
The Company's Capital Risk Management is an integral part of all organizational activities. The structured approach contributes to consistent and comparable results along with customization of external and internal objectives. Important pillars of the risk management approach are developing a strong risk management culture within the Company through alignment of risk by creating, preserving and realizing value.

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

The 11 categories of risks identified and monitored by the Company are Credit Risk, Market Risk, Liquidity Risk, Process, People, Outsourcing, Compliance & Governance, Technology, Business Continuity, Cyber Security and Reputation risk.

Nature of Risk	Framework	Governing Committees
Credit Risk	Enterprise Risk Management Various Credit Policies, Portfolio review and trigger monitoring	Risk Management Committee of the Board Investment Credit Committee of the Board Credit Committees
Market Risk & Liquidity Risk	Enterprise Risk Management Asset Linked Market Policy	Risk Management Committee of the Board Asset Liability Management Committee
Process Risk	Operational Risk Policy	Operational Risk Management Committee
People Risk	Operational Risk Policy HR Policies	Risk Management Committee of the Board Operational Risk Management Committee
Outsourcing	Operational Risk Policy Outsourcing Policy	Risk Management Committee of the Board Operational Risk Management Committee
Technology	Operational Risk Policy Information Technology Policy	Risk Management Committee of the Board IT Strategy Committee of the Board
Business Continuity	Operational Risk Policy Business Continuity Management Policy	Operational Risk Management Committee
Cyber Security	Information & Cyber Security Policy	Risk Management Committee of the Board IT Strategy Management Committee of the Board
Reputational Risk Compliance & Governance	Enterprise Risk Management Framework Ethics Policy POSH Policy Tata Code of Conduct	Risk Management Committee of the Board

The Board is assisted by Risk Management Committee of the Board ('RMC') and is supported by various Board and Senior management committees as part of the Risk Governance framework to ensure that the company has sound system of risk management and internal controls.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

38. Risk Management Framework

Board level committees

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

Investment Credit Committee of the Board (ICC): Provide guidance on nature of investments that shall be undertaken, and approve credit limits for various counterparties, where exposures in aggregate exceed a certain level.

IT Strategy Committee: Reviews and approves IT strategy and policies. Monitors IT resources required to achieve strategic goals and to institute an effective governance mechanism and risk management process for all outsourced IT operations so that maximum value is delivered to business.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the activities of the Company. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Risk Management Committee reviews risk management policies of the Company pertaining to credit, market, liquidity and operational risks. It oversees the monitoring of compliances with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Senior Management Committees

Management Credit Committee (MCC): The members of committee are senior management of the company as defined in the prevailing delegation of authority. It recommends proposal including review to ICC / Board for loan facilities falling beyond assigned Delegation of Power and Authority. The committee is governed as per the delegation of authority applicable to the company.

Operational Risk Management Committee (ORMC): ORMC is the oversight committee for ensuring effective management of operational risks. . The committee reviews and approves the following :

- Operational risk management policy and including amendments if any.
- Insurance management framework.
- Corrective actions on operational risk incidents, based on analysis of the KRIs, operational risk process reviews, etc.
- Operational risk profile based on the KRIs which are beyond the tolerance limit

Fraud Risk Management Committee (FRMC): An independent Fraud Risk Management Committee (FRMC) comprising of top management representatives has been constituted that reviews the matters related to fraud risk and approves/recommends actions against frauds. It reviews the frauds reported and investigated with detailed root cause analysis and corrective action.

Asset Liability Management Committee of the Board (ALCO): ALCO reviews the Liquidity Risk and Interest Rate Risk on a regular basis and suggests necessary actions based on its view and expectations on the liquidity and interest rate profile.

C) Company's Risk Management Approach for handling various type of risks

a) Credit Risk

The Credit Risk management framework is based on the philosophy of First and Second line of Defence with underwriting being responsibility of Credit department and controls around policies and processes are driven by Risk department. Each process and business verticals have Credit underwriting, Risk analytics, Policy and Operational Risk unit. Delegation of Authority is defined based on value at risk and deviation matrix as approved by the Board.

The Company has reviewed Credit policies from time to time based on macroeconomic scenarios, pandemic and government scheme/grants, The Company have robust early warning signals process to ensure resilience in the policy framework for adopting changing business scenario and to mitigate various business risks.

Company has a strong fraud risk and vigilance framework to weed out fraudulent customers from system at the time of origination with support of analytical tools. Identified fraud cases in the portfolio are reviewed basis detailed root cause analysis and reported to regulator. Process improvements based on root cause analysis are implemented to control such foreseen losses in future.

Introduction of new products are based on market potential, Operational risk, Credit risk and Compliance risks. All new product launches are signed off by Risk department to mitigate key risks arising while developing strategy around launching of new product. All innovative process changes/digitization goes through rigour of risk review and highlighting risk associated with change of the process and mitigants around the same. All introduction of new products goes through a complete governance process and are approved by Board/respective committees.

b) Market Risk

Risk due to change in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads, but not relating to changes in the obligor's/issuer's credit standing and will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable risk tolerances levels to ensure the solvency and low volatility while optimising the balance between profitability and managing associated risks.

Under Liquidity Risk Management (LRM) framework for the Company, ALCO sets up limits for each significant type of risk/aggregated risk with liquidity being a primary factor in determining the level of limits. The monitoring of risk limits defined as per ALM policy is done by ALCO on regular basis. The company has Asset Liability Management (ALM) support group prescribed by RBI which meets on regular basis to ensure internal controls and reviews the liquidity risk management of the Company.

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(Rs. in crore)

38. Risk Management Framework

Interest rate risk

Interest rate risk is measured through Interest rate sensitivity report where gaps are being monitored classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to earliest of contracted/behavioural maturities or anticipated re-pricing date. The Company monitors interest rate risk through traditional gap and duration gap approaches on a monthly basis. The interest rate risk limits are approved by the ALCO.

Refer Note No 39.C.ii for summary on sensitivity to a change in interest rates as on March 31, 2024.

Currency Risk

The company is exposed to currency risk arising due to external commercial borrowings. The foreign currency loan in form of external commercial borrowing (ECB) raised by the Company are fully hedged basis.

The hedging policy as approved by the Asset Liability Committee (ALCO) prescribes the hedging of the risk associated with change in the interest rates and fluctuation of foreign exchange rates. Counter party risk is reviewed periodically in terms of exposure to various counter parties.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. All hedges entered into by the Company are cash flow hedges.

Refer Note No 39.C.iii for summary of foreign currency risk exposure as on March 31, 2024.

Equity price risk

The Company investments in equity carry a risk of adverse price movement. To mitigate pricing risk emerging from investments in equity, the Company intermittently observes the performance of sectors and measures MTM gains/losses as per applicable accounting policy of the Company.

Liquidity risk

Liquidity Risk is the risk that a Company will encounter difficulties in meeting its short-term financial obligations due to an asset– liability mismatch or interest rate fluctuations. The liquidity risk is being managed as per ALM policy which has following key elements:

i) ALCO sets the strategy for managing liquidity risk commensurate with the business objectives;
ii) ALCO has set various gap limits for tracking liquidity risk.
iii) The ALM policy is being reviewed on annual basis, including the risk tolerance, process and control. ALCO monitors the liquidity and interest rate gaps on regular basis.
iv) Company manages the liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position. The regulatory compliance to the liquidity risk related limits are being ensured.
v) The Company is fully complied to the Liquidity Coverage Ratio (LCR) framework as mandated by RBI.

Company's liquidity risk management strategy are as follows:

a. Maintaining a diversified funding through market and bank borrowings resources such as debentures, commercial papers, subordinated debt, perpetual debt, Inter-corporate deposits (ICD's), overdraft and bank term loans. Unused bank lines as well as High Quality Liquid Assets (HQLA) maintained under LCR framework constitute the main liquidity back up to meet the contingency funding plan. Additionally, based on Market scenario, the Company also maintains a portfolio of highly liquid mutual fund units.

b. The Company complies with the ALM guidelines and submits various returns and disclosures in accordance with the regulatory guidelines.

c. The Company carries out liquidity stress testing based on the cash flows and results are reported to ALCO on periodic basis. The Company has contingency funding plan in place which monitors the early warning signals arising out of company specific and market wide liquidity stress scenarios.

The Company has honoured all its debt obligations on time. Based on liquidity risk assessment, cash-flows mismatches are within the stipulated regulatory limits. The Company has been successful in maintaining the adequate liquidity by raising fresh/renewal of bank lines, regular access to capital market and financial institution under the various schemes promulgated by RBI to raise medium to long term funds. Owing to the above measures, the Company has not seen a rise in its liquidity risk.

Refer Note No 39 B ii for the Maturity analysis for Company's financial liabilities and financial assets as on March 31, 2024.

c) Operational Risk

Operational Risk has been defined as "The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". The risk of direct or indirect potential loss arising from a wide variety of causes associated with the company's processes, personnel, systems, or from external factors other than strategic and reputation risk Management of operational risk forms an integral part of the Company's enterprise wide risk management systems. The organisation thrives towards incremental improvements to its operational risk management framework to address the dynamic industry landscape. Clear strategies and oversight by the Board of Directors and senior management, a strong operational risk management culture, effective internal control and reporting and contingency planning are crucial elements of the Company's operational risk management framework.
The operational risk team monitors and reports key risk indicators ("KRI") and KRI exceptions. Suitable risk mitigation actions are taken wherever required to curtail the potential risk at the acceptable levels.
ORMC meets periodically to review the operational risk profile of the organization and oversee the implementation of the risk management framework and policies.
FRMC meets periodically to review matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

The Company has a Business Continuity Planning "BCP" framework in place, to ensure uninterrupted business operations in case any disruptive event occurs.

The Company has an IT Disaster Recovery Planning "IT-DRP" which provides the technology framework to continue day-to-day operations using secondary/back-up systems when primary system fails. It also protects the organisation against loss of computer based data and information.

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(Rs. in crore)

38. Risk Management Framework

Cyber Security Risk

The Company has adopted "Framework for Improving Critical Infrastructure Cyber Security" published by the National Institute of Standards & Technology (NIST) and complies with regulatory guidelines. Various measures are adopted to effectively protect the Company against phishing, social media threats and rogue mobile. We have a Centralized monitoring solution - 24 x 7 x 365 Security Operations Centre (SOC) and improved capabilities to detect and respond to a cyber threats. There is a Robust Security incident management processes and Best-in-class EDR & Privilege access management solution has been implemented. Periodic vulnerability and risk assessments are performed to help reduce the likelihood and impact of cyber threats, malware, data leakage and security vulnerabilities.

d) Regulatory and Compliance Risk

The Company has a robust compliance risk management framework in place approved by the Board, which lays down the roles and responsibilities of employees towards ensuring compliance with the applicable laws and regulations as also the role of the Compliance Department in monitoring compliance. The management of compliance risk is an integral component of the governance framework along with other internal control and risk management frameworks.

Internal Capital Adequacy Assessment Process (ICAAP): Scale based regulation issued on October 22, 2021 required NBFC-UL and NBFC-ML to make a thorough internal assessment of the need for capital, commensurate with the risks in their business on similar lines as ICAAP prescribed for commercial banks under Pillar 2. The Company has already put in place a Board approved ICAAP policy and asssed the capital requrements based on the ICAAP policy and stressed scenarios.

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

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Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

39. Risk Management review

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

For information on the financial risk management framework, see Note 38

A. Credit risk
- i. Credit quality analysis
- ii. Collateral held and other credit enhancements
- iii. Amounts arising from ECL
- iv. Concentration of credit risk

B. Liquidity risk
- i. Maturity analysis for financial liabilities and financial assets
- ii. Financial assets position- pledged/unpledged

C. Market risk
- i. Exposure to interest rate risk – Non-trading portfolios
- ii. Exposure to currency risks – Non-trading portfolios

D. Capital management
- i. Regulatory capital
- ii. Capital allocation

(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

For the definition of credit risk and information on how credit risk is mitigated by the Company, see Note 38.

1) Days past due based method implemented by Company for credit quality analysis of Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the days past due and year-end stage classification of Loans. The amounts presented are gross of impairment allowances.

a)

Outstanding Gross Loans	As at March 31, 2024					As at March 31, 2023				
	Count	Stage 1	Stage 2	Stage 3	Total	Count	Stage 1	Stage 2	Stage 3	Total
Days past due										
Zero overdue	2,72,218	50,133.37	709.33	11.23	50,853.93	1,96,783	35,533.13	907.37	15.14	36,455.64
1-30 days	1,957	230.17	122.58	2.32	355.07	1,849	197.84	173.23	6.26	377.33
31-60 days	1,435	-	285.48	4.13	289.61	1,284	-	276.90	19.91	296.81
61-90 days	353	-	67.26	10.92	78.18	346	-	59.82	32.89	92.71
More than 90 days	2,035	-	-	465.29	465.29	1,921	-	-	510.98	510.98
Total	**2,77,998**	**50,363.54**	**1,184.65**	**493.89**	**52,042.08**	**2,02,183**	**35,730.97**	**1,417.32**	**585.18**	**37,733.47**

b)

Impairment allowance on Loans	As at March 31, 2024				As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due								
Zero overdue	157.79	102.78	6.31	266.88	135.67	146.37	9.73	291.77
1-30 days	3.97	21.97	1.73	27.67	2.79	32.31	2.80	37.90
31-60 days	-	35.16	1.67	36.83	-	72.29	9.88	82.17
61-90 days	-	12.75	3.91	16.66	-	40.27	15.79	56.06
More than 90 days	-	-	272.89	272.89	-	-	310.45	310.45
Total	**161.76**	**172.66**	**286.51**	**620.93**	**138.46**	**291.24**	**348.65**	**778.35**
ECL coverage ratio	**0.32%**	**14.57%**	**58.01%**	**1.19%**	**0.39%**	**20.55%**	**59.58%**	**2.06%**

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

Trade Receivables

PARTICULARS	As at March 31, 2024			As at March 31, 2023		
Category of Trade receivables	**Gross**	**Impairment allowance**	**Net**	**Gross**	**Impairment allowance**	**Net**
Stage 1: Considered good	23.83	0.10	23.73	9.53	-	9.53
Stage 2:Significant increase in credit risk	5.67	0.02	5.65	15.82	-	15.82
Stage 3: Credit impaired	0.33	0.33	-	14.89	14.89	-
Net Carrying value of trade receivables	**29.83**	**0.45**	**29.38**	**40.24**	**14.89**	**25.35**

Trade receivables overdue for 31 to 90 days are classified in Stage 2: Significant increase in credit risk.
Lifetime expected credit losses are considered for trade receivables as per simplified approach.

(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

i. Credit quality analysis continued

Derivative Financial Instruments

The Company enters into derivatives contract for risk management purposes and has elected to apply hedge accounting requirements. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Derivatives held for Risk management purposes	As at March 31, 2024			As at March 31, 2023		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Spot and Forwards	226.15	-	6.57	232.79	-	0.16
Currency swaps	625.10	46.78	-	615.85	45.07	-
Interest rate swaps	-	2.72	-	-	0.06	-
Total	**851.25**	**49.50**	**6.57**	**848.64**	**45.13**	**0.16**

Derivatives held for risk management purposes:

The Company is exposed to foreign currency risk related to external commercial borrowings and the primary risk of change in the floating interest rate and payment in foreign currency towards principal and interest at future date is managed by entering into a interest rate swap and foreign exchange forward rate purchase agreement respectively.
The Corporation's risk management strategy and how it is applied to manage risk is explained in Note 38.

The Interest rate swap and foreign exchange forward currency agreements are entered to fully hedge the risk on account of change in interest rate and foreign exchange fluctuations on account of the external commercial borrowings.

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

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(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

ii Collateral held and other credit enhancements

The Company holds collateral and other credit enhancements against certain of its credit exposures

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

The main types of collateral obtained are as follows:

For housing loans, mortgage against residential property is obtained. For loan against property, mortgage against residential and commercial property is obtained. For Construction finance, additionally mortgage over residential and commercial project is obtained.

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

Particulars	Category of collateral available
Financial assets	
Term Loans	
Housing Loans	Mortgages over residential properties
Non housing loan / Retained portion of assigned loans	Charges over: i) real estate properties (including residential and commercial), land and under construction flat ii) marketable securities (equity)
Credit Substitutes	Unsecured loan
Others	
Loan to TCL Employee Welfare Trust	Unsecured loan

Assets obtained by taking possession of collateral.

The Company's collection policy is to pursue timely realisation of the collateral in an orderly manner.The Company upon a customer account becoming delinquent, undertakes the process to physically repossess properties with the help of legal proceeding to recover funds and settle outstanding debt. Any surplus funds if any received are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale. Asset in the form of real estate property received upon final settlement of the loan is recorded as non-current assets held for sale.

Loans granted by the Company are secured by any or all of the following as applicable, based on their categorisation:
a) Equitable / registered mortgage of property.
b) Undertaking to create a security.
c) Against securities.

Management monitors the market value of collateral as per the Credit monitoring process and will request additional collateral in accordance with the underlying agreement as applicable.

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

ii Collateral held and other credit enhancements (continued)

The table show the value of the credit impaired asset and the value of the collateral available.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Credit Impaired	Security held	Credit Impaired	Security held
Loans				
Housing Loans	178.36	486.19	358.51	685.20
Non housing loan	315.53	387.22	226.67	361.29
Total	**493.89**	**873.41**	**585.18**	**1,046.49**

(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

iii Amounts arising from ECL

Impairment allowance on financial asset is covered in note 2 (xi)
Inputs, assumptions and estimation techniques used for estimating ECL

1) **Inputs:**
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience, expert credit assessment and including forward looking information.

The Company allocates each exposure to a credit risk grade based on days past due, which is a quantitative factor that indicates the risk of default. Additional qualitative factors are applied such as fraudulent customer, reschedulement of loans and discontinued portfolios are also considered as qualitative factor.

These factors are applied uniformly for each lending product. Upon review the committee may conclude that the account qualifies for classification as stage 2 since there is increase in credit risk. The determination of the credit risk is for each product, considering the unique risk and rewards associated with it. The Company has observed varied level of risk across various buckets within each stage and a significant increase in risk in stage 2, based on assessment of qualitative parameters such as decline in net-worth, downgrade in internal ratings and external ratings.

The objective of the ECL assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing the remaining lifetime probability of default (PD) as at the reporting date; with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure and adjusted for changes on account of prepayments.

In assessing the impairment of loan assets under Expected Credit Loss (ECL) Model, the loans have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

Refer note 2(xi) in Significant accounting policies for definition of Stages of Asset.

2) **Assumptions:**
The Company has applied following assumptions for determination of ECL.

a) Loss given default (LGD) is an estimate of loss from a transaction given that a default occurs.
b) Probability of default (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.
c) Exposure at default (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company including loan commitments.
d) Definition of default: A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. Further if the customer has requested forbearance in repayment terms, such restructured, rescheduled or renegotiated accounts are also classified as Stage 3. Non-payment on another obligation of the same customer is also considered as a stage 3. Once an account defaults as a result of the days past due condition, it will be considered to be cured only when entire arrears of interest and principal are paid by the borrower.
e) Forward looking information
The Company incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables such as real GDP, domestic credit growth, money market interest rate etc. as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes. More weight is applied to pessimistic outcome consistently as a matter of prudence than optimistic outcome.

f) Assessment of significant increase in credit risk
The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Additionally, accounts identified and reviewed by the Executive committee for labelling as breaching pre-defined critical credit risk parameters will also be classified as stage 2. Accordingly, the financial assets shall be classified as Stage 2, based on the quantitative as well as qualitative factors.

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(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

iii Amounts arising from ECL

3) Estimation techniques:

The Company has applied the following estimation technique for ECL model:

a) The Company has used historic default rates for calculating the 12-month PD and Lifetime PDs

b) Loss given default is calculated after considering outstanding at the time of default and adjusting for actual recoveries basis time value of money.

c) Credit risk monitoring techniques

Exposures are subject to ongoing monitoring, which may indicate that a significant increase in credit risk has occurred on an exposure. The monitoring typically involves use of the following data for Corporate and Retail exposures:

i) Overdue status
ii) Restructuring, reschedulement of loans and requests for granting of forbearance
iii) Fraudulent customer
iv) Exit directed by the Risk Management Committee
v) Accounts classified by SICR committee indicating significant increase in credit risk
vi) Information published in the Basel IRB (Basel internal rating based approach refers to set of credit measurement techniques proposed by the Basel committee on Bank Supervision (BCBS) for capital adequacy purpose) norms is also used.

d) Days past due are a primary input for the determination of the PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by product. For some portfolios, information published in Basel IRB norms is also used.

e) The Company employs statistical models to analyse the data collected and generate estimates of the remaining lifetime -PD of exposures and how these are expected to change as a result of the passage of time. Such statistical models are selected considering the availability of information related to the probability of default for each product.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors. Key macro-economic indicators include but are not limited to Private consumption, Real GDP, Consumer prices, Long-term bond yield, Unemployment rate, Gross fixed investment rate etc.

For the purpose of determination of impact of forward-looking information, the Company applies various macro-economic (ME) variables as stated above to each product and assess the trend of the historical probability of defaults as compared to the forecasted probability of default. Based on the directional trend of output, management applies an overlay if required. Overtime, new ME variable may emerge to have a better correlation and may replace ME being used now.

f) Based on advice from the external risk management experts, the Company considered variety of external actual and forecast information to formulate a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. Such forecasts are adjusted to estimate the PDs.

g) Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

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(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

iii Amounts arising from ECL

h) A maximum of a 12-month PD or actual contractual tenure is considered for financial assets for which credit risk has not significantly increased. The Company measures ECL for stage 2 and stage 3 assets considering the risk of default over the maximum contractual period over which it is exposed to credit risk.

i) The loans are segmented into homogenous product categories to determine the historical PD/LGD. This segmentation is subject to regular review.

j) For portfolios in respect of which the Company has limited historical data, external benchmark information is used to supplement the internally available data.

k) Techniques for determining LGD:

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates against defaulted counterparties. The LGD models consider the cash flow received and assets received in lieu of settlement of loan. LGD estimates are calculated on a discounted cash flow basis using the contractual interest rate (approximation to expected EIR) as the discounting factor. The Company has adopted collection curve method for computation of loss given defaults to determine expected credit losses. In the Absence of observed history of default, LGD applied is based on Basel IRB norms for certain products.

l) Techniques for computation of EAD

a) EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty. The EAD of a financial asset is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on credit conversion factor for various loan commitments.

b) When estimating ECL for undrawn loan commitments, the company estimates the expected portion of the loan commitment that will be drawn down over its expected life. ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company if the holder of the commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down.

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Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

iii Amounts arising from ECL

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

a)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**35,730.97**	**1,417.32**	**585.18**	**37,733.47**	**26,923.64**	**1,918.00**	**469.52**	**29,311.16**
New assets originated or purchased (including charges levied on existing exposure)	23,353.39	19.73	5.37	23,378.49	23,727.90	944.20	215.64	24,887.74
Assets derecognised or repaid (excluding write offs)	(8,522.09)	(298.86)	(168.11)	(8,989.06)	(14,852.26)	(1,349.48)	(173.92)	(16,375.66)
Transfers to Stage 1	88.68	(64.82)	(23.86)	-	147.01	(73.08)	(73.93)	-
Transfers to Stage 2	(190.55)	220.40	(29.85)	-	(78.40)	90.99	(12.59)	-
Transfers to Stage 3	(96.86)	(105.52)	202.38	-	(136.53)	(111.34)	247.87	-
Amounts written off *	-	(3.60)	(77.22)	(80.82)	(0.39)	(1.97)	(87.41)	(89.77)
Gross carrying amount closing balance	**50,363.54**	**1,184.65**	**493.89**	**52,042.08**	**35,730.97**	**1,417.32**	**585.18**	**37,733.47**

b)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**138.46**	**291.24**	**348.65**	**778.35**	**91.20**	**416.10**	**256.87**	**764.17**
New assets originated or purchased (including re-measurement)	87.05	3.44	45.11	135.60	80.59	182.42	149.15	412.16
Assets derecognised or repaid (excluding write offs)	(7.80)	(109.19)	(121.26)	(238.25)	56.50	(260.20)	(129.71)	(333.41)
Transfers to Stage 1	0.58	(0.48)	(0.10)	-	0.68	(0.43)	(0.25)	-
Transfers to Stage 2	(19.48)	25.52	(6.04)	-	(8.81)	10.59	(1.78)	-
Transfers to Stage 3	(37.05)	(37.44)	74.49	-	(81.70)	(56.56)	138.26	-
Amounts written off *	-	(0.43)	(54.34)	(54.77)	-	(0.68)	(63.89)	(64.57)
ECL allowance - closing balance	**161.76**	**172.66**	**286.51**	**620.93**	**138.46**	**291.24**	**348.65**	**778.35**

* The above amount written off is subject to the enforcement of the security.

(Rs. in crore)

39. Financial risk review *(Continued)*

A. Credit risk

iii Amounts arising from ECL

Modified financial assets

The Company renegotiates loans given to customers in financial difficulties (referred to as forbearance activities, restructuring or rescheduling) to maximise collection opportunities and minimise the risk of default. Under the Companies forbearance policy, loan forbearance is granted on a selective basis if the customer is currently in default on its debt or if there is a high risk of default, there is evidence that the customer made all reasonable efforts to pay under the original contractual terms and the customer is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Risk Management Committee regularly reviews reports on forbearance activities.

Upon renegotiation, such accounts are classified as stage 3. Such accounts are upgraded to stage 1 only upon observation of satisfactory repayments for at least one year from the commencement of the first payment of interest or principal (whichever is later).

Pursuant to RBI Covid restructuring policy, accounts for which Covid restructuring facility were given have been reclassified from Stage I to Stage II if DPD at invocation was between 0-30 and If the DPD was 30+ then the accounts were further downgraded within Stage II and corresponding staging wise ECL provision was done.

Exposure to modified financial assets

PARTICULARS	As at March 31, 2024 Amortised Cost	As at March 31, 2023 Amortised Cost
Loan exposure to modified financial assets		
(i) Gross carrying amount	1,055.78	1,444.39
(ii) Impairment allowance	228.31	345.52
(iii) Net carrying amount (i-ii)	**827.47**	**1,098.87**

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Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

39. Financial risk review (Continued)

A. **Credit risk**

Loans by Division

iv. Credit concentration by division under various stages:

1) **Loan exposure by division**

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification of Loans by division. The amounts presented are gross of impairment allowances.

a)

Gross carrying amount of loans	As at March 31, 2024				As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Division								
Housing	35,604.88	603.86	315.53	36,524.27	26,032.46	684.75	358.51	27,075.72
Non Housing	14,756.29	580.79	178.36	15,515.44	9,696.14	732.57	226.67	10,655.38
Others	2.37	-	-	2.37	2.37	-	-	2.37
Total	50,363.54	1,184.65	493.89	52,042.08	35,730.97	1,417.32	585.18	37,733.47

b)

Impairment allowance on Loans	As at March 31, 2024				As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due								
Housing	111.78	104.36	197.91	414.05	106.86	179.75	224.22	510.83
Non Housing	49.97	68.30	88.60	206.87	31.59	111.49	124.43	267.51
Others	0.01	-	-	0.01	0.01	-	-	0.01
Total	161.76	172.66	286.51	620.93	138.46	291.24	348.65	778.35

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(Rs. in crore)

39. Financial risk review (Continued)

B. Liquidity risk

For the definition of liquidity risk and information on how liquidity risk is managed by the Company, see Note 38.

i. Exposure to liquidity risk

The Company has set tolerance limits in the light of the Company's business objectives, strategic direction and overall risk appetite. The tolerance limits reflects balance between profitability and managing liquidity risk and considers Company's current financial condition and funding capacity. The Company maintains liquidity buffer of unencumbered highly liquid assets (if required) to insure against adverse liquidity events.

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Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

39. Financial risk review (Continued)

B. Liquidity risk

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets:

As at March 31, 2024	Carrying amount	Gross nominal inflow/(outflow)	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial liability by type									
Derivative financial instruments	6.57	6.57	0.01	0.03	0.14	6.39	-	0.18	6.39
Trade payables	158.41	158.41	79.21	79.21	-	-	-	158.41	-
Debt securities	21,437.97	21,437.97	1.71	2,317.48	4,265.54	10,448.34	4,404.90	6,584.73	14,853.24
Borrowings	24,455.83	24,455.83	261.97	2,890.01	4,518.39	15,663.26	1,122.20	7,670.37	16,785.46
Subordinated liabilities	1,377.18	1,377.18	14.12	-	85.02	400.00	878.04	99.14	1,278.04
Lease Liabilities	122.32	122.32	1.44	2.84	11.86	65.97	40.21	16.14	106.18
Other financial liabilities	85.36	85.36	17.53	67.83	-	-	-	85.36	-
	47,643.64	47,643.64	375.99	5,357.39	8,880.95	26,583.96	6,445.35	14,614.33	33,029.31
Financial asset by type									
Cash and cash equivalents	1,658.11	1,658.11	1,492.28	-	165.83	-	-	1,658.11	-
Balances with bank in deposit account	51.02	51.02	0.24	0.07	50.33	0.38	-	50.64	0.38
Derivative financial instruments	49.50	49.50	-	-	-	49.50	-	-	49.50
Trade Receivables	29.38	29.38	5.88	23.50	-	-	-	29.38	-
Loans$	51,401.88	51,401.88	1,108.38	1,479.00	7,100.13	11,153.98	30,560.39	9,687.51	41,714.37
Investments	969.29	969.29	961.83	-	-	7.46	-	961.83	7.46
Other Financial Assets	16.63	16.63	3.33	13.30	-	-	-	16.63	-
	54,175.81	54,175.81	3,571.93	1,515.88	7,316.29	11,211.32	30,560.39	12,404.10	41,771.71
Type of Borrowings									
Borrowings from Banks#	24,455.83	24,455.83	261.97	2,890.01	4,518.39	15,663.26	1,122.20	7,670.37	16,785.46
Market Borrowings	22,815.15	22,815.15	15.83	2,317.48	4,350.56	10,848.34	5,282.94	6,683.87	16,131.28
Total Borrowings	47,270.98	47,270.98	277.80	5,207.49	8,868.95	26,511.60	6,405.14	14,354.24	32,916.74

* Maturity pattern considered as per ALM reporting.
$ Loans reporting as per ALM includes Stage I and II provisions and excludes Stage III (net of provisions).
# includes Borrowings from National Housing Bank.

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

39. **Financial risk review (Continued)**

B. **Liquidity risk**

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets:

As at March 31, 2023	Carrying amount	Gross nominal inflow/(outflow)	Less than 1 month	1–3 months	3 months –1 year	1–5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial liability by type									
Derivative financial instruments	0.16	0.16	0.01	0.02	0.05	0.09	-	0.07	0.09
Trade payables	133.47	133.47	66.74	66.74	-	-	-	133.47	-
Debt securities	16,287.43	16,287.43	-	670.00	3,649.72	8,217.07	3,750.64	4,319.72	11,967.71
Borrowings	17,639.49	17,639.49	701.88	1,427.55	2,899.76	11,734.54	875.76	5,029.18	12,610.31
Subordinated liabilities	1,105.58	1,105.58	27.10	1.00	129.48	448.00	500.00	157.58	948.00
Lease Liabilities	78.93	78.93	1.09	2.14	9.26	43.37	23.07	12.49	66.44
Other financial liabilities	415.46	415.46	292.43	123.03	-	-	-	415.46	-
	35,660.52	35,660.52	1,089.24	2,290.47	6,688.26	20,443.07	5,149.47	10,067.97	25,592.55
Financial asset by type									
Cash and cash equivalents	698.28	698.28	648.46	-	49.82	-	-	698.28	-
Balances with bank in deposit account	0.52	0.52	0.52	-	-	-	-	0.52	-
Derivative financial instruments	45.13	45.13	-	-	-	45.13	-	-	45.13
Trade Receivables	25.35	25.35	5.07	20.28	-	-	-	25.35	-
Loans$	36,916.71	36,916.71	573.45	1,152.67	5,430.68	8,115.49	21,644.42	7,156.79	29,759.92
Investments	2,648.43	2,648.43	2,643.56	-	-	4.87	-	2,643.56	4.87
Other Financial Assets	16.24	16.24	3.25	12.99	-	-	-	16.24	-
	40,350.66	40,350.66	3,874.30	1,185.94	5,480.49	8,165.50	21,644.42	10,540.74	29,809.92
Type of Borrowings									
Borrowings from Banks#	17,639.49	17,639.49	701.88	1,427.55	2,899.76	11,734.54	875.76	5,029.18	12,610.31
Market Borrowings	17,393.01	17,393.01	27.10	671.00	3,779.20	8,665.07	4,250.64	4,477.30	12,915.71
Total Borrowings	35,032.50	35,032.50	728.98	2,098.55	6,678.96	20,399.61	5,126.40	9,506.48	25,526.02

* Maturity pattern considered as per ALM reporting.
$ Loans reporting as per ALM includes Stage I and II provisions and excludes Stage III (net of provisions).
\# Includes Borrowings from National Housing Bank and Inter-Corporate Deposits.

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TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

39. Financial risk review (Continued)

B. Liquidity risk

ii. Maturity analysis of assets and liabilities

The table below set out carrying amount of assets and liabilities according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

ASSETS	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	1,658.11	-	1,658.11	698.28	-	698.28
Balances with bank in deposit account	50.64	0.38	51.02	0.52	-	0.52
Derivatives financial instruments	-	49.50	49.50	-	45.13	45.13
Trade Receivables	29.38	-	29.38	25.35	-	25.35
Loans	9,687.51	41,714.37	51,401.88	7,156.79	29,759.92	36,916.71
Investments	961.83	7.46	969.29	2,643.56	4.87	2,648.43
Other financial assets	16.63	-	16.63	16.24	-	16.24
Non-financial Assets						
Current tax assets (Net)	5.27	-	5.27	13.83	-	13.83
Deferred tax Assets (Net)	-	79.23	79.23	-	136.30	136.30
Investment property	-	3.02	3.02	-	3.21	3.21
Property, Plant and Equipment	-	69.50	69.50	-	46.29	46.29
Capital work-in-progress	-	0.08	0.08	-	10.16	10.16
Intangible assets under development	-	1.04	1.04	-	0.18	0.18
Other intangible assets	-	8.56	8.56	-	8.01	8.01
Right of use assets	-	114.72	114.72	-	76.38	76.38
Other non-financial assets	-	18.11	18.11	-	15.37	15.37
Total Assets	12,409.37	42,065.97	54,475.34	10,554.57	30,105.82	40,660.39

B. Liquidity risk *(Continued)*

ii. Maturity analysis of assets and liabilities *(Continued)*

LIABILITIES	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Derivative financial instruments	0.18	6.39	6.57	0.07	0.09	0.16
Trade Payables						
- Total outstanding dues of micro enterprises and small enterprises	1.27	-	1.27	2.27	-	2.27
- Total outstanding dues of creditors other than micro enterprises and small enterprises	157.14	-	157.14	131.20	-	131.20
Debt Securities	6,584.73	14,853.24	21,437.97	4,319.72	11,967.71	16,287.43
Borrowings (Other than debt securities)	7,670.37	16,785.46	24,455.83	5,029.18	12,610.31	17,639.49
Subordinated liabilities	99.14	1,278.04	1,377.18	157.58	948.00	1,105.58
Lease Liabilities	16.14	106.18	122.32	12.49	66.44	78.93
Other financial liabilities	85.36	-	85.36	415.46	-	415.46
Non-Financial Liabilities						
Current tax liabilities (Net)	24.99	-	24.99	59.31	-	59.31
Provisions	27.75	7.45	35.20	33.33	6.61	39.94
Other non-financial liabilities	60.51	-	60.51	36.58	-	36.58
Total liabilities	14,727.58	33,036.76	47,764.34	10,197.19	25,599.16	35,796.35
Net	(2,318.21)	9,029.21	6,711.00	357.37	4,506.67	4,864.04

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(Rs. in crore)

39. Financial risk review (Continued)

B. Liquidity risk

iii. Financial assets position- pledged/unpledged

The total financial assets demonstrating position of pledged and not pledged assets are shown in the below table:

	As at March 31, 2024			As at March 31, 2023		
ASSETS	**Pledged**	**Not Pledged**	**Total**	**Pledged**	**Not Pledged**	**Total**
Financial assets	**52,852.61**	**1,323.20**	**54,175.81**	**39,531.94**	**818.72**	**40,350.66**
Cash and cash equivalents	1,658.11	-	1,658.11	698.28	-	698.28
Balances with bank in deposit account	-	51.02	51.02	-	0.52	0.52
Trade Receivables	-	29.38	29.38	-	25.35	25.35
Loans	51,194.50	207.38	51,401.88	36,680.18	236.53	36,916.71
Investments	-	969.29	969.29	2,153.48	494.95	2,648.43
Other financial assets	-	16.63	16.63	-	16.24	16.24
Non-financial Assets	**0.22**	**299.31**	**299.53**	**0.24**	**309.49**	**309.73**
Current tax asset	-	5.27	5.27	-	13.83	13.83
Deferred tax Assets (Net)	-	79.23	79.23	-	136.30	136.30
Investment property	0.22	2.80	3.02	0.24	2.97	3.21
Property, Plant and Equipment	-	69.50	69.50	-	46.29	46.29
Capital work-in-progress	-	0.08	0.08	-	10.16	10.16
Intangible assets under development	-	1.04	1.04	-	0.18	0.18
Other intangible assets	-	8.56	8.56	-	8.01	8.01
Right of use assets	-	114.72	114.72	-	76.38	76.38
Other non-financial assets	-	18.11	18.11	-	15.37	15.37
Total Assets	**52,852.83**	**1,622.51**	**54,475.34**	**39,532.18**	**1,128.21**	**40,660.39**

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TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

39. Financial risk review (Continued)

C. Market risk

i For the definition of market risk and information on how the company manages the market risks of trading and non-trading portfolios, see Note 38.

The following table sets out the allocation of assets and liabilities to non-trading portfolios. The Company does not allocate the assets and liabilities to trading portfolios.

Carrying amount	**Market risk measure**	
Assets subject to market risk	**As at March 31, 2024**	**As at March 31, 2023**
Cash and cash equivalents	1,658.11	698.28
Balances with bank in deposit account	51.02	0.52
Derivative financial instruments	49.50	45.13
Receivables	29.38	25.35
Loans	51,401.88	36,916.71
Investments	7.46	2,158.79
Other Financial Assets	16.63	16.24
Liabilities subject to market risk		
Derivative financial instruments	6.57	0.16
Trade payables	158.41	133.47
Debt securities	21,437.97	16,287.43
Borrowings (Other than debt securities)	24,455.83	17,639.49
Subordinated liabilities	1,377.18	1,105.58
Lease Liabilities	122.32	78.93
Other financial liabilities	85.36	415.46

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

39. Financial risk review (Continued)

C. Market risk

ii Exposure to interest rate risk – Non-trading portfolios

The Company carries out interest rate sensitivity analysis to assess the impact on earnings of interest rate movement considering the rate sensitive assets and rate sensitive liabilities upto one year period. The fixed rate assets and liabilities which are falling due on residual basis within one year have been considered as floating rate assets and liabilities basis the minimum of 'interest rate reset date or maturity of the contract'. The basis risk between various benchmark linked to assets and liabilities are considered to be insignificant.

Below table illustrates impact on earnings on account of 100 bps change on in interest rate on the assets and liabilities due for repayment / rate reset in next one year.

As at March 31, 2024

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate sensitive assets	56,957.08	543.06	(543.06)
Rate sensitive liabilities	33,147.81	246.51	(246.51)
Net Gap (Asset - liability)	23,809.26	296.55	(296.55)

As at March 31, 2023

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate sensitive assets	45,141.68	412.56	(412.56)
Rate sensitive liabilities	22,368.08	161.93	(161.93)
Net Gap (Asset - liability)	22,773.59	250.63	(250.63)

The following table sets forth, for the periods indicated, the break-up of borrowings into variable rate and fixed rate

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	46%	42%
Fixed rate borrowings	54%	58%
Total borrowings	**100%**	**100%**

iii Exposure to currency risks – Non-trading portfolios

There are no exposure to foreign currency risks in the non trading portfolio as on March 31, 2024 and March 31, 2023, since Company has entered into derivative contract to fully hedge the risk. (Refer Note no. 6 for disclosure relating to derivative financial instruments.)

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(Rs. in crore)

39. Financial risk review (Continued)

C. Market risk

iv Disclosure persuant to Ind AS 7 "Statement of Cash Flows"

Changes in Liabilities arising from financing activities

As at March 31, 2024

Particulars	April 1, 2023	Cash Flows (Net)	Exchange Difference	Others	March 31, 2024
Debt Securities	16,287.43	5,096.00	-	54.54	21,437.97
Borrowings (Other than debt securities)	17,639.49	6,789.54	12.34	14.46	24,455.83
Subordinated liabilities	1,105.58	259.91	-	11.69	1,377.18
Total	**35,032.50**	**12,145.45**	**12.34**	**80.69**	**47,270.98**

Other column includes the effect of interest accrued but not due, amortisation of borrowing cost, amortisation of premium/discount on CPs/NCDs.

As at March 31, 2023

Particulars	April 1, 2022	Cash Flows (Net)	Exchange Difference	Others	March 31, 2023
Debt Securities	12,378.68	3,723.68	-	185.07	16,287.43
Borrowings (Other than debt securities)	13,784.04	3,805.54	(17.21)	67.12	17,639.49
Subordinated liabilities	1,054.90	49.70	-	0.98	1,105.58
Total	**27,217.62**	**7,578.92**	**(17.21)**	**253.17**	**35,032.50**

Other column includes the effect of interest accrued but not due, amortisation of borrowing cost, amortisation of premium/discount on CPs/NCDs.

(Rs. in crore)

39. Financial risk review (Continued)

D. Capital management

i Regulatory capital

The National Housing Bank (NHB) sets and monitors capital adequacy requirements for the Company from time to time.
The Company's regulatory capital consists of the sum of the following elements.
Tier 1 Capital includes:
1) Ordinary share capital,
2) Securities premium reserve,
3) Retained earnings,
4) Special reserve
5) General reserve
Tier 1 Capital does not include unrealised fair value gain/loss booked for financial instruments measured at fair value through profit and loss.
Following items are deducted from Tier I
a) Intangibles
b) Deferred revenue expenditure for raising borrowings
c) Deferred tax assets
d) Prepaid expenses and unamortised loan acquisition cost
e) Right of use assets

Tier II capital includes
1) subordinated debt
2) impairment allowance provisioning for stage 1 financial assets to the extent the same does not exceed 1.25% of Risk weighted assets

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Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

39. Financial risk review (Continued)

D. Capital management

ii Regulatory capital

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.
The Company is subject to the capital adequacy requirements of the National Housing Board (NHB). Under NHB's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital.
The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Ordinary share capital	596.15	570.75
Securities premium reserve	3,008.07	2,333.51
Retained earnings	2,280.11	1,358.45
Special reserve	803.85	574.32
General reserve	10.62	4.13
Less:		
-Deferred revenue expenditure	(32.11)	(33.31)
-Software	(8.56)	(8.01)
-Intangible assets under development	(1.04)	(0.18)
-Unamortised loan acquisition cost	(171.11)	(101.14)
-Deferred tax asset	(79.23)	(136.30)
-Right of use assets	(114.72)	(76.38)
Tier I Capital	**6,292.03**	**4,485.84**
Subordinate Debt	998.04	787.64
Impairment loss allowance	189.51	171.76
Tier II Capital	**1,187.55**	**959.40**
Tier I + Tier II Capital	**7,479.58**	**5,445.24**

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

CNK & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

T R Chadha & Co LLP CHARTERED ACCOUNTANTS MUMBAI

(Rs. in crore)

39. Financial risk review (Continued)

D. Capital management

iii Capital allocation

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Asset and Liability Management Committee (ALCO).

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

(Rs. in crore)

40. Leases:

As a lessee the Company classified property leases as operating leases under Ind AS 116. These include residential premises taken on lease for employee residence and office premises for branches. The leases typically run for a period of one to seven years. Leases include conditions such as non-cancellable period i.e. lock in period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation in prices.

Right-of-use assets and Lease liabilities are presented separately on the face of the Balance Sheet.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Particulars	As on March 31, 2024	As on March 31, 2023
Balance at the beginning of the year	76.38	36.25
Additions during the year	63.08	54.36
Deletion during the year	(2.55)	(0.43)
Depreciation charge for the year	(22.19)	(13.80)
Balance at the end of the year	**114.72**	**76.38**

Movement of Lease liabilities

Particulars	As on March 31, 2024	As on March 31, 2023
Balance at the beginning of the year	78.93	40.41
Additions during the year	61.63	49.45
Deletion during the year	(3.02)	(0.65)
Finance cost for the year	8.90	5.07
Payment of lease liabilities for the year	(24.12)	(15.35)
Balance at the end of the year	**122.32**	**78.93**

Future minimum lease payments under non-cancellable operating leases were payable as follows:

Particulars	As on March 31, 2024	As on March 31, 2023
Less than one month	2.18	1.57
Between one and three months	4.29	3.05
Between three months and one year	17.95	13.03
Between one and five years	86.77	55.68
More than five years	44.43	25.59
Total	**155.62**	**98.92**

Amounts recognized in the Statement of Profit and Loss:

Particulars	As on March 31, 2024	As on March 31, 2023
Interest on lease liabilities	8.90	5.07
Depreciation on Right-of-use assets	22.19	13.80
Gain/(loss) on termination of leases	0.49	0.11
Rent concession related to COVID-19	-	0.04

Amounts recognised in statement of cash flows:

Particulars	As on March 31, 2024	As on March 31, 2023
Total cash outflow for leases	(24.12)	(15.35)

The Company has considered entire lease term for the purpose of determination of Right of Use assets and Lease liabilities.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

41. Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended

41.1 Capital

(Rs. in crore)

Particulars		2023-24	2022-23
(i)	CRAR (%)	18.80%	18.20%
(ii)	CRAR – Tier I Capital (%)	15.82%	15.00%
(iii)	CRAR – Tier II Capital (%)	2.98%	3.20%
(iv)	Amount of subordinated debt raised as Tier- II Capital	300.00	129.00
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-

41.2 There were no unhedged foreign currency transactions during current year (March 31, 2023: Rs. Nil).

41.3 The Company has not done any Securitisation during the financial year. (March 31, 2023: Rs Nil).

41.4 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction is Rs. Nil (March 31, 2023: Rs Nil).

41.5 Details of Assignment transactions undertaken by HFCs is Rs. Nil (March 31, 2023: Rs Nil).

41.6 The Company does not have purchase / sale transaction of non-performing financial asset (March 31, 2023: Rs Nil).

41.7 Asset Liability Management

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

For the year 2023-24

(Rs. in crore)

Particulars	Liabilities Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances#	Assets Investments	Foreign Currency Assets
1 day to 7 days	28.38	1.32	-	520.22	961.83	-
8 days to 14 days	1.22	0.39	0.54	302.61	-	-
15 days to 30 / 31 days	231.83	14.12	-	285.55	-	-
Over One month to 2 months	1,156.22	1,758.70	3.79	754.08	-	-
Over 2 months puts 3 months	1,730.00	558.78	-	724.92	-	-
Over 3 months to 6 months	1,564.34	1,433.54	-	2,257.29	-	-
Over 6 months to 1 year	2,954.05	2,917.02	-	4,842.84	-	-
Over 1 year to 3 years	9,326.53	5,805.50	831.47	6,261.67	7.46	-
Over 3 years to 5 years	5,505.26	5,042.84	-	4,892.31	-	-
Over 5 years	1,122.20	5,282.94	-	30,560.39	-	-
Total	23,620.03	22,815.15	835.80	51,401.88	969.29	-

#Loans reporting as per ALM includes Stage I and II provisions and excludes Stage III (net of provisions)
Assets and liabilities bifurcation into various buckets is based on NHB guidelines.

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

CNK & ASSOCIATES LLP ★ CNK MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

(Rs. in crore)

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41.7 Asset Liability Management *(Continued)*

For the year 2022-23

(Rs. in crore)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances#	Investments	Foreign Currency Assets
1 day to 7 days	-	-	-	167.26	2,646.28	-
8 days to 14 days	221.92	-	-	196.06	-	-
15 days to 30 / 31 days	479.96	27.10	-	210.12	-	-
Over One month to 2 months	160.65	471.00	-	558.14	-	-
Over 2 months puts 3 months	1,266.91	200.00	-	594.53	-	-
Over 3 months to 6 months	994.82	964.89	-	1,976.47	-	-
Over 6 months to 1 year	1,904.94	2,814.30	-	3,454.21	-	-
Over 1 year to 3 years	7,398.32	3,790.23	821.94	4,995.37	2.15	-
Over 3 years to 5 years	3,514.28	4,874.84	-	3,120.13	-	-
Over 5 years	875.76	4,250.64	-	21,644.42	-	-
Total	16,817.55	17,393.01	821.94	36,916.71	2,648.43	-

#Loans reporting as per ALM includes Stage I and II provisions and excludes Stage III (net of provisions)

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

41.8 Exposure

41.8.1 Exposure to Real Estate Sector

(Rs. in crore)

Category		2023-24	2022-23
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	53,230.61	40,424.75
(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.	7,067.67	4,128.73
(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		60,298.28	44,553.48

Note : Exposure to Real Estate Sector includes accrued interest and undrawn commitment given to borrowers.

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

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(Rs. in crore)

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41.8 Exposure *(Continued)*

41.8.2 Exposure to Capital Market

(Rs. in crore)

Particulars		2023-24	2022-23
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	501.81	55.49
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		**501.81**	**55.49**

41.8.3 No Parent Company products were financed during the year (March 31, 2023: Rs Nil).

41.8.4 The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the NHB prudential norms applicable to HFC (March 31, 2023: Rs Nil).

41.8.5 Exposure to group companies engaged in real estate business

Sl. No.	Description	Amount	% of Owned Fund	Amount	% of Owned Fund
		2023-24	2023-24	2022-23	2022-23
(i)	Exposure to any single entity in a group engaged in real estate business	-	-	-	-
(ii)	Exposure to all entities in a group engaged in real estate business	-	-	-	-

41.9 Miscellaneous

41.9.1 The Company has following Registrations effective as on March 31, 2024:

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
National Housing Bank	04.0073.09	02-Apr-09	-	Housing finance institution without permission to accept public deposits.
Insurance Regulatory and Development Authority of India	CA0870	21-Sep-23	20-Sep-26	Corporate agent

41.9.2 No penalties has been imposed on the Company during the year (March 31, 2023: Rs Nil).

41.9.3 No loans granted against the collateral gold jewellery by the company (March 31, 2023: Rs Nil).

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

CNK & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

T R Chadha & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

(Rs. in crore)

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41.9.4 Group Structure

Ultimate holding Company	Tata Sons Private Limited
Holding Company	Tata Capital Limited
Subsidiaries of Holding Company	Tata Capital Pte. Limited
	Tata Capital Growth Fund I
	Tata Capital Special Situation Fund
	Tata Capital Healthcare Fund I
	Tata Capital Healthcare Fund II
	Tata Capital Innovations Fund
	Tata Capital Growth Fund II
	Tata Capital Growth II General Partners LLP
	Tata Capital Advisors Pte. Ltd.
	Tata Capital Plc
	Tata Capital General Partners LLP
	Tata Capital Healthcare General Partners LLP
	Tata Opportunities General Partners LLP
	Tata Securities Limited
	Tata Capital Financial Services Limited (merged with Tata Capital Limited w.e.f. January 01, 2024)
	Tata Capital Healthcare II General Partners LLP
	Tata Cleantech Capital Limited (merged with Tata Capital Limited w.e.f. January 01, 2024)
	TCL Employee Welfare Trust
Retiral Plans of Holding Company	Tata Capital Limited Gratuity Scheme
	Tata Capital Limited Employees Provident Fund Trust
	Tata Capital Limited Superannuation Scheme

41.9.5 Ratings assigned by credit rating agencies and migration of ratings during the year.

(i)	Rating Assigned to	Short Term Debt, Long Term Debt, Tier II Debt
(ii)	Date of Rating	ICRA - 24th November, 2023, CRISIL - 4th March, 2024, IND - 1st November 2023
(iii)	Rating Valid up to	ICRA - 23rd November, 2024, CRISIL - 4th March 2025, IND - 31st October 2024
(iv)	Name of the Rating Agency	ICRA Limited (ICRA), CRISIL Ratings Limited (CRISIL) and India Ratings and Research Private Limited (IND)
(v)	Rating of products	
	(a) Commercial Paper	[ICRA]A1+ and CRISIL A1+
	(b) Secured Non-Convertible Debentures (Listed)	CRISIL AAA /Stable and [ICRA] AAA (Stable)
	(c) Secured Non-Convertible Debentures (Unlisted)	CRISIL AAA /Stable
	(d) Secured Non-Convertible Debentures – Market linked Debentures	CRISIL PPMLD AAA/Stable
	(e) Unsecured Sub Debt Tier II Debentures	CRISIL AAA /Stable and [ICRA] AAA (Stable)
	(f) Secured Non-Convertible Debentures - Public	CRISIL AAA /Stable, [ICRA]AAA (Stable) and IND AAA/ Stable
	(g) Long Term Bank Loans	CRISIL AAA/ Stable and IND AAA/Stable

During the year under review, rating agencies re-affirmed/issued ratings to the Company as above.

41.10 Additional Disclosures

41.10.1 Provisions and Contingencies

(Rs. in crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		2023-24	2022-23
(i)	Provision made / (reversed) towards income tax	391.46	280.13
(ii)	Provision made / (reversed) towards NPA [Impairment allowance - stage III (net of recoveries)]	(63.53)	85.95
(iii)	Provision made / (reversed) for standard assets [Impairment allowance - stage I & II]	(100.85)	(68.68)
(iv)	Provision made / (reversed) for trade receivables	15.91	14.87
(iv)	Provision made / (reversed) for depreciation on fixed assets	44.39	27.86
(v)	Provision made / (reversed) for gratuity	2.57	4.33
(vi)	Provision made / (reversed) for leave encashment	4.41	3.16
(vii)	Provision made / (reversed) for long term service benefit	0.08	0.04

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(Rs. in crore)

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The Company has assessed its obligations arising in the normal course of business, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Indian Accounting Standard (Ind AS) 37 on 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

41.10.2 The disclosure for drawdown of reserves during the year has been disclosed in Note no 21.

41.10.3 The disclosure of the Concentration of Deposits taken is not applicable as the Company carries on the business of a housing finance institution without accepting public deposits (March 31, 2023: Rs Nil).

41.10.4 Concentration of Loans & Advances

(Rs. in crore)

Particulars	2023-24	2022-23
Total Loans & Advances to twenty largest borrowers #	4,100.95	3,034.81
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	7.88%	8.04%

Includes Loans & Advances and interest accrued thereon.

41.10.5 Concentration of all Exposure (including off-balance sheet exposure)

(Rs. in crore)

Particulars	2023-24	2022-23
Total Exposure to twenty largest borrowers / customers #	5,325.93	4,365.05
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	8.83%	9.80%

Includes Loans & Advances and interest accrued and undrawn exposure thereon.

41.10.6 Concentration of NPAs

(Rs. in crore)

Particulars	2023-24	2022-23
Total Exposure to top ten NPA accounts	153.44	163.97

41.10 Additional Disclosures (Continued)

41.10.7 Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
		2023-24	2022-23
A.	**Housing**	**0.86%**	**1.32%**
1.	Individuals	0.68%	1.08%
2.	Builders/Project	1.88%	2.36%
3.	Corporates	0.87%	2.95%
4.	Others (specify)	0.00%	0.00%
B.	**Non-Housing**	**1.15%**	**2.13%**
1.	Individuals	1.24%	2.17%
2.	Builders/Project	1.42%	2.64%
3.	Corporates	0.35%	1.07%
4.	Others (specify)	0.00%	0.00%

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

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(Rs. in crore)

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41.10.8 Movement of NPAs

(Rs. in crore)

Particulars	**2023-24**	**2022-23**
(I) Net NPAs to Net Advances (%)	0.40%	0.63%
(II) Movement of NPAs (Gross)		
a) Opening balance	585.18	469.52
b) Additions during the year	207.67	406.14
c) Reductions during the year	(298.96)	(290.48)
d) Closing balance	493.89	585.18
(III) Movement of Net NPAs		
a) Opening balance	236.53	212.65
b) Additions during the year	88.63	152.82
c) Reductions during the year	(117.78)	(128.94)
d) Closing balance	207.38	236.53
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	348.65	256.87
b) Additions during the year	119.04	253.32
c) Reductions during the year	(181.18)	(161.54)
d) Closing balance	286.51	348.65

Note: The movement of Gross NPA, Provisions for NPA and Net NPA presented above excludes NPA identified and regularized in the same financial year.

41.10.9 The company does not have overseas asset as at March 31, 2024 (March 31, 2023 : Nil).

41.10.10 The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable (March 31, 2023 : Nil).

41.10.11 The Company has not undertaken any transaction for currency futures and currency options. Accordingly there is no disclosure applicable (March 31, 2023 : Nil)

41.10.12 There are no material prior period items which are impacting Company's current year profit and loss (March 31, 2023 : Nil).

41.10.13 Since the Company does not have significant uncertainties pending resolutions as at March 31, 2024, revenue recognition has not been postponed. (March 31, 2023 : Nil).

41.11 Customers Complaints

Particulars	**2023-24**	**2022-23**
a) No. of complaints pending at the beginning of the year	41	126
b) No. of complaints received during the year	3,397	5,990
c) No. of complaints redressed during the year	3,326	6,075
d) No. of complaints pending at the end of the year	112	41

(Rs. in crore)

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41.12 Derivative Instruments Exposures:

Derivative positions open as at March 31, 2024 and March 31, 2023 in the form of foreign currency forward exchange contract and interest rate swap are disclosed below. These transactions were undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and qualify or can be designated as hedging instruments. The accounting for these transactions is stated in note 2 (xi).

Forward exchange contracts (being derivative instrument), which are not intended for trading or speculation purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date at certain payables and receivables. Interest rate swap is entered to establish the fixed rate of interest payable towards the external commercial borrowing.

The Company does not hold any derivative instrument which are intended for trading or speculation as on the reporting date.

Outstanding foreign exchange forward contracts and interest rate swap entered into by the Company: -

Particulars	Buy / Sell	For the Year ended March 31, 2024		For the Year ended March 31, 2023	
		USD (Mio)	Rs. In crore	USD (Mio)	Rs. In crore
Foreign exchange forward contracts i.e. Notional principal of Swap Agreements (Foreign currency amount payable at future date *Closing exchange rate)	Buy	27.13	226.15	28.35	232.79
Interest rate swap contract i.e. Notional principal of Swap Agreements (Foreign Currency borrowings*Closing exchange rate)	Buy	NA	NA	NA	NA
Cross currency swap contract i.e. Notional principal of Swap Agreements (Foreign Currency borrowings*Closing exchange rate)	Buy	75.00	625.10	75.00	615.85
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Buy	NA	2.21	NA	NA
Collateral required by the NBFC upon entering into swaps	Buy	NA	NA	NA	NA
Concentration of credit risk arising from the swaps $	Buy	NA	NA	NA	NA
The fair value gain/(loss) of the swap book, net	Buy	NA	(2.21)	NA	56.40
The fair value loss of the interest rate swap	Buy	NA	-	NA	-
The fair value gain/(loss) of the Cross currency swap contract	Buy	NA	-	NA	-

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

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Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has a risk management policy to enter into derivatives to manage the risk associated with external commercial borrowings. The following table highlights the key aspects of the policy:

a) Treasury and Risk function is authorised to elect appropriate derivative instrument:,
b) The Company shall fully hedge the risk on account of foreign currency fluctuation and change interest rate towards external commercial borrowing;
c) The Company has put in place a reporting and monitoring mechanism for the risk associated with the derivative transaction;
d) Company has a hedging policy in place which mandates to have a hedge relation established before a derivative transaction is entered into. The Company ensures that the hedging effectiveness is monitored continuously during the life of the derivative contract;

B. Quantitative Disclosure

Particulars	Currency Derivatives		Interest Rate Derivatives	
	2023-24	2022-23	2023-24	2022-23
(i) Derivatives (Notional Principal Amount)	851.25	848.64	NA	NA
(ii) Marked to Market Positions [1]				
(a) Assets (+)	46.78	45.07	2.72	0.06
(b) Liability (-)	(6.57)	(0.16)	-	-

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

41. Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)

41.13 Housing and non-housing loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank are as follows:

Category	Standard Assets		Sub-Standard Assets		Doubtful Assets		Loss Assets		Total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Housing Loan										
Gross Portfolio	36,208.74	26,717.21	122.31	263.13	175.85	95.38	17.37	-	36,524.27	27,075.72
Provision	216.14	286.60	49.66	151.45	130.88	72.78	17.37	-	414.05	510.83
Net Portfolio	35,992.60	26,430.61	72.65	111.68	44.97	22.60	-	-	36,110.22	26,564.89
Non Housing Loan										
Gross Portfolio	15,339.45	10,431.08	82.66	144.28	95.70	82.39	-	-	15,517.81	10,657.75
Provision	118.28	143.10	26.53	65.33	62.07	59.09	-	-	206.88	267.52
Net Portfolio	15,221.17	10,287.98	56.13	78.95	33.63	23.30	-	-	15,310.93	10,390.23
Total										
Gross Portfolio	51,548.19	37,148.29	204.97	407.41	271.55	177.77	17.37	-	52,042.08	37,733.47
Provision	334.42	429.70	76.19	216.78	192.95	131.87	17.37	-	620.93	778.35
Net Portfolio	51,213.77	36,718.59	128.78	190.63	78.60	45.90	-	-	51,421.15	36,955.12

Categories of Doubtful Assets are as follows:

Category	Doubtful 1		Doubtful 2		Doubtful 3		Total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Housing Loan								
Gross Portfolio	150.68	51.97	25.17	43.37	-	0.04	175.85	95.38
Provision	109.60	39.59	21.28	33.15	-	0.04	130.88	72.78
Net Portfolio	41.08	12.38	3.89	10.22	-	-	44.97	22.60
Non Housing Loan								
Gross Portfolio	47.60	57.37	47.93	24.75	0.17	0.27	95.70	82.39
Provision	28.52	40.65	33.38	18.17	0.17	0.27	62.07	59.09
Net Portfolio	19.08	16.72	14.55	6.58	-	-	33.63	23.30
Total								
Gross Portfolio	198.28	109.34	73.10	68.12	0.17	0.31	271.55	177.77
Provision	138.12	80.24	54.66	51.32	0.17	0.31	192.95	131.87
Net Portfolio	60.16	29.10	18.44	16.80	-	-	78.60	45.90

41.14 Loans granted by the Company are secured by any or all of the following as applicable, based on their categorisation:
a) Equitable / registered mortgage of property.
b) Undertaking to create a security.
c) Against securities.

41.15 The company has reported 1 fraud aggregating Rs. 18.14 crore (March 31, 2023: 4 frauds aggregating Rs. 2.99 crore) based on management reporting to risk committee and to the NHB through prescribed returns. The nature of fraud involved is cheating and forgery.

41.16 Asset Classification, NPA identification and Provisioning as per NHB Norms and Staging & Impairment allowance under Ind AS

1) Classification of Asset as Standard Asset under NHB norms:

An Asset having DPD equal to or less than 90 days and not classified as default as per Ind AS 109 is reported as standard asset as per NHB norms. Provisioning made on stage 1 and stage 2 assets under Ind AS 109 is reported as standard asset provisioning.

2) Classification of an Asset as NPA Asset under NHB norms:

An Asset having DPD more than 90 days and classified as default as per Ind AS 109 is reported as NPA asset as per NHB norms. Such asset based on DPD as per NHB norms is further classified and presented into substandard, doubtful and loss assets in compliance with the NHB norms. Provisioning made on stage 3 assets under Ind AS 109 is reported as NPA provisioning.

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

CNK & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

T R Chadha & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2024

(Rs. in crore)

41. Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)

41.17 Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not				
a) Debentures:				
(other than those falling within the meaning of public deposit)				
- Secured	17,587.89	15,486.12	-	-
- Unsecured	1,377.18	1,105.58	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	22,969.69	16,375.72	-	-
d) Inter-corporate loans and borrowing	-	443.75	-	-
e) Commercial Paper	3,850.08	801.31	-	-
f) Other loans				
- Working Capital Demand Loan	1,486.12	820.02	-	-
- Overdraft	0.02	-	-	-

Assets side:

Particulars	Amount Outstanding	
	2023-24	2022-23
2) Break up of loans and advances including bills receivables		
(other than those included in (3) below)		
- Secured	49,871.08	36,320.73
- Unsecured	2,171.00	1,412.74
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
a) Lease assets including lease rentals under sundry debtors:		
- Financial Lease	-	-
- Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
- Assets on hire	-	-
- Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
- Loans where assets have been repossessed	-	-
- Other loans	-	-

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

41 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)

Assets side: (Continued)

Particulars	**Amount Outstanding 2023-24**	**Amount Outstanding 2022-23**
4) Break up of Investments		
Current Investments:		
a) **Quoted:**		
- Shares: Equity	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	-	2,153.48
- Government Securities	612.60	405.09
- Others (Treasury Bills)	349.23	84.55
b) **Unquoted:**		
- Shares: Equity	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	-	-
- Government Securities	-	-
- Others (Pass through certificate)	-	-
Long-Term Investments:	-	-
a) **Quoted:**		
- Shares: Equity (Net of provision)	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	7.46	5.31
- Government Securities	-	-
- Others	-	-
b) **Unquoted:**	-	-
- Shares: Equity	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	-	-
- Government Securities	-	-
- Others	-	-

5) Borrower group-wise classification of assets financed as in (2) and (3) above

Particulars	**Secured 2023-24**	**Secured 2022-23**	**Unsecured 2023-24**	**Unsecured 2022-23**	**Total 2023-24**	**Total 2022-23**
a) Related parties						
(i) Subsidiaries	-	-	-	-	-	-
(ii) Companies in the same group	-	-	-	-	-	-
(iii) Other related parties	468.50	-	2.37	2.37	470.87	2.37
b) Other than related parties	49,402.58	36,320.73	2,168.63	1,410.37	51,571.21	37,731.10
TOTAL	49,871.08	36,320.73	2,171.00	1,412.74	52,042.08	37,733.47

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Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2024

(Rs. in crore)

41 **Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)**

Assets side: ***(Continued)***

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	Market Value/Break up or fair value or NAV		Book Value (Net of Provisions)	
	2023-24	2022-23	2023-24	2022-23
a) Related parties				
i) Subsidiaries	-	-	-	-
ii) Companies in the same group	-	-	-	-
iii) Other related Parties	-	-	-	-
b) Other than related parties	969.29	2,648.43	969.29	2,648.43
TOTAL	969.29	2,648.43	969.29	2,648.43

7) Other Information

Particulars	2023-24	2022-23
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	493.89	585.18
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	207.38	236.53
c) Assets acquired in satisfaction of debt	-	-

41.18 Principal Business Criteria : Para 4.1.17 of NBFC-HFC (Reserve Bank) Directions, 2021

Particulars	Limit %	2023-24	2022-23
Criteria - I			
a) Financial Assets / Total Assets (Net of Intangible Assets)	>50%	96.99%	98.31%
b) Income from Financial Assets / Gross Income	>50%	95.84%	97.44%
Criteria - II			
a) Housing Finance / Total Assets (Net of Intangible Assets)	>=60%	67.52%	67.13%
b) Housing Finance for Individual / Total Assets (Net of Intangible Assets)	>=50%	56.80%	54.51%

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024
(Rs. in crore)

41 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)

41.19 Disclosure pursuant to Reserve Bank of India Circular DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated December, 2021 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies- Housing Finance Companies

(i) Funding Concentration based on significant counterparty

Sr. No	Number of Significant Counterparties	% of Total deposits	Amount (in Crore)*	% of Total Liabilities
1	21	0%	38,104.74	80%

* Principal amount outstanding as on March 31, 2024

(ii) Top 20 Large Deposits

Sr. No	Counterparty	Amount (in Crore)	% of total deposits
	Nil		

(iii) Top 10 Borrowing

Sr. No	Name of Counterparty	Amount (in Crore)*	% of total borrowings
1	10	29,865.61	64%

* Principal amount outstanding as on March 31, 2024

(iv) Funding Concentration based on significant instrument/product

Sr.No	Name of the instrument/product	Amount (in Crore)	% of total liabilities
1	Non Convertible Debenture	18,464.71	39%
2	Bank Loans	23,592.30	49%
3	Commercial paper	4,000.00	8%
4	External Commercial Borrowing	788.09	2%
5	Inter Corporate Deposit	-	0%
	Total	**46,845.10**	

(v) Stock Ratios

Particulars	%
(a) Commercial papers as a % of total public funds	8%
(a) Commercial papers as a % of total liabilities	8%
(a) Commercial papers as a % of total assets	7%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total public funds	0%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total liabilities	0%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total assets	0%
(c)Other Short-term liabilities as a % of total public funds	23%
(c)Other Short-term liabilities as a % of total Liabilities	23%
(c)Other Short-term liabilities as a % of total Assets	20%

Footnotes :

1. For the purpose of above disclosure, 'Public Funds' i.e. Commercial papers, NCD's and CRPS are shown at Face Value whereas Total assets and total liabilities are shown at Carrying values.
2. Total Liabilities refer to Total outside liabilities i.e. Balance sheet total excluding Share Capital and Reserves.
3. Other Short-term liabilities include Financial Liabilities and non-financial liabilities payable within a year (Excluding CP maturity and NCD Maturity of original tenor less than 1 year)

(vi) The Company's Board of Directors has the overall responsibility for overseeing the risk management framework. The Company's risk management policies are established to identify, analyse and mitigate the risks faced by the Company. The risk management policies are established to set the appropriate limits, controls, and monitoring of risks and are regularly reviewed to reflect changing market conditions and company activities. To manage the liquidity risk and Interest rate risk, the Board has delegated the responsibility to Asset Liability Management committee (ALCO), a management level committee established in accordance with its charter. The company's Asset Liability Management Policy (ALM Policy) is approved by the Board , as recommended by ALCO to ensure the effective risk management practices.

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

CNK & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Notes forming part of the Financial Statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

41 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)

(vii) Disclosure relating to Liquidity Coverage Ratio ("LCR")

		Three months ended Mar 31, 2024		Three months ended Dec 31, 2023		Three months ended Sep 30, 2023		Three months ended June 30, 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Assets									
1	Total High Quality Assets (HQLA)	845.49	845.49	595.36	595.36	481.98	481.98	516.24	516.24
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	887.97	1,021.17	517.52	595.15	-	-	88.70	102.01
4	Secured wholesale funding	899.60	1,034.54	695.64	799.99	536.09	616.50	421.73	484.99
5	Additional requirements, of which	694.54	798.72	727.80	836.97	562.62	647.01	500.18	575.21
(i)	*Outflows related to derivative exposures and other collateral requirements*	-	-	-	-	-	-	-	-
(ii)	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
(iii)	*Credit and liquidity facilities*	694.54	798.72	727.80	836.97	562.62	647.01	500.18	575.21
6	Other contractual funding obligations	612.80	704.72	498.70	573.51	401.44	461.66	1,150.87	1,323.49
7	Other contingent funding obligations	9.29	10.68	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**3,104.20**	**3,569.83**	**2,439.66**	**2,805.61**	**1,500.14**	**1,725.17**	**2,161.48**	**2,485.70**
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	758.30	568.72	670.72	503.04	614.98	461.24	588.90	441.68
11	Other cash inflows	4,507.16	3,380.37	3,861.97	2,896.48	5,268.64	3,951.48	6,834.88	5,126.16
12	**TOTAL CASH INFLOWS**	**5,265.46**	**3,949.10**	**4,532.69**	**3,399.52**	**5,883.62**	**4,412.72**	**7,423.78**	**5,567.84**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	**TOTAL NET CASH OUTFLOWS**		892.46		701.40		431.29		621.42
14	**TOTAL HQLA MAINTAINED**		845.49		595.36		481.98		516.24
15	**LIQUIDITY COVERAGE RATIO (%)**		94.74%		84.88%		111.75%		83.07%

(Rs. in crore)

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41.19 Disclosure pursuant to Reserve Bank of India Circular DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated December, 2021 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies- Housing Finance Companies (Continued)

a LCR framework under the liquidity risk management of the Tata Capital Housing Finance Limited (TCHFL) is undertaken by the Market risk department in the Risk group under the central oversight of the Asset Liability Management Committee (ALCO) in accordance with the Board approved policies.

b As per the RBI circular dated Dec 2021 circular no DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 all non-deposit taking NBFCs with asset size of Rs.10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of LCR which will promote resilience of HFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days.

c

From	01-Dec-21	01-Dec-22	01-Dec-23	01-Dec-24	01-Dec-25
Minimum LCR	50%	60%	70%	85%	100%

d As per the above requirement, TCHFL is required to maintain LCR from December 01, 2021. Therefore, for the year ended March 31, 2024, TCHFL has disclosed the LCR for the period Q4-FY 24 as a simple average of all days in past 3 months.

e **LCR maintained:** For the quarter ended March 24, the simple average of all days in the past three months was observed at 95% (HQLA- Rs. 845 crore) against the requirement of minimum 70% (HQLA - Rs. 625 crore). For the financial year 23-24, the company has been consistently compliant with LCR framework.

f **Main drivers to the LCR numbers:** All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.

g **Intra-period changes and changes over time:** As per RBI guidelines, the company has been monitoring the LCR on a daily basis for the period of April 23 to March 24. The maximum and minimum required HQLA for regulatory compliance has been Rs. 887 crore and Rs. 353 crore respectively for the quarter ended March 24 (Q4-FY24).

h **Composition of HQLA:** The HQLA maintained by TCHFL comprises Government securities such as long dated G-sec, SDL, T bills and cash balance maintained in current account. The details are given below.
For the period Jan to March 2024, the average HQLA of (Rs. 845 crore) comprised of Rs. 6.91 crore in cash and remaining Rs. 838.59 crore from Government securities and T bill.

i **Concentration of funding sources:**
The company maintains well diversified sources of funding comprising short/long term loans from banks, NCDs, sub-ordinated and perpetual debt, ECBs and CPs. The funding pattern is reviewed regularly by the management.

j **Derivative exposures and potential collateral calls:**
As on March 31, 2024 the company has fully hedged interest and principal outflows in the foreign currency ECBs. ECBs constitutes no more than 1.77% of the total borrowings as on March 31, 2024. Hence, derivative exposures are considered NIL.

k **Currency mismatch in LCR:** There is NIL mismatch to be reported in LCR as on March 31, 2024 since FCY ECBs are fully hedged for the corresponding interest and principal components.

l Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile. NIL as on March 31, 2024.

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(Rs. in crore)

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41.20 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset Classification as per NHB Norms

As at March 31, 2024

Asset Classification as per NHB Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind As 109 Provisions and IRACP norms
		A	B	C = A - B	D	E = B - D
Performing Assets						
Standard	Stage I	50,363.54	161.76	50,201.78	220.23	(58.47)
	Stage II	1,184.65	172.66	1,011.99	110.06	62.60
Subtotal for Standard	**Stage I & II**	**51,548.19**	**334.42**	**51,213.77**	**330.29**	**4.13**
Non-Performing Assets (NPA)						
Substandard	Stage III	204.97	76.19	128.78	30.81	45.38
Doubtful - up to 1 year	Stage III	198.28	138.12	60.16	65.69	72.43
1 to 3 years	Stage III	73.10	54.66	18.44	31.51	23.15
More than 3 years	Stage III	0.17	0.17	-	0.17	-
Subtotal for doubtful		**271.55**	**192.95**	**78.60**	**97.37**	**95.58**
Loss	Stage III	17.37	17.37	-	17.37	-
Subtotal for NPA		**493.89**	**286.51**	**207.38**	**145.55**	**140.96**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage I	8,241.01	27.75	8,213.26	-	27.75
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		**8,241.01**	**27.75**	**8,213.26**	-	**27.75**
Total	Stage I	58,604.55	189.51	58,415.04	220.23	(30.72)
	Stage II	1,184.65	172.66	1,011.99	110.06	62.60
	Stage III	493.89	286.51	207.38	145.55	140.96
	Total	**60,283.09**	**648.68**	**59,634.41**	**475.84**	**172.84**

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T R Chadha & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2024

(Rs. in crore)

41 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)

41.20 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset Classification as per NHB Norms

As at March 31, 2023

Asset Classification as per NHB Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind As 109 Provisions and IRACP norms
		A	B	C = A - B	D	E = B - D
Performing Assets						
Standard	Stage I	35,730.97	138.46	35,592.51	155.32	(16.86)
	Stage II	1,417.32	291.24	1,126.08	147.09	144.15
Subtotal for Standard	**Stage I & II**	**37,148.29**	**429.70**	**36,718.59**	**302.41**	**127.29**
Non-Performing Assets (NPA)						
Substandard	Stage III	407.41	216.78	190.63	61.09	155.69
Doubtful - up to 1 year	Stage III	109.34	80.24	29.10	34.81	45.43
1 to 3 years	Stage III	68.12	51.32	16.80	36.15	15.17
More than 3 years	Stage III	0.31	0.31	-	0.31	-
Subtotal for doubtful		**177.77**	**131.87**	**45.90**	**71.27**	**60.60**
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		**585.18**	**348.65**	**236.53**	**132.36**	**216.29**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage I	8,763.02	33.33	8,729.69	-	33.33
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		**8,763.02**	**33.33**	**8,729.69**	**-**	**33.33**
Total	Stage I	44,493.99	171.79	44,322.20	155.32	16.47
	Stage II	1,417.32	291.24	1,126.08	147.09	144.15
	Stage III	585.18	348.65	236.53	132.36	216.29
	Total	**46,496.49**	**811.68**	**45,684.81**	**434.77**	**376.91**

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

CNK & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

T R Chadha & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

(Rs. in crore)

42 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)

A) Exposure

(i) Exposure to real estate sector

Category	2023-24	2022-23
i) Direct exposure	**60,298.28**	**44,553.48**
a) Residential Mortgages –	53,230.61	40,424.75
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	53,230.61	40,424.75
b) Commercial Real Estate –	**7,067.67**	**4,128.73**
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	7,067.67	4,128.73
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –	-	-
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure	-	-
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	**60,298.28**	**44,553.48**

Note : Exposure to Real Estate Sector includes accrued interest and undrawn commitment given to borrowers.

(ii) Exposure to capital market

Particulars	2023-24	2022-23
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	501.81	55.49
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:	-	-
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Total exposure to capital market	**501.81**	**55.49**

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

CNK & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

T R Chadha & Co LLP CHARTERED ACCOUNTANTS MUMBAI

(Rs. in crore)

42 **Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)**

(iii) **Sectoral exposure**

Sectors	2023-24			2022-23		
Particulars	**Total Exposure (includes on balance sheet and off-balance sheet exposure)**	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector**	**Total Exposure (includes on balance sheet and off-balance sheet exposure)**	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector**
1. Agriculture and Allied Activities	-	-	0.00%	-	-	0.00%
2. Industry						
2.1. Micro and Small	-	-	0.00%	-	-	0.00%
2.2. Medium	-	-	0.00%	-	-	0.00%
2.3. Large	-	-	0.00%	-	-	0.00%
Total of Industry (2)	-	-	**0.00%**	-	-	**0.00%**
3. Services						
3.1.Transport Operators	-	-	0.00%	-	-	0.00%
3.2.Computer Software	-	-	0.00%	-	-	0.00%
3.3. Tourism, Hotels and Restaurants	-	-	0.00%	-	-	0.00%
3.4. Shipping	-	-	0.00%	-	-	0.00%
3.5. Aviation	-	-	0.00%	-	-	0.00%
3.6. Professional Services	-	-	0.00%	-	-	0.00%
3.7. Trade	-	-	0.00%	-	-	0.00%
3.7.1. Wholesale Trade (other than food procurement)	-	-	0.00%	-	-	0.00%
3.7.2. Retail Trade	-	-	0.00%	-	-	0.00%
3.8. Commercial Real Estate	6,290.29	70.43	1.12%	3,927.25	92.79	2.36%
3.9. Non-Banking Financial Companies (NBFCs) of which,	777.37		0.00%	201.49	-	0.00%
3.9.1. Housing Finance Companies (HFCs)	73.56	-	0.00%	-	-	0.00%
3.9.2. Public Financial Institutions (PFIs)	-	-	0.00%	-	-	0.00%
3.10. Other Services^	2.37	-	0.00%	2.37	-	0.00%
Total of Services (3)	**7,070.03**	**70.43**	**1.00%**	**4,131.11**	**92.79**	**2.25%**
4. Personal Loans						
4.1. Consumer Durables	-	-	0.00%	-	-	0.00%
4.2. Housing (Including Priority Sector Housing)	34,116.14	207.66	0.61%	24,291.62	237.83	0.98%
4.3. Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	-	-	0.00%	-	-	0.00%
4.4. Advances to Individuals against share, bonds, etc.	-	-	0.00%	-	-	0.00%
4.5. Credit Card Outstanding	-	-	0.00%	-	-	0.00%
4.6. Education	-	-	0.00%	-	-	0.00%
4.7. Vehicle Loans	-	-	0.00%	-	-	0.00%
4.8. Loans against gold jewellery	-	-	0.00%	-	-	0.00%
4.9. Other Personal Loans	-	-	0.00%	-	-	0.00%
4.10.Others*	9,354.16	104.60	1.12%	6,759.53	127.23	1.88%
Total of Personal Loans (4)	**43,470.30**	**312.26**	**0.72%**	**31,051.15**	**365.06**	**1.18%**
5. Others, if any (please specify)**	**9,757.95**	**111.20**	**1.14%**	**9,371.22**	**127.33**	**1.36%**
Total (1+2+3+4+5)	**60,298.28**	**493.89**	**0.82%**	**44,553.48**	**585.18**	**1.31%**

Notes:
^ includes loan to TCL Employee Welfare Trust.
* includes loan against property.
** includes loan to corporate and builders.

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

CNK & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

T R Chadha & Co LLP CHARTERED ACCOUNTANTS MUMBAI

Tata Capital Housing Finance Limited

Notes forming part of the financial statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

42 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)

(iv) **Intra-group exposures**

Particualrs	2023-24	2022-23
i) Total amount of intra-group exposures	505.87	2.37
ii) Total amount of top 20 intra-group exposures	505.87	2.37
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.84%	0.01%

(v) There were no unhedged foreign currency transactions during current year. Refer Note No. 39C (iii) for policies to manage currency induced risk.

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

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Notes forming part of the financial statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

42 **Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)**

B) Related Party Disclosure

2023-24

Nature of transaction	Holding Company	Subsidiary	Associate / Joint Ventures	Key Managerial Personnel (KMP)	Total	Maximum outstanding during the year
Borrowings#	-	-	-	-	-	507.30
Deposits#	-	-	-	-	-	-
Placement of deposits#	-	-	-	-	-	-
Advances#	-	2.37	468.50	-	470.87	470.87
Investments#	-	-	-	-	-	-
Purchase of fixed/otherassets	-	-	-	-	-	NA
Sale of fixed/other assets	0.16	-	-	-	0.16	NA
Interest Paid	11.59	-	-	-	11.59	NA
Interest Received	-	-	3.50	-	3.50	NA
Others	-	-	-	-		
Inter Corporate Deposit received*	1,355.00	-	-	-	1,355.00	NA
Inter Corporate Deposit repaid*	1,798.67	-	-	-	1,798.67	NA
Other Loans given	-	-	465.00	-	465.00	NA
Infusion in Equity Share (inclusive of securities premium)*	700.00	-	-	-	700.00	NA

The outstanding at the year end and the maximum during the year.

* Transactions during the year.

Notes forming part of the financial statements (Continued)
for the year ended March 31, 2024

(Rs. in crore)

42 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)

2022-23

Nature of transaction	Holding Company	Subsidiary	Associate / Joint Ventures	Key Managerial Personnel (KMP)	Total	Maximum outstanding during the year
Borrowings#	443.76	-	-	0.10	443.96	792.61
Deposits#	-	-	-	-	-	-
Placement of deposits#	-	-	-	-	-	-
Advances#	-	2.37	-	-	2.37	2.37
Investments#	-	-	-	-	-	-
Purchase of fixed/otherassets	-	-	-	-	-	NA
Sale of fixed/other assets	-	-	-	-	-	NA
Interest Paid	7.92	-	-	0.01	7.94	NA
Interest Received	-	-	-	-	-	NA
Others						
Inter Corporate Deposit received*	2,454.84	-	-	-	2,454.84	NA
Inter Corporate Deposit repaid*	2,011.17	-	-	-	2,011.17	NA
Infusion in Equity Share (inclusive of securities premium)*	500.00	-	-	-	500.00	NA

The outstanding at the year end and the maximum during the year.

* Transactions during the year.

(Rs. in crore)

42 Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 as amended (Continued)

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	2023-24	2022-23
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	41	126
2	Number of complaints received during the year	3,397	5,990
3	Number of complaints disposed during the year	3,326	6,075
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	112	41
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman		
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
			2023-24		
Complaint on explanation of charges/ calculation related	7	266	-44%	5	-
Complaint against Sales personnel (CC)	5	235	-54%	7	-
Complaint_Cancellation of Insurance Policy not done (CC/BR)	3	230	128%	16	-
Complaint_Waiver of Foreclosure Charges (CC/BR)	2	203	4%	2	-
Complaint_Refund of Insurance Premium not recd (CC/BR)	6	164	125%	10	-
Others	18	2,299	-40%	72	-
Total	**41**	**3,397**	**-43%**	**112**	-
			2022-23		
Complaint against Sales personnel	10	504	54%	5	-
Complaint on explanation of charges/ calculation related	13	478	178%	7	2
Complaint_Delay in receipt of FC & LOD Statement (CC/BR)	2	460	-76%	-	-
Complaint_Reduction of ROI (CC/BR)	6	391	-77%	-	-
Complaint_Delay in receipt of disbursement cheque (CC)	13	347	-51%	3	-
Others	82	3,810	-23%	26	2
Total	**126**	**5,990**	**-39%**	**41**	**4**

D) There is no breach of covenant of loan availed or debt securities issued.

E) There is no divergence in asset classification and provisioning.

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI

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43. Segment Reporting:

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

44. Details of resolution plan implemented under the Resolution Framework for COVID - 19-related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0), as at March 31, 2024 are given below:

(Rs. in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e September 30, 2023 (A)#	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	Of (A) amount written off during the half-year ended March 31, 2024	Of (A) amount paid by the borrowers during the half-year ended March 31, 2024**	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e March 31, 2024#^
Personal Loans	935.60	36.01	2.18	155.79	821.65
Corporate persons*	30.63	-	0.01	9.00	23.57
Of which MSMEs	-	-	-	-	-
Others	38.79	2.76	0.12	4.50	33.51
Total	1,005.02	38.77	2.31	169.29	878.73

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

 # Includes entire exposure of the borrowers who have availed the resolution framewrok for COVID-19-related Stress.

*** includes amounts paid by borrower towards interest capitalised during the half year.*

^ Includes restructuring implemented under the Resolution Framework 1.0

45. Details of loans transferred / acquired during the quarter ended March 31, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) The Company has not transferred any non-performing assets (NPAs).
(ii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.
(iii) The Company has not acquired loans not in default through assignment.
(iv) The Company has not acquired any stressed loan.

46. Analytical Ratios as per Ministry of Corporate Affairs ("MCA") notification dated 24th March 2021:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	Total capital funds	Total risk weighted assets	18.80%	18.20%	3%	Not Applicable
Tier I CRAR	Capital funds – Tier I	Total risk weighted assets	15.82%	15.00%	5%	
Tier II CRAR	Capital funds – Tier II	Total risk weighted assets	2.98%	3.20%	-7%	
Liquidity Coverage Ratio.	Total HQLA	Total Net Cash Outflows	94.74%	73.11%	30%	Note 1

Note 1: Due to change in regulatory requirment from 60% to 70%.

47. Details of transactions with companies struck off under section 248 of the Companies Act, 2013 :

(Rs. in crore)

Sr. No.	Name of Struck off Company	Nature of transactions	As at March 31, 2024	As at March 31, 2023	Relationship with the struck off company
1	Armam Agro Udyog Private Limited	Loan	0.04	0.05	Borrower
2	Peoplepro Trainers and Consultants Pvt Ltd	Loan	0.21	0.21	Borrower
3	Sinclaire Inns and Resorts Private Limit	Loan	0.27	0.28	Borrower
4	Sahujain Services Limited#	Subscriptions to NCDs	NA	1.10	NCDs Holder
5	Capital Infussion India Private Limited	Trade Payable*	0.00	NA	Vendor
6	India Finsol Private Limited	Trade Payable*	0.00	NA	Vendor
7	K & S Financial Services Private Limited	Trade Payable*	0.00	NA	Vendor

* less than Rs. 50,000/-

The status of the Company has changed to active as on March 31, 2024.

The above disclosure has been prepared basis the relevant information compiled by the Company on best effort basis.

48. The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

49. The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:

a) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
c) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
d) The Company has not entered into any scheme of arrangement.
e) No satisfaction of charges are pending to be filed with ROC.
f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

TATA CAPITAL HOUSING FINANCE LTD. MUMBAI

CNK & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

T R Chadha & Co LLP CHARTERED ACCOUNTANTS MUMBAI

50. Figures in the previous year have been regrouped wherever necessary, in order to make them comparable to the current year.

In terms of our report of even date

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

Suresh Agaskar
Partner
Membership No: 110321
Mumbai

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

Vikas Kumar
Partner
Membership No: 075363
Mumbai

CNK & ASSOCIATES LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Mumbai
02 May 2024

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

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)
Mumbai

Sujit Kumar Varma
Director
(DIN No. : 09075212)
Mumbai

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

Ankur Verma
Director
(DIN No. : 07972892)
Mumbai

Malvika Sinha
Director
(DIN No. : 08373142)
Mumbai

Nagaraj Ijari
Director
(DIN No. : 09390579)
Mumbai

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

Mahadeo Raikar
Chief Financial Officer
Mumbai

Sanna Gupta
Company Secretary
Mumbai

TATA CAPITAL HOUSING FINANCE LTD. ★ MUMBAI