



TATA CAPITAL HOUSING FINANCE LIMITED

Annual Report FY 2024-25

Our Founder



JAMSETJI NUSSERWANJI TATA

March 3, 1839 to May 19, 1904

"In a free enterprise, the community is not just another stakeholder in business, but is in fact the very purpose of its existence" – **Jamsetji Nusserwanji Tata**

Remembering Mr. Tata



PADMA VIBHUSHAN

MR. RATAN N TATA

December 28, 1937 – October 9, 2024

It is with a profound sense of loss that we bid farewell to Mr. Ratan Naval Tata, a truly uncommon leader whose immeasurable contributions have shaped not only the Tata Group but also the very fabric of our nation.

For the Tata Group, Mr. Tata was more than a Chairperson. He inspired by example. With an unwavering commitment to excellence, integrity and innovation, the Tata Group under his stewardship expanded its global footprint while always remaining true to its moral compass.

Mr. Tata's dedication to philanthropy and the development of society has touched the lives of millions. From education to healthcare, his initiatives have left a deep-rooted mark that will benefit generations to come. Reinforcing all of this mark was Mr. Tata's genuine humility in every individual interaction.

His legacy will continue to inspire us as we strive to uphold the principles he so passionately championed.

Corporate Information

| | |
|--|--|
| Board of Directors | Mr. Rajiv Sabharwal Mr. Mehernosh B. Kapadia Ms. Malvika Sinha Mr. Sujit Kumar Varma Mr. Nagaraj Ijari <i>(appointed with effect from April 1, 2024)</i> Mr. Ankur Verma <i>(ceased to be a Director with effect from June 19, 2024)</i> Mr. Sarosh Amaria |
| Chief Financial Officer | Mr. Mahadeo Raikar |
| Company Secretary | Ms. Sanna Gupta |
| Joint Statutory Auditors | M/s. Kirtane & Pandit LLP, Chartered Accountants M/s. G. D. Apte & Co., Chartered Accountants |
| Registered Office | 11 th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013 |
| Corporate Identification Number | U67190MH2008PLC187552 |

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BOARD'S REPORT**To the Members,**

The Board has pleasure in presenting the Seventeenth Annual Report and the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2025.

1. BACKGROUND

Tata Capital Housing Finance Limited ("the Company" / "TCHFL"), is a wholly-owned subsidiary of Tata Capital Limited ("TCL") and is registered as a Housing Finance Company with the National Housing Bank ("NHB") to carry on housing finance activities. The Company primarily offers Home Loans, Loans Against Property and Loans to Developers for constructing Residential and Commercial premises. The Company has been classified as a Middle Layer Non-Banking Financial Company ("NBFC-ML") by the Reserve Bank of India ("RBI"), as per Scale Based Regulations issued by RBI.

The Company is headquartered in Mumbai and has 301 branches across India as on March 31, 2025.

2. FINANCIAL RESULTS

| (Rs. in crore) | | |
|---|--------------|--------------|
| Particulars | FY 2024-25 | FY 2023-24 |
| Gross Income | 6,975 | 5,189 |
| Less: | | |
| Finance Costs | 4,142 | 2,935 |
| Reversal on financial instruments | (151) | (148) |
| Employee Benefits Expense | 467 | 447 |
| Depreciation, Amortisation and Impairment | 49 | 44 |
| Other expenses | 455 | 372 |
| Total expenses | 4,962 | 3,650 |
| Profit Before Tax | 2,013 | 1,539 |
| Less: Provision for Tax | 514 | 391 |
| Profit After Tax | 1,499 | 1,148 |
| Profit attributable to owners of the Company | 1,499 | 1,148 |
| Other comprehensive income | (20) | (8) |
| Less: Tax on other comprehensive income | 5 | 2 |
| Other comprehensive income after tax | (15) | (6) |
| Other comprehensive income attributable to owners of the Company | (15) | (6) |
| Total comprehensive income attributable to owners of the Company | 1,484 | 1,142 |
| Amount brought forward from previous year | 2,286 | 1,374 |
| Amount available for appropriation | 3,770 | 2,516 |
| Appropriations: | | |
| Special Reserve Account | (300) | (230) |
| Interim Dividend on Equity Shares | (-) | (-) |
| Surplus carried to Balance Sheet | 3,470 | 2,286 |

During FY 2024-25, the Company disbursed loans amounting to Rs. 31,333 crore (FY 2023-24: Rs. 26,341 crore), representing an increase of 19%. The Company's loan portfolio stood at Rs. 66,405 crore as on March 31, 2025 (Rs. 51,402 crore as on March 31, 2024), representing an increase of 29%. The Cost to Income ratio decreased to 34.3% in FY 2024-25, as compared to 38.3% in FY 2023-24 and the Net Profit after Tax for the year increased by 31%, from Rs. 1,148 crore in FY 2023-24 to Rs. 1,499 crore in FY 2024-25, primarily on account of higher Net Interest Margin ("NIM"). Gross Non-Performing Asset and Net Non-Performing Asset were 0.77% and 0.32%, respectively, as on March 31, 2025 (0.95% and 0.40%, respectively, as on March 31, 2024). The Company's Gross Income increased to Rs. 6,975 crore in FY 2024-25 from Rs. 5,189 crore in FY 2023-24, representing an increase of 34%. Interest expenses increased by 41% to Rs. 4,142 crore in FY 2024-25 from Rs. 2,935 crore in FY 2023-24.

Net interest income of the Company increased by 23%, from Rs. 1,906 crore in FY 2023-24 to Rs. 2,343 crore in FY 2024-25. NIM + Other Revenue as a percentage of average assets, stood at 4.8% for FY 2024-25. For FY 2024-25, total Income included Investment Income of Rs. 100 crore, Fee Income of Rs. 385 crore and Other Income of Rs. 6 crore.

The Operating Expenses (including Employee costs, Depreciation and other expenses) increased by 13% as compared to FY 2023-24.

Impairment reversal on the asset book during the year ended March 31, 2025 was Rs. 151 crore. The provision for taxation during the year was Rs. 514 crore.

The Company has transferred an amount of Rs. 300 crore to the Special Reserve Fund for FY 2024-25, pursuant to Section 29C of the National Housing Bank Act, 1987. An amount of Rs. 1,184 crore has been carried to the Balance Sheet after appropriations for FY 2024-25.

3. SHARE CAPITAL

The Issued, Subscribed and Paid-up Equity Share Capital of the Company as on March 31, 2025 was Rs. 6,08,81,65,740 consisting of 60,88,16,574 Equity Shares of Rs. 10 each. The entire Equity Share Capital of the Company is held by TCL and its nominees.

During FY 2024-25, the Company offered, issued and allotted 1,26,70,739 Equity Shares of Rs. 10 each, at a premium of Rs. 463.50 per Equity Share, aggregating Rs. 599.96 crore on a 'Rights Basis' to TCL. The said shares were allotted on March 25, 2025.

4. DIVIDEND

In order to conserve resources, the Board of Directors did not recommend any Dividend on the Equity Shares for FY 2024-25.

5. REVIEW OF OPERATIONS OF THE COMPANY

5.1. Retail Finance ("RF")

RF offers products such as Home Loans and Loans Against Property. Disbursements in FY 2024-25 aggregated to Rs. 22,044 crore as compared to Rs. 18,934 crore in FY 2023-24. Disbursements of high margin products constituted 47% of overall RF disbursements during FY 2024-25.

As at March 31, 2025, the closing book of RF stood at Rs. 55,078 crore (FY 2023-24: Rs. 42,391 crore). Increasing share of high margin products along with overall growth in Developed Markets, Emerging Markets, Financial Inclusion, and Home Equity Vertical were some of the key drivers for business growth.

52. Developer Finance (“DF”)

DF offers lending solutions to the real estate developers in select Tier I and Tier II markets in India. The business teams engage with the real estate industry and the developers in 10 key cities and have funded the development of approximately 35,000 homes in the past 3 years. This business continues to be an integral part of the growth strategy at the Company.

For FY 2024-25, DF ended with a book of Rs. 11,328 crore as compared to Rs. 9,011 crore at the end of FY 2023-24.

DF contributed significantly to the Company’s profitability by maintaining strong net interest margins and improving fee income on the back of higher volumes driven by a growing client base.

6. FINANCE

During FY 2024-25, the Company met its funding requirements through a combination of Long-Term Debt (comprising Non-Convertible Debentures (“NCDs”), Subordinated Debt and Bank Loans) and Short-Term Debt (comprising Commercial Paper (“CP”) and Bank Loans). During the year under review, the Company issued, on a private placement basis, Secured Redeemable NCDs aggregating Rs. 8,831 crore. The aggregate debt outstanding as at March 31, 2025 was Rs. 61,077 crore (of which Rs. 15,801 crore was payable within one year). The Debt Equity ratio of the Company as at March 31, 2025 was 7.14 times.

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

7. CREDIT RATING

During the year under review, the rating agencies re-affirmed / issued ratings to the Company, as under:

| Nature of Securities | Rating Agency | Rating |
|--|--|---------------------------|
| Commercial Paper | CRISIL Ratings Limited | CRISIL A1+ |
| Secured NCDs, Subordinated NCDs and Bank loan facilities | CRISIL Ratings Limited | CRISIL AAA / Stable |
| Secured NCDs Market Linked Debentures | CRISIL Ratings Limited | CRISIL PPMLD AAA / Stable |
| Bank Loans - Short Term | CRISIL Ratings Limited | CRISIL A1+ |
| Commercial Paper | ICRA Limited | [ICRA] A1+ |
| Subordinated NCDs and Secured NCDs | ICRA Limited | [ICRA] AAA (Stable) |
| Long Term fund based / non fund based – NHB Bank Loans | ICRA Limited | [ICRA] AAA (Stable) |
| Secured NCDs and Bank loan facilities | India Ratings and Research Private Limited | IND AAA / Stable |

8. RISK MANAGEMENT

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

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

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

A structured Internal Capital Adequacy Assessment Process (“ICAAP”) is in place to enhance Board and Senior Management’s ability to understand the existence of capital flexibility in line with the defined risk appetite. The ICAAP evaluates capital requirements under different stress scenarios.

9. INTERNAL FINANCIAL CONTROLS

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

During FY 2024-25, testing was conducted basis process walkthrough and review of samples as per documented controls in the Risk & Control matrix. Testing was done for each of the controls confirming the existence and operating effectiveness of controls over financial reporting. Review was performed on design, adequacy and operating effectiveness of the controls.

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

10. INFORMATION TECHNOLOGY SUPPORT

The Company has continued to invest in cutting edge technologies to drive its core system modernization, digital and data initiatives. The Company has made operational, a seamless, next-level loan onboarding experience under the Single Loan Origination System (“LOS”) initiative, leveraging TCS LPP Platform for Retail Loans with a clear focus on improving transparency, efficiency, Turnaround Time (“TAT”) and configurability within the retail origination system along with Application consolidation. This Platform has started acting as a single platform to automate entire credit underwriting across all key functions like Sales, Credit, Technical team, Valuation team, Risk containment unit, Customer by having various external and internal Application Programming Interface (“API”) integration to populate data digitally as well as will help to avoid duplicate data entry across functions. Integration with Business Rule Engine (“BRE”) has made live on this new platform to get Customer Score and system generated deviations; and is helping to generate all key documents generated from system. The Company is working towards enabling digitally signing on these documents to share with customer to improve customer experience and reduce operational workload across all functions.

The Company has invested in automation of LOS for DF Business and Asset Monitoring platform, which has been made live in FY 2024-25 and is being adopted across all DF locations. This program has helped to digitize key processes of Underwriting and Asset Monitoring of DF business.

The Company has taken up several initiatives to leverage on Generative Artificial Intelligence (“AI”). The Company has leveraged Generative AI to automate email classification and response generation,

enabling faster and more personalized customer interactions. Our conversational bot, TIA, powered by Generative AI, provides voice and chatbot assistance with advanced conversational capabilities with 99% accuracy and multilingual support to deliver an enhanced and seamless customer experience.

The Company has upgraded its Asset Liability Management tool ("ALM") to an industry best solution from Surya Software, which provides for a faster and automated data processing to consolidate from multiple sources systems and enables regulatory reporting for ALM in one single tool.

The Company has also upgraded Anti Money Laundering platform by replacing earlier TCS BaNCs MORSE with IntelWings software. This has helped to automate AML, Screening alerts and Know Your Customer ("KYC") Risk categorisation processes for all businesses.

The Company continues to build additional integrations with FinTech partners to enhance its customer offerings through its comprehensive API stack for end-to-end digital journey. This is in line with the Company's endeavour to deliver best in class customer experience and drive operational efficiencies across the eco-system.

11. DIGITAL PLATFORM AND ANALYTICS

Digital transformation continues to be an area of continuous focus for the Company. During FY 2024-25, the organization has continued to invest to create best-in-class digital platforms and products. This in turn has enabled us to provide superior and more personalized customer experiences, greater operational efficiency across the lending value chain and become a relevant player in India's growing digital ecosystem.

At the Company, it has been our endeavor to enhance self-service by providing customers with a range of channels and platforms to choose from for all their servicing needs. Currently, over 75% of customer service interactions take place through digital platforms. Home-loan customers can interact across channels including web, mobile applications, WhatsApp, chatbot and voice-bot to name a few. Our chat-based servicing channel (TIA) witnessed a significant increase in usage during the year. Additional 13 Customer Service request categories have been added to digital journeys for enhancing customer experience e.g. EMI increase, PLR Clarification and Part Payment.

Keeping technology at the core, we're reimagining finance and transforming the mortgage experience for our customers. Digital KYC has helped digital lending platforms reduce the TAT for processing loan applications by making the verification process paperless and user-friendly. We were amongst the first players to implement Account Aggregator which enables our credit underwriting process to fetch customer's financial data from multiple banks. This has enhanced our Channel and customer journeys.

Several machine learning-based scorecards are in use for underwriting as well as debt servicing of mortgage loans. Use of these advanced algorithms has helped us assess creditworthiness and mitigate risks, make faster and accurate lending decisions and to set up a more efficient debt servicing strategy. Currently, more than 95% of mortgage collections take place through digital channels. In addition, our use of Robotic Process Automation ("RPA") for repetitive tasks in our operations shops has reached a high level of maturity.

We also continue to collaborate with FinTech's for business growth and enablement of customer journeys and processes. During the year, the business generated from partnerships has grown significantly. In addition, Tata Capital is integrated with more than 80 FinTech partners across multiple domains to enhance service and ensure seamless digital processes.

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

12. TATA CAPITAL JOURNEY OF EXCELLENCE

Business Excellence Model

Tata Capital continues to enhance its capabilities and processes in keeping with market and regulatory changes, using the framework of the Tata Business Excellence Model ("TBEM") (based on Baldrige Criteria, USA), which covers aspects of Leadership and Governance, Strategic Planning, Customer Focus, Measurement, Analysis and Knowledge Management, Workforce Focus and Operations Focus. Tata Capital had participated in its eighth TBEM external assessment conducted by the Tata Business Excellence Group a division of Tata Sons Private Limited, between July to November 2022 and was placed in the 650-700 score band, which indicates the level of "Industry Leader" with an absolute score of 664 (TBEM score in 2020 was 624). This reflects a significant improvement in the journey of Excellence. This was an integrated assessment with all subsidiaries and businesses of Tata Capital.

The assessment provided Tata Capital with important granular feedback in terms of its current strengths and opportunities for improvements to work upon. The findings of the assessment would help Tata Capital enhance its journey towards excellence and would be useful in the next cycle of Assessment in FY 2025-26. Key strengths indicated in the TBEM 2022 Assessment were the (i) Organization's alignment with its Vision and the building of capability and structure for achieving the Vision (ii) Focus on building a quality book and (iii) Risk Management, Internal Audit and Governance mechanisms.

Tata Capital has implemented many improvement initiatives involving people, process, digitization and technology over the last few years. One of the key initiative launched in FY 2024-25 was Leadership Development Program (LDP) in partnership with Tata Management Training Centre (TMTTC) in seven focus areas which are of importance to the Company. The faculties were drawn in from various reputed academic international and national institutes and also from Industry. While 410 Leaders from senior management to mid management participated in the same, 135 of them were from the Company. The effectiveness of the program will be measured in FY 2025-26 through various feedback surveys and the business impact. These include process simplification, re-engineering and automation for improving Tata Capital's operational focus in order to enhance customer satisfaction and improve internal efficiencies with an objective to gain a competitive advantage. Many practices of Tata Capital have been recognized as Group wide Best Practices consistently in the last many years.

Data Excellence – DATOM ("Data and Analytics Target Operating Model") Framework

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

The Company is scored at 3.3 on a 5 point Global Benchmarking scale.

13. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Tata Capital's purpose is to be a "Responsible Financial Partner fulfilling India's Aspirations." The Company has always upheld the Tata Group values while conducting business consciously to respect social and environmental aspirations of the communities we serve.

The Company is committed to fostering a culture of equality, respect and inclusiveness for all sections

of society, including disadvantaged communities. Driven by a strong dedication to national development, it implements focused and strategic programs aimed at addressing social and environmental challenges that impact the lives of society's most vulnerable groups.

CSR Purpose:

Tata Capital adopts a stakeholder-participation approach in its CSR projects, involving target groups whose well-being is crucial for national progress and development.

The company's CSR vision is to establish a collaborative and inclusive approach for social and environmental development initiatives, fostering shared value for the broader community, aligned with the core purpose of the Tata Group.

The company's CSR mission is to enhance the well-being of the community, with a special focus on marginalized social and economic groups, by creating a lasting, measurable and positive impact through initiatives centred on Climate Action, Healthcare and Education & Skill Development. Additionally, the Company is committed to inspiring its employees, partners and customers to actively engage in and support social and environmental cause

CSR Policy, Budget, and Key Programmes:

The CSR policy of the Company is available on the Company's website:

<https://www.tatacapital.com/content/dam/tata-capital/tchfl/CSR%20Policy-TCHFL.pdf>

During FY 2024-25, the Company spent Rs. 1,833 lakh towards programmes covered under Schedule VII of the Companies Act, 2013 ("Act") read with the Companies (CSR Policy) Rules, 2014 ("CSR Rules"). Further, an amount of Rs. 377 lakh earmarked to an ongoing CSR project i.e. JalAadhar, was unspent during the FY 2024-25 and was transferred to Unspent CSR Account as per the applicable provisions of the Act and CSR Rules. The Annual Report on the CSR activities which including the reasons for unspent CSR amount, is annexed to this report as **Annexure 'A'**.

The project implementation follows a robust process including but not limited to selection of technically sound NGOs, project planning as per baseline assessment, milestone-based implementation with community partnership, monitoring and evaluation mechanisms to integrate sustainability principles for a smooth exit. This assures the desired impact and outcomes while also ensuring community ownership, resilience and self-sustenance through the project.

Key CSR Programmes of the Company are:

- JalAadhar –

The aim of the programme is to attain water security in water-stressed communities / locations through the three models under *JalAadhar*, i.e. *Integrated Watershed Development*, *Waterbody Rejuvenation* and *Water Access*. The programme aims to harvest runoff water to increase its percolation into groundwater, encourage judicious use of water within agricultural practices and increases community income through livelihood generation activities. The project is in alignment to Sustainable Development Goal 6 and augments the work of various Government of India schemes impacting groundwater recharge and access to water. In FY 2024-25, the project has reached 163 villages covering more than 1.51 lakh individuals creating water harvesting potential of 25,274 lakh litres in 3 states of Maharashtra, Rajasthan and Tamil Nadu.

- Aarogyatara

As part of its healthcare initiatives, and in alignment with Tata Group and Tata Trust efforts in

cancer care, the Company places a strong focus on eliminating curable blindness among underserved and rural communities in Bihar, Tamil Nadu, Uttar Pradesh, Karnataka, Andhra Pradesh, and Maharashtra. Through screening camps in project areas, the program identifies refractive errors and facilitates corrective measures—such as providing spectacles, performing surgeries, and offering post-operative care—in collaboration with partner hospitals. Aligned with Sustainable Development Goal 3, the initiative seeks to restore vision, enabling individuals to lead dignified, financially independent lives. In FY 2024-25, a total of more than 2.32 lakh individuals were screened for eye ailments, out of which more than 13,850 were operated to cure their vision. More than 15,750 individuals received spectacles to correct refractive vision issues.

14. COMPLIANCE

The Company is registered with the NHB as a Non-Deposit accepting Housing Finance Company (“HFC”). The RBI vide its notification dated October 22, 2021, has introduced an integrated regulatory framework for Non-Banking Financial Companies (“NBFCs”) under “Scale Based Regulation (“SBR”): A Revised Regulatory Framework for NBFCs”. The SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc. Under SBR, NBFCs are divided into four layers viz., top layer, upper layer, middle layer and base layer based on the size, activity, and perceived riskiness. The Company is in the middle Layer (“NBFC-ML”). The Company shall continue to ensure full compliance with all the requirements applicable to NBFC-ML under SBR within the prescribed timelines. The RBI has vide Circular No. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 (Updated as on February 27, 2025), issued Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (“RBI HFC Master Directions”) applicable to HFCs. Further, the Company has complied with and continues to comply with all applicable provisions of the Act, the National Housing Bank Act, 1987, RBI HFC Master Directions and other applicable rules/regulations/guidelines, issued and amended from time to time.

Further, the Company has also received Certificate of Registration to act as a Corporate Agent (Composite) from Insurance Regulatory and Development Authority of India (“IRDAI”).

The Capital Adequacy Ratio (“CAR”) of the Company was 19.01% as on March 31, 2025, against the CAR of 15%, prescribed by the RBI.

The NCDs issued by the Company to the public are listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) and the NCDs issued on a private placement basis are listed on the NSE. The Company has NCDs which are unlisted. The Company has also complied with and continues to comply with Securities and Exchange Board of India (“SEBI”) (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”). Further, the Company is classified as High Value Debt Listed Entity in accordance with the SEBI LODR Regulations.

15. DEPOSITS

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

16. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company being an HFC, the provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate, giving of guarantees or providing security in connection with loans to

any other bodies corporate or persons are not applicable to the Company.

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

17. DIRECTORS

a) Appointment

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Company approved the appointment of Mr. Nagaraj Ijari (DIN: 09390579) as an Additional Director and Independent Director for an initial term of five years with effect from April 1, 2024 up to March 31, 2029, subject to the approval of the Members of the Company.

The Members of the Company at the Annual General Meeting ("AGM") held on June 27, 2024, by way of special resolution, approved the appointment of Mr. Nagaraj Ijari (DIN: 09390579) as an Independent Director of the Company for an initial term of five years commencing from April 1, 2024 up to March 31, 2029.

b) Cessation:

Mr. Ankur Verma (DIN: 07972892) ceased to be a Non-Independent Non-Executive Director of the Company with effect from June 19, 2024, pursuant to his resignation due to his other commitments.

c) Director liable to retire by rotation:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Rajiv Sabharwal (DIN: 00057333), Non-Executive Director, is liable to retire by rotation at the ensuing AGM and is eligible for re-appointment. The Members of the Company may refer to the accompanying Notice of the AGM for the brief resume of Mr. Sabharwal.

Pursuant to the 'Fit and Proper' Policy adopted by the Company under RBI HFC Master Directions read with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("RBI SBR Master Directions"), the Company has received the 'Fit and Proper' declaration from Mr. Sabharwal for his re-appointment as a Director of the Company, which has been taken on record by the NRC.

d) Declaration by Independent Directors:

The Company has received declarations from the Independent Directors viz. Mr. Mehernosh B. Kapadia (DIN: 00046612), Ms. Malvika Sinha (DIN: 08373142), Mr. Sujit Kumar Varma (DIN: 09075212) and Mr. Nagaraj Ijari (DIN: 09390579), stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b)/ 62B(1)(b) of SEBI LODR Regulations. In terms of Regulation 25(8) / 62N(9) of SEBI LODR Regulations, they have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

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

18. NUMBER OF MEETINGS OF THE BOARD

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

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

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

The Board of the Company followed the criteria as specified in the Guidance Note on the Board Evaluation issued by the SEBI for evaluating the performance of the Board as a whole, Committees of the Board, Individual Directors and the Chairman. The criteria for evaluation of the Board as a whole, inter alia, covered parameters such as Structure of the Board, Meetings of the Board, Functions of the Board and Board and Management. The criteria for evaluation of Individual Directors, covered parameters such as knowledge and competency, fulfillment of functions, ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to mandate and composition, effectiveness of the committee, structure of the committee and meetings, etc.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and the assessment of the quality, quantity and timeliness of flow of information between the Company, the Management and the Board was taken into consideration by the Board in carrying out the performance evaluation.

20. POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY OF THE COMPANY

The NRC develops the competency requirements of the Board based on the industry and the strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board, as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence of all Directors before recommending them to the Board. Besides the above, the NRC ensures that the new Directors are familiarised with the operations of the Company and endeavors to provide relevant training to the Directors.

In accordance with the provisions of Section 178 of the Act, the Board of Directors have adopted a Policy on Board Diversity and Director Attributes and a Remuneration Policy.

The Policy on Board Diversity and Director Attributes has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board and to have in place, a transparent Board nomination process. The Policy is made available on the Company's website at https://www.tatacapital.com/content/dam/tata-capital/tchfl/TCHFL-Policy_on_Board_Diversity_and_Director_Attributes.pdf

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

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

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

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

The Remuneration Policy of the Company is made available on the Company's website at https://www.tatacapital.com/content/dam/tata-capital/tchfl/TCHFL-Remuneration_Policy.pdf

Further, pursuant to the Guidelines on Compensation of Key Managerial Personnel ("KMP") and Senior Management in NBFCs issued by the RBI on April 29, 2022, the Company has adopted a Compensation Policy for Key Managerial Personnel and Senior Management consisting of the (a) constitution of a Remuneration Committee, (b) principles for fixed/ variable pay structures, and (c) malus/ clawback provisions. The same is available on the website of the Company, <https://www.tatacapital.com/content/dam/tata-capital/tchfl/Compensation%20Policy%20for%20KMPs%20and%20SM.pdf>

The Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'fit and proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the RBI HFC Master Directions read with RBI SBR Master Directions. The Company has received the 'Fit and Proper' declarations from all the Directors of the Company in April 2025, which have been taken on record by the NRC.

21. KEY MANAGERIAL PERSONNEL

Mr. Sarosh Amaria, Managing Director (DIN: 08733676), Mr. Mahadeo Raikar, Chief Financial Officer and Ms. Sanna Gupta, Company Secretary are the KMPs of the Company.

22. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2024-25.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts for FY 2024-25, Indian Accounting Standards ("IND AS") as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of the Act, other relevant provisions of the Act, guidelines issued by Regulators as applicable to the Company and other accounting principles generally accepted in India have been followed and that there are no material departures therefrom;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs

- of the Company at the end of the financial year and of the profit and cash flows of the Company for the year;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - d) they had prepared the annual accounts on a going concern basis;
 - e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and
 - f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

During the year, no frauds were reported by the auditors under Section 143(12) of the Act requiring disclosure in the Director's Report of the Company.

23. VIGIL MECHANISM

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

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

24. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A 'Prevention of Sexual Harassment' Policy, which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, including the constitution of Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH Act"), is in place.

During FY 2024-25, no complaints were received and resolved under the provisions of the POSH Act.

25. COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961

During FY 2024-25, the Company has complied with the applicable provisions of Maternity Benefit Act, 1961.

26. AUDIT COMMITTEE

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

27. JOINT STATUTORY AUDITORS

At the Fourteenth AGM of the Company held on June 27, 2022, M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W/W-100036) and M/s. T R Chadha & Co LLP, Chartered Accountants (ICAI Firm Registration No. 006711N/N-500028) were appointed as Joint Statutory Auditors of the Company for a period commencing from the conclusion of the Fourteenth AGM till the conclusion of the Sixteenth AGM of the Company that was held on June 27, 2024.

In view of the above and based on the recommendation of Audit Committee, the Board of Directors of the Company, at its meeting held on May 2, 2024 had approved the appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants, (ICAI Firm Registration No. 105215W/W100057) and M/s. G. D. Apte & Co., Chartered Accountants (ICAI Firm Registration No. 100515W) as Joint Statutory Auditors of the Company, for a period of three consecutive years viz. FY 2024-25, FY 2025-26 and FY 2026-27, from the conclusion of the Sixteenth AGM till the conclusion of the Nineteenth AGM of the Company to be held in the year 2027, subject to approval of the Shareholders.

Further, the Members had at the Sixteenth AGM of the Company held on June 27, 2024, appointed M/s. Kirtane & Pandit LLP, Chartered Accountants, (ICAI Firm Registration No. 105215W/W100057) and M/s. G. D. Apte & Co., Chartered Accountants (ICAI Firm Registration No. 100515W) as the Joint Statutory Auditors of the Company for a period commencing from the conclusion of the Sixteenth AGM till the conclusion of the Nineteenth AGM of the Company to be held in the year 2027.

28. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

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

The Financial Statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the Accounting Policies. The Accounting Policies adopted in the preparation of the Financial Statements have been consistently followed in the previous year.

29. EXPLANATION ON JOINT STATUTORY AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. G. D. Apte & Co., Chartered Accountants and M/s. Kirtane & Pandit LLP, Chartered Accountants, Joint Statutory Auditors, in their Reports dated May 9, 2025, on the Financial Statements of the Company for FY 2024-25.

30. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company, for FY 2024-25. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed as **Annexure 'B'**.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Parikh & Associates in their Secretarial Audit Report dated June 4, 2025, on the secretarial and other related records of the Company, for FY 2024-25.

31. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31, 2025 and June 4, 2025, being the date of this Report.

32. SIGNIFICANT AND MATERIAL ORDERS

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

33. RELATED PARTY TRANSACTIONS

The Company has adopted a Policy and a Framework on Related Party Transactions ("RPTs") for the purpose of identification, monitoring and approving such transactions in line with the requirements of the Act and the SEBI LODR Regulations. The said Policy is available on the Company's website <https://www.tatacapital.com/content/dam/tata-capital/pdf/tcfsl/regulatory-policies/RPT%20Policy.pdf>

All the RPTs that were entered into during FY 2024-25, were in ordinary course of business and on an arm's length basis. There were no transaction requiring disclosure under Section 134(3)(h) of the Act. Hence, the prescribed Form AOC-2 does not form a part of this report.

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

34. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**A. Conservation of energy:****i. Steps taken / impact on conservation of energy:**

The operations of the Company, being financial services related, require normal consumption of electricity. The Company is taking every necessary step to reduce its consumption of energy.

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

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

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

Tata Capital has installed a solar panel at its Thane office which produces close to 750 Watts of energy and which self illuminates and provides power to the garden and security lights on the campus from dusk to dawn. This facility has been handed over to the Lodha Facility team for the day-to-day operations.

iii. Capital investment on energy conservation equipment:

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

B. Technology absorption:

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

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of actual inflows during the year under review was Nil and the Foreign Exchange Outgo during the year under review in terms of actual outflows was Rs. 8 crore.

35. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2025 is available under the Investor Relations tab on the Company's website at <https://www.tatacapital.com/tchfl/investor-relations/annual-reports.html>

Further, the Board of Directors of the Company has appointed Ms. Sanna Gupta, Company Secretary, as authorised officer for providing information to the Registrar of Companies regarding the Beneficial interest in the Company's shares.

36. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A Statement giving the details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2025, is annexed as **Annexure 'C'**.

The details required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2025, are provided in a separate Annexure forming part of this Report. In terms of the first proviso to Section 136(1) of the Act, the Report and the Accounts, excluding the aforesaid Annexure, are being sent only through electronic mode to all the Members whose e-mail addresses are registered with the Depositories. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary, at the Registered Office of the Company and the soft copy of the same would be provided by an e-mail. None of the employees listed in the said Annexure is related to any Director of the Company.

37. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

38. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report, with the Practicing Company Secretaries' Certificate thereon, for the year under review, prepared in accordance with the Part C of Schedule V of SEBI LODR Regulations and as required under the RBI HFC Master Directions, forms part of this Annual Report. Further, the additional disclosure requirements in accordance with the RBI SBR Master Directions forms part of the Corporate Governance Report.

39. SECRETARIAL STANDARDS

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

40. UNCLAIMED AMOUNT

During FY 2024-25, no amount was required to be transferred to the Investor Education and Protection Fund (“IEPF”). Further, pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Ms. Sanna Gupta, Company Secretary, has been appointed as the Nodal Officer of the Company, for the purpose of verification of claims and co-ordination with the IEPF Authority. The Contact details of Persons handling Investor Grievance are available on the website of the Company at www.tatacapital.com under ‘Investor Relations’ tab.

As on March 31, 2025, there was Rs. 0.16 crore unclaimed amount towards the matured debentures and interest thereon.

41. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Mumbai
June 4, 2025

Rajiv Sabharwal
Chairman
DIN: 00057333

Annexure A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES**1. Brief outline on CSR Policy of the Company:**

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

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

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

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

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---------------------|--------------------------------------|--|--|
| 1. | Ms. Malvika Sinha | Chairperson (Independent Director) | 1 | 1 |
| 2. | Mr. Rajiv Sabharwal | Member (Non-Executive Director) | 1 | 1 |
| 3. | Mr. Sarosh Amaria | Member (Managing Director) | 1 | 1 |
| 4. | Mr. Ankur Verma* | Member (Non-Executive Director) | 1 | - |

*Mr. Ankur Verma ceased to be the Member of the CSR Committee with effect from June 19, 2024.

3. Provide the web-link(s) where Composition of CSR Committee, CSR policy and CSR Projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee

<https://www.tatacapital.com/content/dam/tata-capital/tchfl/TCHFL%20Committees%20Composition.pdf>

CSR Policy and CSR Projects approved by the Board

<https://www.tatacapital.com/content/dam/tata-capital/tchfl/CSR%20Policy-TCHFL.pdf>

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

During the reporting year, the Company conducted multiple impact assessment studies:

- **Tata Capital's Aarogyatara programme** - The assessment was carried out by an independent third-party agency, Deloitte Touche Tohmatsu India LLP. The program in partnership with Sankara Eye Foundation and Sri Chaitanya Health and Care Trust

(Bhaktivedanta) aims to eradicate curable blindness in rural and vulnerable communities. The objective of the study was to evaluate the impact and improve the processes of the Aarogyatara programme in achieving its goals. A total of 423 patients and other key members from the hospital, implementation team, villages and Tata Capital team were interviewed to get in-depth feedback. The project is implemented by Tata Capital Limited and Tata Capital Housing Finance Limited and a combined study report is made available on the website of the Company.

- **Tata Capital's JalAadhar programme** - JalAadhar, a water security program, is implemented through three models of Integrated Watershed Development ("IWD"), Waterbody Rejuvenation ("WR") and Water Access ("WA"). The model or combination of the models are selected basis the need of the communities / terrain. The impact assessment was carried out by an independent third-party agency, Deloitte Touche Tohmatsu India LLP. A total of more than 700 farmers and other key members from the community committees, implementation team and Tata Capital team were interviewed to get in-depth feedback. The report is made available on the website of the Company.
- **Infrastructure projects** completed as part of Cancer Care project. The project is implemented by Tata Capital Limited and Tata Capital Housing Finance Limited and a combined study report is made available on the website of the Company.

The Impact Assessment reports can be accessed through this link:

<http://www.tatacapital.com/content/dam/tata-capital/pdf/tchfl/investor-information/general-information/csr/impact-assessment-report-fy-2024-25.pdf>

5.

- (a) **Average net profit of the company as per sub-section (5) of section 135-**
Rs. 10,81,62,64,494/-

| Financial Year | Net Profit (net of dividend) (in Rs.) |
|---------------------------|--|
| FY 2021-22 | 7,88,30,60,942 |
| FY 2022-23 | 10,91,52,45,978 |
| FY 2023-24 | 13,65,04,86,562 |
| Average Net Profit | 10,81,62,64,494 |

- (b) **Two percent of average net profit of the company as per sub-section (5) of section 135-**
Rs. 21,63,25,290/- The Board had approved CSR Budget for FY 2024-25 of Rs. 22,10,00,000/-

- (c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years** - Nil

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

- (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]** – Rs. 22,10,00,000/-

6.

- (a) **in Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)** - Rs. 18,06,92,112/-

(b) Amount spent Administrative Overheads - Rs. 7,22,350/-

(c) Amount spent on Impact Assessment, if applicable. - Rs. 18,85,538/-

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. - Rs. 18,33,00,000/-

(e) CSR amount spent or unspent for the Financial Year

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|--|--|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| 18,33,00,000 | 3,77,00,000 | 25.04.2025 | N.A. | | |

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

| Sl. No. | Particular | Amount (in Rs.) |
|---------|---|--|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 21,63,25,290 The Board had approved CSR Budget for FY 2024-25 of Rs. 22,10,00,000 |
| (ii) | Total amount spent for the Financial Year | 22,10,00,000* |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 46,74,710 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | Nil |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 46,74,710 |

*Includes Rs. 3,77,00,000 of Unspent Amount for the FY 2024-25.

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

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☐ No

If Yes, enter the number of Capital assets created/ acquired

16

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

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---------|--|-------------------------------------|-------------------|----------------------------|---|-----------------------------|--|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 1 | Construction of threshing yard of size 15*15m in Setharakuppam village | 604405 | August 29, 2024 | 5,40,000 | CSR00000610 (National Agro Foundation) | Bharathivelu, VDC president | No. 63 Melandai theru Setharakuppam village Vandavasi post Tiruvannamalai District, Tamil Nadu – 604405 |
| 2 | Construction of threshing yard of size 15*15m in Birudhur village | 604408 | September 4, 2024 | 5,40,000 | CSR00000610 (National Agro Foundation) | Selvakumar, VDC president | No. 9 Melandai theru Birudhur village Vandavasi post Tiruvannamalai District, Tamil Nadu – 604408 |
| 3 | Construction of threshing yard of size 15*15m in Punnai village | 604405 | October 18, 2024 | 5,40,000 | CSR00000610 (National Agro Foundation) | Srinivasan, VDC president | No.116, Reddiyar street, Punnai village & Post, Vandavasi Taluk, Thiruvannamalai District, Tamil Nadu - 604405 |
| 4 | Installation of Sintex tank with 2000 litres in Maruthadu village. | 604405 | February 3, 2025 | 67,939 | CSR00000610 (National Agro Foundation) | Thulasi, VDC president | Maruthadu village & Post, Vandavasi Taluk, Thiruvannamalai District, Tamil Nadu - 604405 |
| 5 | Installation of Sintex tank with 2000 litres in | 604405 | February 3, 2025 | 67,939 | CSR00000610 (National Agro Foundation) | Seetha, VDC president | Suriyathangal village & Marudadu Post, |

| | | | | | | | |
|----|--|--------|------------------|--------|--|-----------------------------|--|
| | Suriyathangal village. | | | | | | Vandavasi Taluk, Thiruvannamalai District, Tamil Nadu - 604405 |
| 6 | Installation of Sintex tank with 2000 litres in Kodanallur village. | 604405 | February 3, 2025 | 67,939 | CSR00000610 (National Agro Foundation) | Sathiyarayan, VDC president | 36, Naduthuru Kodanallur village & Post, Vandavasi Taluk, Thiruvannamalai District, Tamil Nadu - 604405 |
| 7 | Installation of Sintex tank with 2000 litres in Setharakuppam village. | 604405 | February 3, 2025 | 67,939 | CSR00000610 (National Agro Foundation) | Bharathivelu, VDC president | No.63 Melandai theru Setharakuppam village Vandavasi post Tiruvannamalai District , Tamil Nadu – 604405 |
| 8 | Installation of Sintex tank with 2000 litres in Sennavaram village. | 604408 | February 3, 2025 | 67,939 | CSR00000610 (National Agro Foundation) | Viyapuri, VDC president | 65, Pillaiyar Kovil Street Sennavaram village & Post, Vandavasi Taluk, Thiruvannamalai District, Tamil Nadu - 604408 |
| 9 | Installation of Sintex tank with 2000 litres in Birudhur village. | 604408 | February 3, 2025 | 67,939 | CSR00000610 (National Agro Foundation) | Selvakumar, VDC president | No. 9 Melandai theru Birudhur village Vandavasi post Tiruvannamalai District, Tamil Nadu – 604408 |
| 10 | Installation of Sintex tank with 2000 litres in Manganallur village. | 604408 | February 3, 2025 | 67,939 | CSR00000610 (National Agro Foundation) | Krishnan, VDC president | Manganallur village, Vandavasi Post, Vandavasi Taluk, Thiruvannamalai District, Tamil Nadu – 604408 |
| 11 | Installation of Sintex tank with 2000 litres in Salukkai village. | 604408 | February 3, 2025 | 67,939 | CSR00000610 (National Agro Foundation) | Devaraj, VDC president | Salukkai village & Post, Vandavasi Taluk, |

| | | | | | | | |
|----|---|--------|--------------------|----------|--|-------------------------------|---|
| | | | | | | | Thiruvannamalai District, Tamil Nadu - 604408 |
| 12 | Installation of Sintex tank with 2000 litres in Ariyathur village. | 604405 | February 3, 2025 | 67,939 | CSR00000610 (National Agro Foundation) | Chanthirasekar, VDC president | No.288,Mariyamman Kovil street, Ariyathur village & Vazhur Post, Vandavasi Taluk, Thiruvannamalai District, Tamil Nadu - 604405 |
| 13 | Installation of Sintex tank with 2000 litres in Vizhuthupattu village. | 604408 | February 3, 2025 | 67,939 | CSR00000610 (National Agro Foundation) | Murugan, VDC president | Mariyamman Kovil street, Vizhuthupattu village & Post, Vandavasi Taluk, Thiruvannamalai District, Tamil Nadu - 604408 |
| 14 | Construction of threshing yard of size 15*15m in Athiyankuppam village in Badhur & Mamandur Project | 604403 | October 23, 2024 | 3,60,000 | CSR00000610 (National Agro Foundation) | Jayachnithiran, VDC President | No. 250, Road street, Athiyankuppam village , Adiyanur Post, Vandavasi Taluk, Thiruvannamalai District, Tamil Nadu - 604403 |
| 15 | Construction of threshing yard of size 15*15m in Kottai village in Badhur & Mamandur Project | 604403 | September 30, 2024 | 3,60,000 | CSR00000610 (National Agro Foundation) | Devi, VDC President | No.407/1 Setherimattu street, Kottai village & Post, Vandavasi Taluk, Thiruvannamalai District, Tamil Nadu - 604403 |
| 16 | Construction of threshing yard of size 15*15m in Kuripedu village in Badhur & Mamandur Project | 604403 | September 28, 2024 | 3,60,000 | CSR00000610 (National Agro Foundation) | Vanaja, VDC President | No.77, Mariyamman Kovil street, Kuripedu village, Veliyampakkam Post, Vandavasi Taluk, Thiruvannamalai |

| | | | | | | | |
|--|--------------|--|--|------------------|--|--|-------------------------------|
| | | | | | | | District, Tamil Nadu - 604403 |
| | Total | | | 33,79,390 | | | |

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135 -

The Company has committed Rs. 1160.71 lakh towards JalAadhar project with an aim to reduce water stress and rejuvenate 10,000 hectare area covering 27 villages in Vandavasi Block, Thiruvannamalai District of Tamil Nadu with National Agro Foundation (NGO). This entails phase-wise implementation of soil and water infrastructure, agriculture initiatives and livelihood engagement. In FY 2024-25, the Company has spent Rs. 400 lakh towards the said project activities and the remaining unspent amount of Rs. 377 lakh has been earmarked for the capital-intensive watershed infrastructural work (like creating check-dams, desiltation of water bodies, creating new farm ponds, etc.) agricultural trainings and livelihood support which are best implemented before monsoon period in the project area within the duration of the ongoing project to enhance and augment the impact. The unspent amount of Rs. 377 lakh was transferred to Unspent CSR Account on April 25, 2025 and would be spent in accordance with the provisions of the Companies Act, 2013.

Malvika Sinha

Chairman, CSR Committee
Independent Director
DIN: 08373142

Rajiv Sabharwal

Member, CSR Committee
Non-Executive Director
DIN: 00057333

Sarosh Amaria

Member, CSR Committee
Managing Director
DIN: 08733676



Aarogyatara

A project funded by Tata Capital Limited and Tata Capital Housing Finance Limited (FY 2023-24 Grant) | Impact Assessment study –

Executive Summary

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Introduction and Outreach

Introduction

The Aarogyatara Programme supports large Eye Care hospitals to solve the accessibility to services to the poorest of the poor in rural communities.

Through the CSR initiative of



About Aarogyatara:

Aarogyatara project, is a comprehensive initiative aimed at addressing the eye care needs of underserved communities in India. With a focus on reducing avoidable blindness, the project provides free and affordable eye care services, including screenings, surgeries, and the distribution of corrective glasses, to individuals in rural and tribal areas.

Implementing Partners



₹ **INR 1,64,86,015**
Grant Amount (FY 23-24)

 **2,155**
Cataract surgeries performed (FY 23-24)

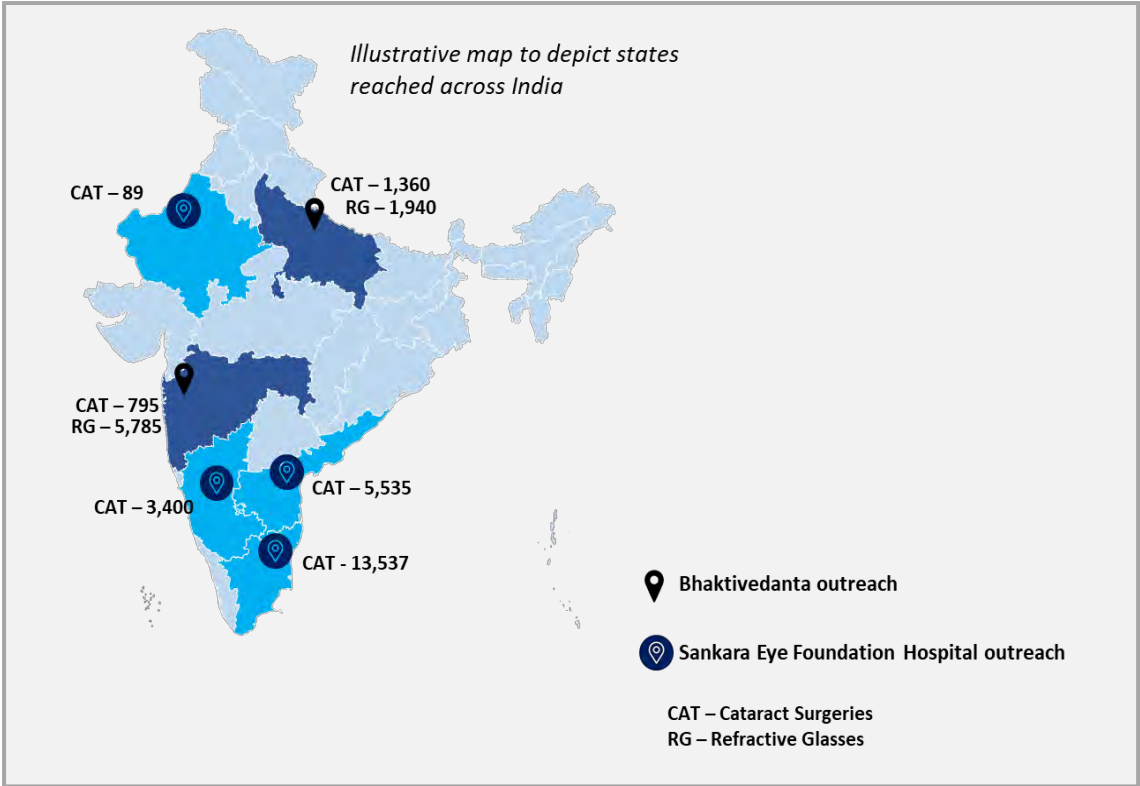
₹ **INR 5,52,61,000**
Grant Amount (FY 23-24)

 **22,561**
Cataract surgeries performed (FY 23-24)

Overall Outreach

Total Outreach

| | Bhaktivedanta Hospital | Sankara Eye Foundation Hospital | Total |
|---|------------------------|---------------------------------|----------|
| Total states covered | 2 | 4 | 6 |
| Total eye care camp Conducted | 374 | 414 | 788 |
| Total population screened | 36,105 | 2,29,800 | 2,65,905 |
| Total free cataract surgeries performed | 2,155 | 22,561 | 24,716 |
| Total refractive error glasses provided | 7,725 | - | 7,725 |



State Wise Outreach

| | Bhaktivedanta Hospital | | Sankara Eye Foundation Hospital | | | |
|---|------------------------|---------------|---------------------------------|----------------|-----------|-----------|
| Location | Maharashtra | Uttar Pradesh | Tamil Nadu | Andhra Pradesh | Karnataka | Rajasthan |
| Total free cataract surgeries performed | 795 | 1,360 | 13,537 | 5,535 | 3,400 | 89 |
| Refractive glasses distributed | 5,785 | 1,940 | | | | |

Aarogyatara | Programme promotion

The team at Bhaktivedanta Hospital and Sankara Eye Foundation leverages print and digital media to promote the programme especially during events of health care camps. Posters and banners are used during the camps highlighting the TCL logo to bring awareness on the initiative. In this endeavor, articles are also published highlighting the hospital's role in delivering free eye care services. An article on these lines was published on the free press journal in February 2024 by Bhaktivedanta team -

<https://www.freepressjournal.in/india/aarogyatara-project-tata-capitals-initiative-aims-to-combat-cataract-crisis-among-poor-needy-villagers-of-barsana> | Accessed on 12th February 2025

Please refer annexure for a snapshot of posters and banners leveraged for programme promotion during health camps.

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Home > India > Aarogyatara Project: Tata Capital's Initiative Aims To Combat Cataract Crisis Among Poor & Needy Villagers Of Barsana

Aarogyatara Project: Tata Capital's Initiative Aims To Combat Cataract Crisis Among Poor & Needy Villagers Of Barsana

As per the estimates, every year about 8,000 plus people go blind. Out of these only about 50-55% only undergo surgeries for cataract. This leads to a huge back log of more than 50,000, over a period of 10 years who are suffering from avoidable blindness.



Approach and Methodology







Overview of the Impact assessment

The assessment and review was carried out in a phased manner as highlighted below

| Phase | Desk Research | Interactions with Stakeholders | Documentation | Finalization |
|------------|---|--|--|---------------------------|
| Objectives | Document project design and intended outcomes | Data collection | Analyze findings | Final deliverable |
| Activities | Structuring of assessment tools | In person interactions with stakeholders | Consolidate findings based on interactions and site visits | Presentation of findings |
| | Desk analysis of CSR project documents | In person interaction with implementation team | Identify gaps /challenges and suggest course corrections. | Incorporation of feedback |
| | | | Preparation of draft report | |

Approach and Methodology

OECD DAC Framework was followed to design the enquiry areas for interaction with various stakeholders

| | | |
|---|---|---|
|  | Enquiry areas per OECD Development Assistance Committee framework | |
|  | Relevance | Outreach and extent of the intervention across geographies and demography Awareness and need for eye care and preventive measures in the target communities |
|  | Program Effectiveness | Role of community mobilisers and eye care camps organized at community level Follow-up mechanism Prevention of recurrent vision issues after surgeries or treatments. |
|  | Efficiency & Convergence | Process flow of the intervention Role of stakeholders and their contribution Beneficiary lifecycle |
|  | Impact | Improved accessibility, affordability and availability Health and quality of life Economic empowerment Social inclusion |
|  | Sustainability | Long-term sustainability of eye care improvements Community ownership and improved awareness |

| Sampling Plan and Tools for the assessment | | | | | | | | |
|---|-------------------------|--------|---------|--------|------------------------------|--------|-------|--------|
| Stakeholders | Bhakthivedanta Hospital | | | | Sankara Eye Foundation India | | Total | |
| | Barsana | | Palghar | | Krishnagiri | | FGD | Survey |
| | FGD | Survey | FGD | Survey | FGD | Survey | | |
| Beneficiaries | 45 | 50 | 42 | 45 | 100 | 96 | 187 | 191 |
| Community Mobilizers & Camp staff | 5 | | 10 | | 2 | | 17 | |
| Healthcare professionals – Doctors and nurses | 2 | | 5 | | 7 | | 14 | |
| Program team/Implementation team | 6 | | 2 | | 4 | | 12 | |
| Tata capital | | | 2 | | | | 2 | |
| Total | 108 | | 106 | | 209 | | 423 | |



Programmatic Findings

Programmatic Findings - Summary

Overview of the findings of the Impact Assessment based on the OECD DAC framework

1 RELEVANCE



- According to the National Blindness and Visual Impairment Survey India 2015-19, **cataract remain the principal cause of avoidable blindness** in India among individuals **aged 50 and above**.
- Survey findings show that **90% of BV's** beneficiaries and **89% of SEFI's** beneficiaries were **aged 50 and above**. **43%** of the beneficiaries surveyed were **earning below INR 25,000 annually** while **17%** were earning between INR **25,000 to 50,000**.
- Beneficiaries in FGDs stated they couldn't afford cataract surgeries, which cost **INR 6,000-10,000 per eye in private hospitals**, or the post-operative care without the project's support.

2 COHERENCE



- While the project is exclusively implemented through the CSR funds provided by TCL and TCHFL, the Aarogyatara **project aligns with a key objective of India's National Health Mission (NHM) and the National Programme for Control of Blindness (NPCBVI)**, which aims to reduce blindness to 0.25% by 2025.
- The **ASHA workers, Anganwadi workers, and local leaders**, support and participate in camps ensuring that the outreach is well-integrated with local healthcare systems and local governance structures.

3 EFFECTIVENESS



- FGDs findings highlighted that **word of mouth** was the **primary source of mobilization**
- **100% of BV and 99% of SEFI** beneficiaries reported **satisfaction with the services offered at the health camps** (1% cited long waiting time). 100% respondents reported a positive overall experience.
- **100% respondents** received **recovery aids** as well as **follow-up post-surgery by the mobilizers**



Below expectations and critical



Meets some expectations with scope of improvement



Meets expectations with scope of improvement



Meets all expectations



Area of improvement

Programmatic Findings - Summary

Overview of the findings of the Impact Assessment based on the OECD DAC framework

4 EFFICIENCY



- Both IPs refer patients to their respective hospital and also cover the transportation costs.
- Both BV and SEFI maintain beneficiary data efficiently right from the registration at the camps. BV uses an Excel based database while SEFI uses the Medics Software that enables real-time tracking and management of data.

5 IMPACT

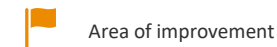


- Overall, **2,65,905 screenings**, **24,716 cataract surgeries** and **7,725 refractive glasses** provided
- Improved eyecare access through mobile clinics, vision centres, and monthly camps.
- **Reduced financial burden** on low-income and vulnerable groups through an **average cost saving of INR 6,000-10,000** per surgery and cost of transportation
- **97% of BV** and **100% of SEFI** beneficiaries reported **improvement in their daily routines post-surgery**. 3 out of 95 beneficiaries reported no improvement, as they required additional procedures such as retina correction surgery, with cataract surgery serving as an intermediate step for their overall treatment.

6 SUSTAINABILITY



- **Local resource persons** are empowered to continue the identification and awareness component of the project
- **Beneficiaries acting as "community advocates"**, help spread awareness about the importance of cataract surgeries and regular eye care.
- **Referral system and follow-ups** ensures that new patients seek treatment
- **Trust within communities**, with families seeking eye care across generations was noted. This generational loyalty strengthens the project's foothold in the community, ensuring a long-term demand for services.





Conclusions and Way forward

SWOT analysis

S W O T

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|---|---|---|
| <i>Internal attributes that give an advantage</i> | <i>Internal factors that may hinder the ability to achieve programme objectives</i> | <i>External factors that can be leveraged to grow and improve</i> | <i>External challenges and risks that could impact long term sustainability</i> |
| <ul style="list-style-type: none">• Marginalized rural populations reached through mobile clinics and eye care camps, offering free cataract surgeries and corrective glasses, removing financial barriers.• Experienced ophthalmologists and technicians contribute to excellent patient care and successful treatment outcomes• Strong relationships with patients, doctors, ASHA workers, ANMs and government stakeholders foster trust and continuity in services• A combination of treatment with awareness and follow-up care for sustainable health outcomes.• Proven track record of delivering quality eye care has earned goodwill in the neighboring regions• A well-established donor base supports financial stability and operational initiatives | <ul style="list-style-type: none">• The manual data consolidation process at Bhaktivedanta Hospital takes several days. Streamlining data management through automated or more efficient systems could enhance the speed and accuracy of data processing. | <ul style="list-style-type: none">• The project can scale to more underserved regions, further reducing preventable blindness.• Collaborations: Partnering with government programs and other NGOs for identification and mobilization can boost reach and impact.• Expanding beyond cataract surgeries to other eye care or health services could address wider community needs. | <ul style="list-style-type: none">• No apparent threats |

Conclusion & Way forward

Recommendations

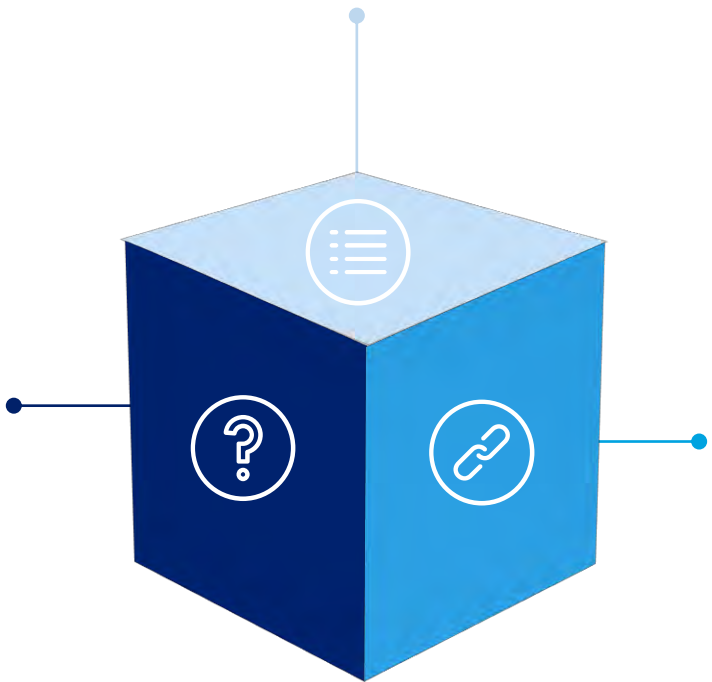
Transition to Phacoemulsification Technology:

Phacoemulsification technology, as it offers greater efficiency and quicker recovery times i.e. 1-2 days to resume normal activities and 1-2 weeks for full recovery whereas SICS requires 1-2 weeks for daily activities and 4-6 weeks for full recovery.

Strengthen Financial Literacy Support:

Beyond providing eye care, financial education could be expanded to help beneficiaries manage any costs related to long-term eye care or other health issues.

This could also encourage better financial planning for healthcare needs in general.



Expand Project Scope:

Other vision-related issues such as glaucoma and diabetic retinopathy can be addressed for better reach.

Incorporating glaucoma counseling, medications, and diagnostic services for diabetic retinopathy could offer a more holistic approach to eye care and improve long-term health outcomes.



Case Study

Case study

Maniyammal - A Catalyst for Change in Krishnagiri

Maniyammal, a 60-year-old resident of Krishnagiri, has undergone two cataract surgeries that have not only restored her vision but also empowered her to be a change agent in her community. Her first cataract surgery was performed in 2018 under the Gift of Vision program of SEFI, and more recently, on February 7, 2024, she received her second surgery through the Aarogyatara program, funded by Tata Capital and implemented by Sankara Eye Foundation.

These surgeries have been transformative for Maniyammal and her family, allowing her to regain independence and actively participate in daily activities. Grateful for the care and support she received; she is now an advocate for her community. She has encouraged and brought over 30 people from her neighborhood to benefit from the Aarogyatara program, furthering its reach.

Maniyammal expresses her heartfelt thanks to Tata Capital and Sankara Eye Foundation for their invaluable support, not only for herself but for her entire community.

Her story reflects the strong sense of community participation and ownership fostered by these initiatives, demonstrating how individual beneficiaries can help amplify healthcare efforts and transform the lives of many.





Annexure

Pictures from the field



Interactions with beneficiaries from Palghar, Barsana & Krishnagiri Districts

Source: Deloitte

Snapshots of posters leveraged for programme promotion



Banners used during health camp organized by SEFI

Source: Deloitte



Posters used during health camps at Barsana, Mathura and Krishnagiri, Tamil Nadu

Source: Free press journal India



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JalAadhar – Integrated Watershed Development (Satara and Thiruvannamalai)

Project funded by Tata Capital Housing Finance Limited

Impact assessment study – Executive Summary

Private and confidential | For internal purposes only



Introduction

The **JalAadhar project** is the flagship CSR program of TCHFL comprising interventions around Soil and water management

Through the CSR initiative of

TATA CAPITAL

Housing Finance

Implementing Partners



Integrated Watershed Development under Jalaadhar is a structured approach to restore and rejuvenate large water bodies through desilting and harvesting water, using a comprehensive ridge-to-valley approach. This method ensures that water is captured, stored, and utilized effectively, leading to the enhancement of groundwater levels both downstream and within the command area of the water bodies. By focusing on both structural and community-driven interventions, the project aims to create sustainable water resources, boost ground water levels and agricultural productivity, and improve the resilience of the ecosystem and local communities towards water scarcity.







₹ **INR 5.76 Cr**
Grant Amount (FY 23-24)

| Time period referred |
|--|
| Karanjkhop, Satara: December 2019- March 2022 |
| Bhadale, Satara: January 2021-March 2023 |
| Thiruvannamalai, Tamil Nadu: January 2019-March 2022 |



Programmatic and Technical Findings

Key Impact Highlights (for intervention period)

| | | | | | |
|---|---|---|--|---|---|
|  |  |  |  |  |  |
| Over 400 water conservation structures created | 20-30 feet increase in ground water levels | ~25,000 population positively impacted | Over 6,000 HHs impacted | Water availability has increased by 2-3 months annually | Water quality within drinking water standards |

| Soil Organic Carbon | Normalized Difference Vegetation Index | Normalized Difference Moisture Index | Normalized Difference Moisture Index | Land Use Land Cover | Water area coverage | Barren land reduction |
|--|---|--|--|---|--|--|
| SOC (Indicating soil health) showed +ve outcomes across watersheds | NDVI (Indicating vegetation presence) showed +ve outcomes across watersheds | NDWI (Indicating changes in water bodies and presence) showed +ve outcomes across watersheds | NDVI (Indicating water stress in vegetation) showed +ve outcomes across watersheds | LULC (indicating changes in the profile of land use) showed +ve outcomes towards water bodies and green cover | ~280 hectares increase in waterbody areas post intervention | ~230 hectares decrease in barren land post intervention |

Note - NDVI, NDWI and NDMI are representative of changes over the entire watershed region and hence do not have absolute value differences but can only be read through the visual representation. These are presented in detail in the report.

IWD I Programmatic Findings - Summary

Overview of the findings of the Impact Assessment based on the OECD DAC framework

1 RELEVANCE

- The IWD related initiatives are carried out in locations facing landscape-level water challenges such as rainwater runoff, soil erosion, low ground water recharge. The project locations chosen can be characterized as experiencing frequent droughts due to inefficient water harvesting and storage mechanisms.
- The IWD intervened regions of Bhadale in Satara showed limited shallow aquifer availability.
- Karanjkhop village, located in Maharashtra, has significant agricultural activity. The region is characterized by a mix of mid-range and low-lying areas, with a reliance on groundwater sources such as open wells and borewells for irrigation. The region's geology, including the presence of hard basaltic rock and other impermeable layers, limits the infiltration capacity of surface water into the groundwater system.
- Vandavasi, located in the Thiruvannamalai district of Tamil Nadu, has been grappling with challenges such as expanding areas of barren land, declining soil moisture, and acute water scarcity, especially during the summer months. Depleting groundwater levels, reduced surface water availability, and inefficient irrigation practices have collectively impacted agricultural productivity and limited access to water for local communities.

2 EFFECTIVENESS

- The project interventions focused on the local challenges of soil and water management based on the existing topography as well as agricultural productivity enhancement and livelihood opportunities.
- The structures and interventions were effective in mitigating soil erosion and significantly enhanced groundwater recharge. Survey results indicate an increase in groundwater levels, with reported rises ranging from 20 to 30 feet.
- The project effectively enhanced the surface water storage capacity through strategic interventions such as the construction of Gabions, Check dams, lined ponds and farm ponds.



Below expectations and critical



Meets some expectations with scope of improvement



Meets expectations with scope of improvement



Meets all expectations



Area of improvement

IWD I Programmatic Findings - Summary

Overview of the findings of the Impact Assessment based on the OECD DAC framework

3

EFFICIENCY AND CONVERGENCE



- The project encouraged active participation from local communities, fostering a sense of ownership and collective responsibility. This was facilitated through regular Village Development Committee (VDC) meetings and community-based resource management practices, ensuring long-term impact.
- By aligning with existing government schemes related to water conservation, agriculture, and rural development, like Drip Irrigation subsidy scheme and Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), the project helped build government convergences and leveraged additional support for infrastructure development and capacity building.
- The project enabled collaboration between local panchayats and community organizations to align efforts aimed at enhancing water availability and soil health.



Below expectations and critical



Meets some expectations with scope of improvement



Meets expectations with scope of improvement



Meets all expectations



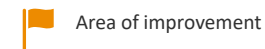
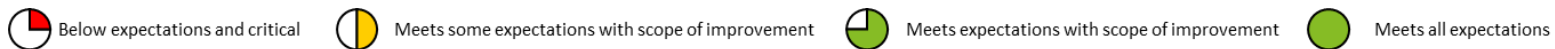
Area of improvement

IWD I Programmatic Findings - Summary

Overview of the findings of the Impact Assessment based on the OECD DAC framework

4 IMPACT

- **Marked Improvement in Groundwater Levels:** All project locations experienced a clear rise in groundwater levels. For instance, 88% in Karanjkhop, and 71% in Bhadale reported increases of 20, 22, and 13 feet respectively, resulting in more dependable access to water for both irrigation and drinking. In Vandavasi, 100% of respondents reported a rise in groundwater levels.
- **Transition to Sustainable Irrigation Practices:** Substantial uptake observed in the use of drip and sprinkler irrigation systems across project locations. In Karanjkhop, adoption rose from 19% to 76% and in Bhadale from 11% to 58%. This shift indicates enhanced water-use efficiency and a move away from traditional, less efficient methods such as flood irrigation.
- **Diversified Cropping and Increased Farmer Incomes:** The implementation of mixed and triple cropping practices led to greater crop diversification and notable income gains. Average annual income rose by INR 55,000 in Bhadale, INR 45,000 in Karanjkhop, and INR 8,000 in Vandavasi.
- **The Normalized Difference Vegetation Index (NDVI)* and Normalized Difference Moisture Index (NDMI)** analysis** have shown improvements in the watersheds of the locations sampled
- Significant positive changes especially in waterbodies and green cover were observed through the Land Use and Land Cover (LULC)*** Analysis
- Positive shifts were observed across all watersheds in terms of water quality parameters. The specifics for each watershed are detailed in the report.
- **Soil Organic Carbon (SOC)** is a crucial component of Soil Organic Matter (SOM), representing the amount of organic carbon present in the soil. The SOC index serves as a vital indicator of soil health and fertility, influencing various ecological processes such as nutrient cycling, soil structure, and carbon sequestration. All watersheds showed improvements in SOC post intervention with Bhadale and Karanjkhop showing minimal increase considering the short timeframe of evaluation since intervention.



* The Normalized Difference Vegetation Index (NDVI) is a key indicator of vegetation presence.

** The Normalized Difference Moisture Index (NDMI) detects moisture levels in vegetation using a combination of near-infrared (NIR) and short-wave infrared (SWIR) spectral bands. It is a reliable indicator of water stress in crops

*** The Land Use and Land Cover (LULC)*** Analysis shows the changes to characteristics of the land especially pre-post and intervention

Conclusion and Way Forward

SWOT

The SWOT analysis for the programme was conducted through insights derived from the programmatic and impact findings of the study. A summary of the analysis and recommendations to enhance the effectiveness of the project going forward is presented below.

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|---|--|---|
| <i>Internal attributes that give an advantage</i> | <i>Internal factors that may hinder the ability to achieve programme objectives</i> | <i>External factors that can be leveraged to grow and improve</i> | <i>External challenges and risks that could impact long term sustainability</i> |
| <p>The program's ridge-to-valley approach effectively addresses water conservation and management by ensuring systematic treatment of the watershed from the highest to the lowest points. This comprehensive strategy has significantly improved water availability and soil fertility, fostering long-term sustainability.</p> <p>The active engagement of the community, combined with strategic integration of local village administration and government schemes in planning and implementation, has enhanced ownership and accountability, ensuring the long-term sustainability of the interventions.</p> <p>The program has comprehensively addressed all key components of Natural Resource Management, including water resources (Jal), forests (Jangal), land (Jameen), and livestock (Janwar), ensuring a holistic and sustainable approach to resource utilization and conservation.</p> <p>A high-performing technical implementation team, underpinned by robust, SOP-driven implementation and monitoring processes</p> | <p>None observed</p> | <p>While the local Panchayat is involved in the overall planning and administration of the program, it is prudent to also disseminate information of the interventions to the block and district level administration. This would help a) to build stronger local oversight b) Enable stronger convergence with other programs or efforts c) Prevent any duplication of efforts/funding</p> <p>There is an opportunity to customize the program to better accommodate the needs of marginal farmers who may not be able to contribute financially but can offer valuable support through voluntary efforts, such as shramdaan or other non-monetary contributions. This would enhance inclusivity and foster broader community engagement.</p> | <p>The shift to water-intensive crops such as sugarcane and wheat could deplete water resources in the long term, potentially leading to unsustainable agricultural practices if not carefully managed.</p> |

Conclusion and Way Forward

Recommendations

1. While the VDC members are provided with basic training on maintenance of structures as well as the roles and responsibilities of each stakeholder, it is recommended as a best practice to document the same in the form of a Standard Operating Procedure (SOP) to ensure that the objectives behind the training and roles defined are sustained in the future despite an exit from the region
2. Explore possibilities of water harvesting and recharge structures in areas of the watershed still experiencing water stress.
3. Interventions such as soil traps, loose boulder structures, and naala deepening have been successful in slowing surface runoff and promoting groundwater recharge in Bhadale's tough geological conditions (hard basaltic rock). These should be continued and expanded to other regions with similar challenges.
4. Continue promoting water-efficient agricultural practices: Given the reliance on surface water for irrigation in Thiruvannamalai, introducing more water-efficient irrigation practices such as drip irrigation or rainwater harvesting can help manage water resources more effectively. This would reduce the pressure on surface water bodies and ensure a more sustainable use of water for agriculture.
5. While the local Panchayat is involved in the overall planning and administration of the program, it is prudent to also disseminate information of the interventions to the block and district level administration. This would help a) to build stronger local oversight b) Enable stronger convergence with other programs or efforts c) Prevent any duplication of efforts/funding
6. While the project provides opportunities for convergence with government schemes by making beneficiaries aware of the same or linking beneficiaries to these schemes, it is recommended to track the outcomes resulting from this enhanced awareness. This will ensure the full realization of benefits and provide measurable impact from these awareness building initiatives
7. Organize awareness programs on the long-term risks of water-intensive crops like sugarcane and wheat. Collaborate with more farmers to promote drought-resistant crops through practical demonstrations
8. Facilitate partnerships with private and government bodies to establish robust market linkages for non-traditional crops, encouraging farmers to diversify and adopt sustainable cropping patterns



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JalAadhar- Water Rejuvenation

Project funded by Tata Capital Housing Finance Limited

Impact assessment study – Executive Summary

Private and confidential | For internal purposes only



Source: Deloitte

Introduction

The **JalAadhar project** is the flagship CSR program of TCHFL comprising interventions around Soil and water management

Through the CSR initiative of

TATA CAPITAL

Housing Finance

Implementing Partners



Water Rejuvenation under the Jaadhar Project aims at revitalizing water bodies such as lakes and ponds to ensure sustainable water management and agricultural benefits. The initiative primarily involves the **de-siltation of lakes**, where accumulated silt is removed to restore the water-holding and percolation capacity of the lakes. The fertile silt is distributed to local farmers, enhancing soil fertility and agricultural productivity, while the unfertile silt is responsibly managed by Gram Panchayats (GPs) and other stakeholders.




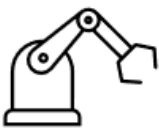


INR 5.2 Cr
Grant Amount (FY 23-24)




Time period referred

Jaipur, Rajasthan: June 2023- March 2024
Jodhpur, Rajasthan: May 2022-March 2023
Thiruvannamalai: December 2022-March 2023 and August 2023- March 24

Programmatic and Technical Findings

Key Impact Highlights (for intervention period)

| |  |  |  |  |
|-----------------|---|--|---|---|
| | Ponds Rejuvenated | Silt excavated | Storage Capacity created | Beneficiaries |
| Overall | 149 | 12 Lakh (Cum) | 128 Cr Litres | 2,10,974 |
| Jaipur | 64 | 6,63,165 (CuM) | 66,31,70,000 (Litres) | 96,702 |
| Jodhpur | 30 | 3,15,664 (CuM) | 31,56,64,000 (Litres) | 70,012 |
| Thiruvannamalai | 55 | 3,09,953 (CuM) | 30,99,53,000 (Litres) | 44,260 |

|  |  |  |
|---|---|--|
| Average saving of INR 300/month per household | Increase in water availability by 6 months in TN and 1-1 and ½ months in Rajasthan | Reported ground water increase by 28 feet in Jaipur, 10 feet in Jodhpur and 20 feet in Thiruvannamalai |

Overall positive land displacement observed from remote sensing data in and around the intervention area indicating better percolation and ground water recharge

Programmatic Findings - Summary

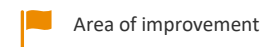
Overview of the findings of the Impact Assessment based on the OECD DAC framework

1 RELEVANCE

- The Water Rejuvenation program recognizes the importance of existing water bodies
- Areas such as Jodhpur and Jaipur, located in Rajasthan, are characterized by an arid climate, erratic rainfall, and severe water scarcity issues. The regions have increasingly relied on surface and groundwater resources to meet the growing demands for drinking water, agriculture, and livestock. However, the over-exploitation of groundwater, along with contamination (particularly fluoride), has exacerbated water quality and quantity concerns. Over time, sediment build-up reduced the capacity of lakes and ponds to store water effectively. The inability to retain water during monsoon seasons exacerbated shortages during the summer.
- The region of Melkodangalur, Kodanallur Gram Panchayati, located in the Tiruvannamalai district of Tamil Nadu, has faced challenges related to water scarcity, particularly in the summer months. Groundwater depletion, reduced surface water availability, and inefficient irrigation practices have adversely affected agricultural productivity and local water access.
- Desilting lakes not only increases their storage capacity but also provides valuable silt for agriculture, creating a symbiotic relationship between water resource management and agricultural enhancement. This program fosters community involvement in environmental stewardship, ensuring long-term sustainability.

2 EFFICIENCY AND CONVERGENCE

- The program strategically engages support from a diverse range of stakeholders, including local government authorities, implementation partners, external monitoring agencies.
- Approvals from the GP are procured before any activity can be undertaken
- The project efficiently utilized local resources, such as silt, which, while primarily used for non-agricultural purposes like embankment strengthening and infrastructure development, also contributed to agricultural productivity in some areas in Jaipur.



Programmatic Findings - Summary

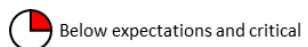
Overview of the findings of the Impact Assessment based on the OECD DAC framework

3 EFFECTIVENESS

- The project effectively rejuvenated 149 ponds, enhancing their storage capacity by over 128 crore liters.
- Improved Water Availability: The survey responses indicated that the project significantly extended potable water availability, with a notable increase in water availability—up to 6 months in some locations like Thiruvannamalai. In Jodhpur and Jaipur, potable water availability increased by about one and a half months, addressing seasonal water shortages.
- Groundwater and Water Quality Impact: Survey and FGD respondents mentioned substantial improvement in ground water levels, with increases of up to 28 feet in Jaipur, 10 feet in Jodhpur and 20 feet in Thiruvannamalai, significantly boosting water security. Additionally, 75% of respondents in Jaipur and 67% in Jodhpur reported improved water quality, particularly in quality of surface water as was intended by the intervention, enhancing its usability for drinking and other daily needs.

4 SUSTAINABILITY

- Community Ownership: The project ensures the sustainability of its water rejuvenation efforts by leveraging local governance support. As highlighted by the community leaders, they took proactive steps to finance the community's share of silt transportation through the Panchayat fund, demonstrating strong local ownership and commitment to long-term success.
- Land displacement data indicates +ev outcomes in terms of percolation and ground water recharge in and around the intervention locations



Below expectations and critical



Meets some expectations with scope of improvement



Meets expectations with scope of improvement



Meets all expectations



Area of improvement

Programmatic Findings - Summary

Overview of the findings of the Impact Assessment based on the OECD DAC framework

5 IMPACT



- **Water Availability:** As per survey respondents potable water availability increased by up to 6 months. In Jodhpur, water availability was extended by 1.5 months, in Jaipur by 1.3 months, and in Thiruvannamalai by 6 months.
- **Water Quality:** 10 parameters tested from surface water in Jodhpur were found to be within permissible limits of safe drinking water (IS 10500:2012). Open wells and deep wells showed improvements in water quality indicators, however, there were increased nitrate and total hardness levels and surface water in Vimalpura showed elevated phosphate and RSC levels. Mild contamination levels of Phosphate, Iron and Flouride levels were observed in surface waters in Melkodangalur.
- **Groundwater Impact:** Groundwater levels reportedly increased by approximately 10 feet in Jodhpur, 28 feet in Jaipur, and 20 feet in Thiruvannamalai.
- **Agricultural Impact:** In Jaipur, 77% of respondents shifted from double cropping to triple cropping. In Thiruvannamalai, all respondents transitioned from monocropping to double cropping, diversifying crops such as urad, green grams, peanuts, and others. Respondents in Jodhpur continued to practice mono cropping due to continuation of rain-fed water dependency for agriculture.
- **Silt Usage:** Silt mostly used for non-agricultural purposes such as embankment strengthening, with limited use in agriculture in select areas of Jaipur depending upon the quality of silt extracted.
- **Improved structural integrity of water bodies,** leading to better water retention and reduced overflow risks.
- **Time and Cost Savings:** In Jodhpur and Jaipur, time savings ranged from 2 hours per person per day. In Jaipur, waiting time for wells to recharge upto the extraction level was reduced from 3 hours to 15-30 minutes. Additionally, families previously spent ₹300/month on water, now saved on these costs.



Below expectations and critical



Meets some expectations with scope of improvement



Meets expectations with scope of improvement



Meets all expectations



Area of improvement

Conclusion and Way Forward

SWOT

The SWOT analysis for the programme was conducted through insights derived from the programmatic and impact findings of the study. A summary of the analysis and recommendations to enhance the effectiveness of the project going forward is presented below.

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|---|---|---|
| <i>Internal attributes that give an advantage</i> | <i>Internal factors that may hinder the ability to achieve programme objectives</i> | <i>External factors that can be leveraged to grow and improve</i> | <i>External challenges and risks that could impact long term sustainability</i> |
| <p>Community-Centered Approach: Addresses critical water and agricultural needs, directly benefiting drinking, irrigation, and livestock requirements.</p> <p>Environmental Impact: Enhances groundwater levels and improves soil quality, contributing to long-term environmental sustainability.</p> <p>Holistic Focus: Combines desiltation, water body rejuvenation, and sustainable practices to ensure multi-faceted outcomes.</p> <p>Climate Resilience: Strengthens the community's ability to withstand droughts and water scarcity due to climate change. The project is supported by a robust monitoring framework enabled by digital data collection through the AVNI app, ensuring effective oversight, tracking, and timely evaluation of progress and outcomes.</p> | <p>The water body selection process in Jaipur could have been optimized to prioritize those with high-quality, fertile silt, maximizing agricultural benefits for farmers.</p> <p>Non-adherence to the pre-monsoon timeline impacted farmer participation in silt carting activities, as many had already completed field preparations before the activity could be initiated. (This remains relevant only to Jaipur since other locations didn't cart silt on farms)</p> | <p>Scalability: Successful implementation can serve as a model for other regions facing similar water and agricultural challenges.</p> <p>Stricter adherence to pre-monsoon timelines could have improved project efficiency and overall impact</p> | <p>None observed</p> |

Conclusion and Way Forward

Recommendations

1. Further enhancing the water retention capacity of ponds and water bodies and ensuring water quality protection through regular cleaning and monitoring.
2. Continued monitoring of water quality parameters especially fluoride and turbidity in identified locations
3. Introduce organic farming practices to replace the use of chemical fertilizers and enhance the soil fertility in locations identified
4. In locations where the water from the rejuvenated ponds are used for farming, efficient irrigation techniques can be explored as well as scientific crop planning and cultivation practices.
5. Promotion of rainwater harvesting systems to complement storage capacity and ground water recharge
6. Empower local stakeholders through capacity-building initiatives to maintain and manage rejuvenated structures effectively
7. Continue to involve the community actively, ensuring that their needs and feedback remain central to the project's design and implementation. Promoting awareness among local communities regarding the importance of maintaining water bodies and preventing pollution.



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JalAadhar – Water Access

Project funded by Tata Capital Housing Finance Limited

Impact assessment study – Executive Summary

Private and confidential | For internal purposes only



Source: Deloitte

Introduction

The **JalAadhar project** is the flagship CSR program of TCHFL comprising interventions around Soil and water management

Through the CSR initiative of


TATA CAPITAL

Housing Finance

Implementing Partners



The **Water Access intervention** under Jalaadhar is focused on improving water accessibility to Households in Palghar, Maharashtra by providing water supply from perennial sources using Solar Powered water pump and a network of pipelines connecting to water tanks in various village hamlets.

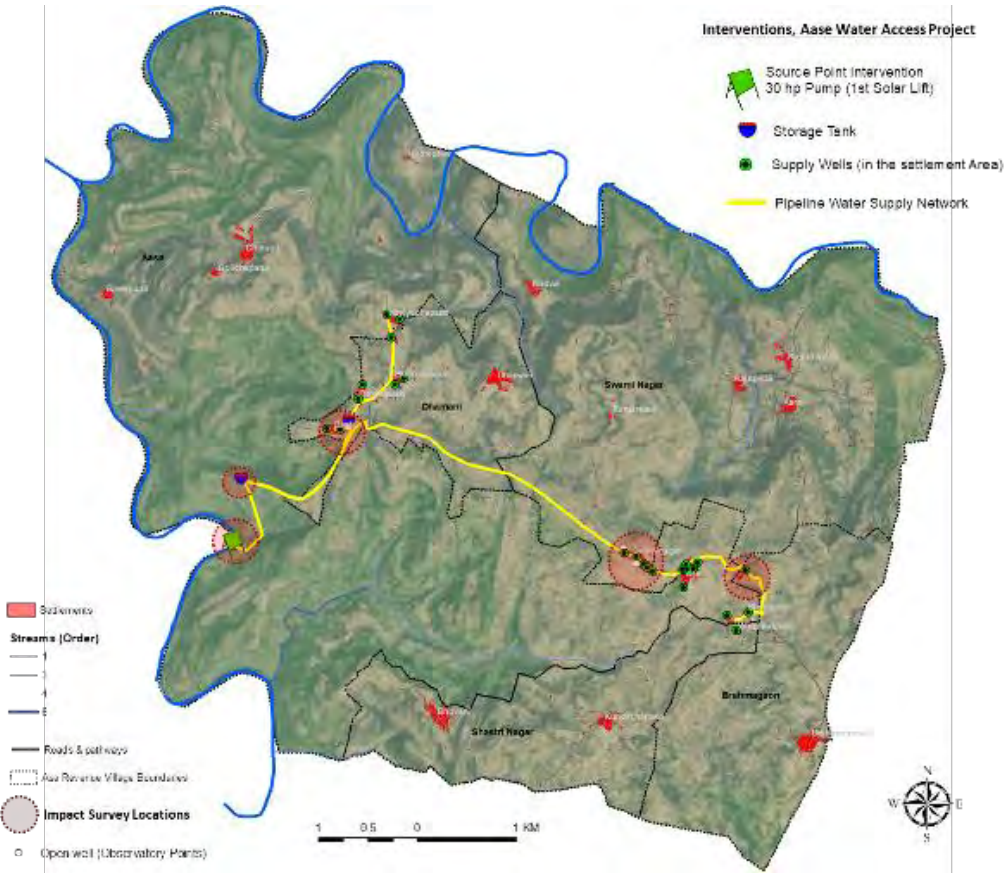


INR 1.5 Cr

Grant Amount (FY 23-24)

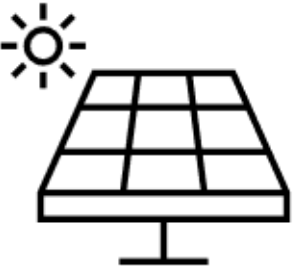



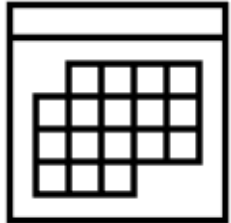

Time period referred

Palghar, Maharashtra - December 2022 to 31st March 2023



Programmatic Findings

Key Impact Highlights (for intervention period)

| | | | | | |
|---|---|--|---|---|---|
|  |  |  |  |  |  |
| Installation of Solar powered 30 Hp Pump at Wagh River | 10 water tanks (haud) constructed with 10,000 litre each <u>capacity</u> | 5000+ Direct Beneficiaries In 6 Hamlets | 4+ Hours/day of time saved in water sourcing | Year Round Water availability (Villages made tanker free) INR 300/Month saved per household | Water quality Improved and now within drinking water standards |

Programmatic Findings - Summary

Overview of the findings of the Impact Assessment based on the OECD DAC framework

1 RELEVANCE



- Addresses accessibility constraints in a challenging geographical context of Aase village, Mokhada in Palghar, Maharashtra.
- The region, with an average elevation of 486 meters, experiences high seasonal rainfall (2500 mm annually), but the steep terrain hinders effective runoff capture and storage.
- The local population has faced persistent water access issues. The lack of nearby water sources forced women and children to travel long distances to fetch water, affecting education, livelihoods, and overall well-being.
- The 6 hamlets relied on local wells which would dry out for about 6 months every year leading to longer travel to procure water

2 EFFICIENCY AND CONVERGENCE



- The 30 HP pump, powered by solar panels ensures energy-efficient pumping and reduces dependence on non-renewable energy sources.
- The program has successfully made the village tanker-free, thereby alleviating the government's burden of water supply.
- Improved coordination with multiple stakeholders, including local government authorities, forest and water departments, and river management agencies
- Local volunteered labour was used for the construction work keeping the costs low and ensured buy-in from the community

3 EFFECTIVENESS



- The installation of mid-range and high-altitude storage tanks, coupled with an extensive pipeline network, ensures that water is efficiently stored and distributed.
- Shift from distant, unreliable community wells and poor-quality and expensive tanker water to conveniently located 10 water tanks (hauds) and 12 water outlets. This eliminated the previous reliance on inconsistent tanker deliveries (2-3 times/week).
- Completely eradicated the recurring 8-month water crises experienced during non-monsoon periods. Consistent and equitable water supply now meets the needs of all households.
- Tracking of the power usage of the solar pump could help understand the impact further

Programmatic Findings - Summary

Overview of the findings of the Impact Assessment based on the OECD DAC framework

4 IMPACT

- **Time Savings:** The project has drastically reduced water fetching time from an average of 4.5 hours per person per day to just 6 minutes.
- **Improved Well-being:** Saved time is now being used for rest (65%), income-generating activities (33%), farming (22%), education (16%), and childcare (12%), significantly improving personal and family well-being.
- 100% of respondents reported an **improvement in self-esteem and mental well-being**. Women regained autonomy over their time and increased confidence.
- **Reduced Financial Burden:** Elimination of the need to purchase water from private tankers has saved households an average of INR 300 per month.
- **Economic Impact:** 33% of the respondents mentioned that they now participate more in income-generating activities. The youth highlighted that improved access to water has significantly enhanced their availability for work. They are more proactive in their job search, a process that was previously constrained. They reported being able to engage in manual labor 5-6 days a week, compared to just 2-3 days a week earlier.

5 SUSTAINABILITY

- **Community Ownership:** The project has fostered a strong sense of community ownership through active participation in construction (labor contribution) and ongoing management (monthly maintenance fee of INR 50 per household).
- **Diversified Income Streams:** The tree plantation initiative (mango, bamboo, cashew) offers the potential for long-term sustainable income generation for participating households. 67% of farmers received saplings (mango, bamboo, cashew) for plantation. They expect sustainable income from the plantations in 2-3 years.



Below expectations and critical



Meets some expectations with scope of improvement



Meets expectations with scope of improvement



Meets all expectations



Area of improvement

Conclusion and Way Forward

SWOT

The SWOT analysis for the programme was conducted through insights derived from the programmatic and impact findings of the study. A summary of the analysis and recommendations to enhance the effectiveness of the project going forward is presented below.

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|--|--|--|
| <i>Internal attributes that give an advantage</i> | <i>Internal factors that may hinder the ability to achieve programme objectives</i> | <i>External factors that can be leveraged to grow and improve</i> | <i>External challenges and risks that could impact long term sustainability</i> |
| <p>Strong alignment with local needs and a strong sense of ownership.</p> <p>Active community involvement, including labor and resources</p> <p>A robust technical team and thoughtful system design, enhancing its reliability and efficiency.</p> <p>A strong focus on sustainability showcased by training programs on operating and maintaining pumps, pipelines, filters, and tanks ensure long-term viability.</p> <p>The adoption of solar-based lift irrigation reduces operational costs and environmental impact</p> <p>A dedicated and highly motivated implementation team, with strong on-ground presence</p> | <p>The water filters have not yet been distributed to the community, delaying access to clean, safe water.</p> <p>Poor awareness regarding the importance of water filtration and its usage can lead to health risks and underutilization of distributed filters.</p> <p>FGD respondents highlighted that while solar-powered systems offer a sustainable solution, they may encounter challenges during periods of low sunlight or potential technical failures.</p> <p>The project has successfully addressed the community’s drinking water needs; however, its intended support for agricultural water requirements is yet to be fully realized.</p> | <p>Potential to diversify into agri or livelihood interventions (e.g., agro-processing, craft-making, or small-scale businesses) can enhance economic opportunities for villagers, particularly women. Potential to diversify income streams through value-added products such as cashew and mango by-products.</p> <p>Collaboration with the Mokhada Livelihood Centre can enhance skills, resources, and market access for the community.</p> <p>There is an opportunity to enhance the system by incorporating a mechanism to capture and monitor the amount of renewable energy generated. This would enable better measurement and demonstration of energy efficiency and environmental impact.</p> | <p>Negative experiences with shared filtration systems in other villages pose a challenge to implementing a successful water filtration solution in the community.</p> |

Conclusion and Way Forward

Recommendations

1. Immediate Water Quality Monitoring: Ensure regular monitoring of water quality and engage experts to guide the installation of simple filtration solutions where needed
2. Promote Sustainable Practices: Provide short training sessions on sustainable agricultural practices, including simple methods like crop rotation and organic farming can be considered
3. Expand water availability for agricultural needs by constructing dedicated hauds to ensure consistent and reliable water supply for irrigation and farming activities
4. Develop a plan to engage women and villagers, who have gained time from reduced water-fetching tasks, in vocational training programme and other income-generating activities such as processing cashew and mango by-products or other relevant activities with the Mokhada Livelihood Centre that may provide skill development, market access, and resources, enabling sustainable economic empowerment for the community
5. Lifted Surface Water is safe for drinking and household use, but periodic testing is recommended to monitor iron levels. The open Well Water requires treatment (e.g., iron removal filters) before use for drinking. Regular monitoring of iron and other parameters is essential.
6. Pilot Individual Filters: Test household-level filtration systems or smaller community filters that align with the community's preferences and build trust. Engage the community in choosing and maintaining these systems
7. Track Electricity: Establish a basic system for tracking renewable electricity production
8. Implement a piped water connection for the ZP school to address safety concerns, as the existing water tank requires students to cross a pucca road, to access water basis requirement, posing a potential risk
9. Continued training and capacity building within the community to ensure long-term maintenance and operation of the infrastructure.
10. Future expansion of water storage capacities to accommodate future demands during peak dry seasons



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Cancer Cell (Care and Elixir for Life and Living)

Project funded by Tata Capital Housing Finance Limited (FY 2022 – 2023 Grant) | Impact assessment study – Executive Summary

Private and confidential | For internal purposes only

DTTILLP, April 2025

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PHARMACY
HBCH, SANGRUR

Introduction and Outreach

Overview – Cancer CELL programme

The Cancer CELL (Care and Elixir for Life and Living) programme funded by Tata Capital Housing Finance Limited (TCHFL) was launched in 2014, with an objective to address the challenge of accessibility, affordability, and availability of robust treatment for Cancer, for the marginalised sections of society. This programme is implemented through on-ground partnerships with credible healthcare institutions across states of Punjab, Maharashtra and Uttar Pradesh.

In Punjab, the intervention is to provide cancer care support through the hospital network of Tata Memorial Centre in the form of patient welfare fund and medical infrastructure aid.

IMPLEMENTING PARTNER

- **Homi Bhabha Cancer Hospital and Research Centre (HBCH and RC)** at Punjab is the implementing body for the TCHFL grant during the period 01st December 2022 to 31st March 2023.
- HBCH and RC is a unit of **Tata Memorial Centre (TMC)**, a grant in aid institution under Department of Atomic Energy and runs cancer care facilities at Sangrur and New Chandigarh. **The scope of this impact assessment study is restricted to the HBCH facility in Sangrur.**
- HBCH at Sangrur is a comprehensive cancer hospital with **130 bedded infrastructure**, houses Department of medical and surgical oncology, preventive oncology, radio diagnosis and imaging, physiotherapy, and rehabilitation services among other facilities. It has catered to over 50,000+ beneficiaries since its establishment in the year 2015.

Project presence in Punjab:



District map of Punjab

Illustrative map not to scale

Overview – Cancer CELL programme

SUPPORT ENABLED BY TCHFL GRANT TO HBCH AND RC, PUNJAB

- A total grant of INR 1.42 Cr provided to the implementing partner for FY 2022-2023. 100% grant is utilised as on 31st march 2023.

| Description | Grant (INR) |
|---|--------------------|
| 1) Cashless treatment in the form of patient welfare fund | 59,82,400 |
| 2) Medical and surgical equipment including: | |
| 3D Vision Laparoscopic Cart for advanced surgeries – 01 Nos | 74,50,000 |
| Semi Motorised Fowler Beds – 50 Nos | 7,90,600 |
| | 1,42,23,000 |

BENEFICIARY REACH THROUGH TCHFL GRANT

- 203 patients** across 7 states and 3 union territories supported through financial assistance from the TCHFL grant
- 200 patients** supported every year through 3D vision laparoscopic surgery at HBCH & RC, New Chandigarh
- 80 patients** supported per day through semi-motorised fowler beds installed at HBCH, Sangrur
- 42 medical practitioners, 15 researchers & 117 nursing staff** leveraging the medical equipment for advanced surgical procedures



Beneficiary representation state wise | Map of India

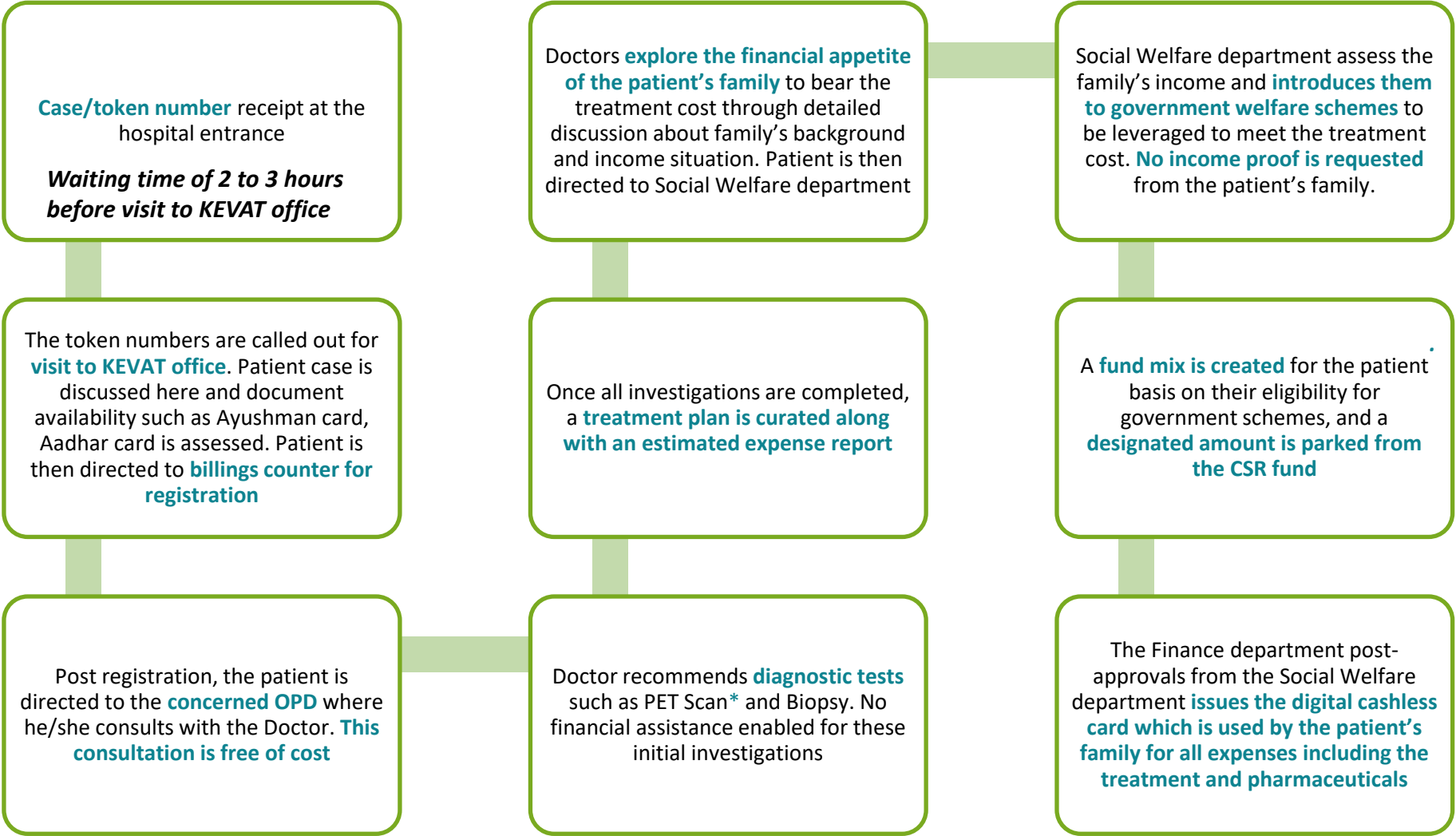
Illustrative map not to scale

| | |
|-------------------|-----------------------|
| Punjab: 73% | Bihar: 1% |
| Haryana: 12% | Madhya Pradesh: 1% |
| Uttar Pradesh: 6% | Assam: 1% |
| Chandigarh: 3% | Delhi: 1% |
| Uttarakhand: 2% | Jammu & Kashmir: 0.5% |

Overview – Cancer CELL programme

IMPLEMENTATION PROCESS

Patient journey at HBCH - From registration to issue of digital cashless card



- **KEVAT – Symbolically meaning the Boatman is the front-line office at the hospital**
- **PET Scanning is conducted externally or at HBCH and RC in New Chandigarh, due to non-availability of the requisite resources at Sangrur facility. These tests range from INR 15000 to INR 35000**
- **Timeline of 20 to 25 days from first visit to start of treatment**

START OF TREATMENT

Overview – Cancer CELL programme

PROGRAM PROMOTION

Being a government run facility, HBCH does not have a provision of marketing budget for advertisements and campaigning. However, they have in-house public relations team which is responsible for showcasing the body of work in media and other communication channels. Largely, print media is leveraged to communicate on hospital initiatives, awareness on outreach camps, introduction of welfare schemes and events organised.

Additionally, the CSR grants received at HBCH are branded internally by tagging donor logo on the capital assets provided as part of project. In case of TCHFL grant, the same has not been executed upon special request from the donor team.

मिल रही राहत | 52 प्रतिशत मरीज पंजाब और 48 प्रतिशत दूसरे राज्यों से आ रहे इलाज के लिए

कैंसर मरीजों के लिए नई उम्मीद बन रहा होमी भाभा हॉस्पिटल



निदेशक डॉ. आशीष गुलिया

होमी भाभा कैंसर हॉस्पिटल पंजाब के सबसे बड़े कैंसर मरीजों के लिए एक नई उम्मीद बन रहा है। पिछले साल 2023 जुलाई में न्यू चंडीगढ़ मुल्तापुर में यह संस्थान शुरू हुआ था। योजना 400 के करीब कैंसर मरीज यहाँ आगेपी.डी. में रहते हैं, जिसमें नए आगेपी.डी.ओपी मरीज शामिल होते हैं।

शुरू करना ही अपने आप में एक चुनौती रही है न्यूदातर लोगों को लगता है कि उसको बिंदीगी रहस्य हो गई। न्यूदातर पढ़ाईस स्टेज पर ही इस बीमारी का पता लगता है। ऐसे में एडवांस टेक्नीक से इलाज, जोकि कुछ ही अस्पताल में दिया जाता है। अभी तक पंजाब, हरियाणा, हिमाचल, समेत आसपास के परिया के मरीज पी.जी.आई. ही रेफर किए जाते रहे हैं, लेकिन होमी भाभा कैंसर हॉस्पिटल पंजाब के सबसे बड़े कैंसर मरीजों के लिए एक नई उम्मीद बन रहा है। पिछले साल 2023 जुलाई में न्यू चंडीगढ़ मुल्तापुर में यह संस्थान शुरू हुआ था। योजना 400 के करीब कैंसर मरीज यहाँ आगेपी.डी. में रहते हैं, जिसमें नए आगेपी.डी.ओपी मरीज शामिल होते हैं।

आत्मनिर्भरता मॉडल पर काम करते हैं

होमी भाभा कैंसर हॉस्पिटल संगरूर सेंटर जोकि हमारा ही हिस्सा है, वहाँ सबसे ज्यादा मरीज पंजाब से आते हैं, जिसका बंबर 75 से 80 प्रतिशत तक होता है, यहाँ की बात करें तो 52 प्रतिशत मरीज हमारे पास पंजाब से और 48 प्रतिशत दूसरे राज्यों से हैं, यहाँ तक कि बिहार और उड़ीसा से भी हमारे पास मरीज आ रहे हैं। डॉ. गुलिया ने कैंसर को लेकर बताया कि इस क्षेत्र में शराब और ज्यादा वसा वाले भोजन के ज्यादा इस्तेमाल होने की वजह से मॉडल में डेट और ओवरी के कैंसर और पुरुषों में पेट और कुछ पाइप के कैंसर सबसे ज्यादा मामलें देखे जा रहे हैं। ओपेडी में योजना 400 मरीज आते हैं और 300 बिस्तरों की क्षमता हमारे पास है जिसमें से 80-85 प्रतिशत फंड, जकात फंड, महिला और जल कैंसर फंड, भारतीय कैंसर सोसायटी की सहायता और कई निजी दानकर्ता भी रोगियों के कैंसर उपचार में योगदान देते हैं।

आम लोगों की कैंसर स्क्रीनिंग प्रोग्राम शुरू कर चुके हैं

डॉ. गुलिया ने बताया कि जब हमने शुरूआत की थी, तो हमारी सबसे बड़ी चुनौती अपनी पहचान साबित करना था। हमारा उद्देश्य लोगों की सेवा करना, उनके दर्द को कम करना और कुल मिलाकर, कैंसर के इलाज की मांग करने वाले लोगों के खर्च को कम करना। है। हम जी.एम.सी.एच.32, जी.एम.एस.एच.-16 के साथ सहयोग कर रहे हैं और चंडीगढ़ प्रशासन के साथ मिलकर कार्ययोजनाओं पर काम कर रहे हैं। कई बड़े विभागों के साथ हमारे प्रोजेक्ट शुरू हो चुके हैं जिसमें हम चंडीगढ़ स्कुली और आम लोगों की कैंसर स्क्रीनिंग प्रोग्राम शुरू कर चुके हैं। स्कुली बच्चों के लिए स्वरथ जीवन जीने पर एक कार्यक्रम शामिल है। हम कैंसर के ट्रेड को समझने के लिए चंडीगढ़ की पूरी आबादी पर एक बड़ी रिसर्च करने की योजना बना रहे हैं।

Homi Bhabha hospital providing cancer care to 400 OPD patients daily

Robert Abraham
robert@bhabhatrustnews.com

MOHAI: After 15 months of its opening, the Homi Bhabha Cancer Hospital and Research Centre (HBCHRC) in New Chandigarh has become a lifeline for many, with 400 patients visiting daily for cancer treatment and follow-ups.

Built to provide advanced cancer care across North India, the hospital is part of the Tata Memorial Centre, overseen by department of atomic energy, Government of India.

With 1,580 staff members, including 60 consultants, the centre operates on a self-sustaining model. Revenue from private and semi-private rooms helps cover the cost of treatment for those who are unable to afford it. Around 85% of patients receive heavy subsidy on treatment with some even getting entirely free treatment, thanks to funds like Impact Foundation, Zakat Fund, and other donor support funds. The hospital sees patients from Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir and even distant states like Bihar and Odisha. HBCHRC director Dr Ashish



The hospital operates on self-sustaining model, with revenue from private and semi-private rooms helping cover the cost of treatment for those who are unable to afford it.

Gulia shared that 52% of patients were from Punjab, and 48% from other states. Most common problems among women were breast and ovarian cancers, while stomach and oesophageal cancers were prevalent among men, often due to lifestyle factors like alcohol and fatty foods, he said. Dr Gulia added that the hospital's 300 beds are nearly full, with occupancy expected to reach its capacity by the end of this year.



The hospital's 300 beds are nearly full, with occupancy expected to reach its capacity by the end of this year.

DR ASHISH GULIA, director, Homi Bhabha Cancer Hospital and Research Centre, New Chandigarh

specialised medical programs like DM in medical oncology and MD in radiology.

The hospital not only treats patients from north Indian states like Uttarakhand, but also trains doctors with the aim of opening new centres across the country.

Now, HP patients can get treatment at Homi Bhabha hosp in Chd

TIMES NEWS NETWORK

Shimla: As the number of cancer cases is on the rise in Himachal Pradesh, the state govt has empanelled Homi Bhabha Cancer Hospital and Research Centre, New Chandigarh, under the Mukhya Mantri Himachal Health Care (Himcare) scheme.

The initiative will provide comprehensive and cashless cancer treatment services to the residents of Himachal Pradesh.

Health and family welfare minister Dhani Ram Shandil during the assembly session on Sept 7 mentioned that as many as 32,909 cancer patients were under treatment in six medical colleges in the hill state.

Dr Ashish Gulia, director, Homi Bhabha Cancer Hospital and Research Centre, said, "The partnership will allow patients from Himachal Pradesh to avail

The partnership will allow patients from Himachal Pradesh to avail cashless cancer treatment at our hospital, ensuring that no one is deprived of essential medical care due to financial constraints

DR ASHISH GULIA, Director Homi Bhabha Cancer Hospital & Research

cashless cancer treatment at our hospital, ensuring that no one is deprived of essential medical care due to financial constraints."

Himcare, a health insurance initiative under the Himachal Pradesh govt's department of health and family welfare, offers financial coverage of up to Rs 5 lakh per family per year for cashless treatment.

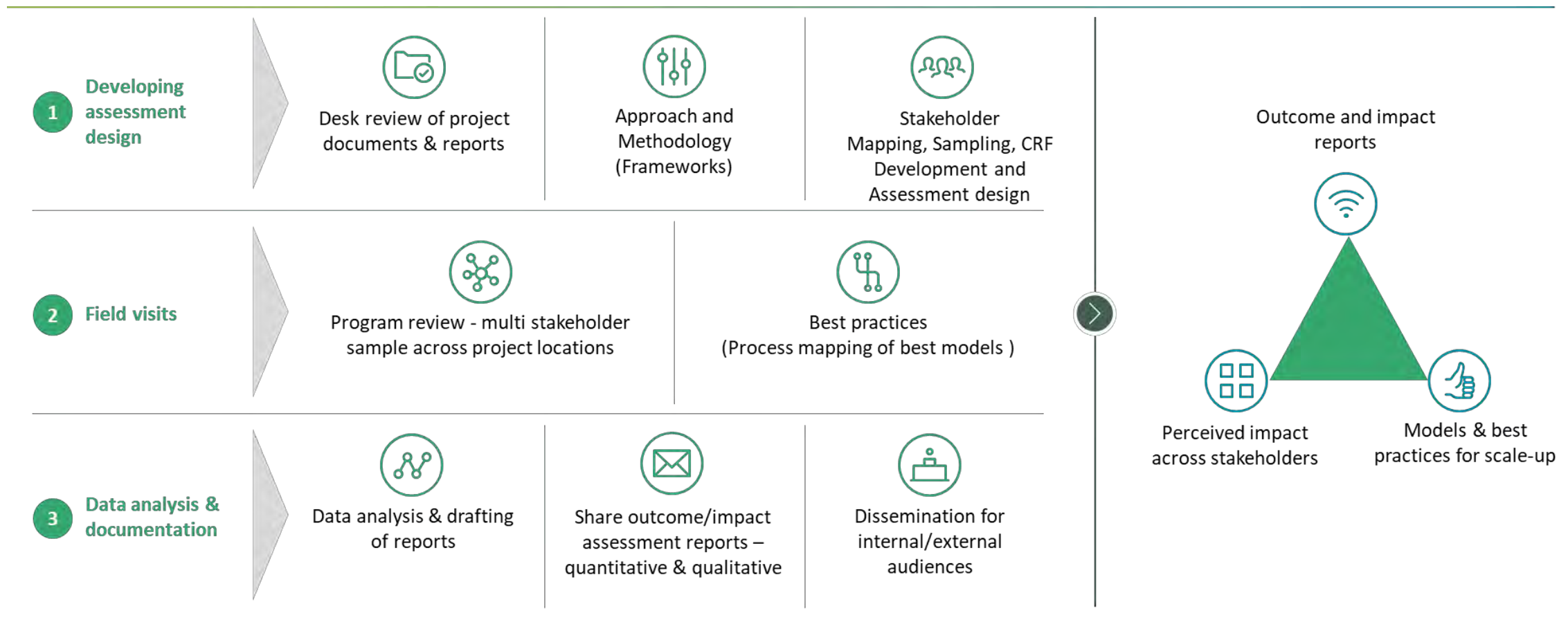
Print media leveraged by HBCH PR team to communicate on hospital initiatives / **Source: HBCH**

Scope of study and Approach & Methodology



Scope of Study and Approach & Methodology

Deloitte conducted an impact assessment study of the Cancer CELL programme implemented through the partner **Homi Bhabha Cancer Hospital and Research Centre (HBCH and RC), A unit of Tata Memorial Centre (TMC) in Punjab**. **The objective of the study was to analyse and interpret the direct and indirect impact of the programme on the lives of target beneficiaries.** A **mixed method research approach** and phase wise methodology was adopted as illustrated below, leveraging the OEC DAC and Results based frameworks to assess programmatic impact of the intervention.



Scope of Study and Approach & Methodology

SAMPLING PLAN

A **purposive sampling methodology** was used to cover all key stakeholders and enable data triangulation. The sample size included a mix of male and female patient groups within the age group of 23 years up to 80 years of age.

Snapshot of stakeholder groups interviewed during the research is presented below.

| Primary Stakeholders (34) | | | | |
|--|-------------------------|--------------------------------------|---|----------------------------------|
| Patients part of the TCHFL grant | | Patients not part of the TCHFL grant | | Hospital staff |
| 20 | | 5 | | 9 |
| Patients interacted directly over the phone | Next of kin of patients | Patients interacted in-person | Next of kin of patient interacted in-person | Doctors Nursing & Admin staff |
| 2 | 18 | 2 | 3 | 9 |
| Secondary Stakeholders (7) | | | | |
| TCL and TCHFL Project Team | | | | |
| 2 | | | | |
| Program Implementation and Grant Management (Head and accounts team) | | | | |
| 4 | | | | |
| HBCH Sangrur | | HBCH Chandigarh | | |
| Director | | 1 | | |

KEY ENQUIRY AREAS FOR STUDY

Relevance

- Outreach mechanism followed by the implementing partner, and geography radius from Punjab and nearby states
- Key stakeholders responsible for ensuring robust cancer care to patient groups at HBCH

Coherence

- Components of care and support extended
- Synergies with various government health welfare schemes
- Financial assistance provided to each patient and, criteria for eligibility

Effectiveness & Efficiency

- Usage of medical infrastructure and surgical equipment provided for tertiary care
- Support from staff and treatment experience
- Indicative cost savings and impact of financial assistance in reducing financial burdens

Impact

- Programme performance in terms of Accessibility, Availability and Affordability

Sustainability

- Need for continued support to the patient groups
- Potential opportunity areas to strengthen the program and improve patient experience



Programmatic Findings

Programmatic Findings - Summary

Overview of the findings of the Impact Assessment based on the OECD DAC framework

1 RELEVANCE



- According to the report published by the National Cancer Registry Programme in India, the estimated number of **cases of cancer in India was 1.46 Mn in 2022** and is expected to **increase by 12.8% by 2025** as compared to 2020.¹
- 30% respondents indicated visiting other healthcare facilities. However, due to lack of **hygienic facilities, long waiting hours, distance from hometowns and high treatment costs, they came to HBCH**
- **HBCH is strategically located** at a tier II city with proximity to Bathinda (95 Kms) and Patiala (60 Kms) in Punjab. With good connectivity, the hospital sees a **high footfall of patients coming from the entire northern region** including states of Uttar Pradesh, Haryana, Himachal Pradesh, and Jammu & Kashmir.

2 COHERENCE AND CONVERGENCE




- **Government welfare schemes** - Ayushman Bharat Scheme and Mukh Mantri Rahat Kosh are key components of the financial assistance provided to patient groups
- **302 healthcare staff receive access to advanced surgical equipment** for quality patient care
- **80+ patients receive access to 40 bedded infrastructures at the Day Care ward every day** and, **100+ nursing staff receive access to 3 bedded infrastructure at Nursing education department**
- Project impact **aligned with UN Sustainable development goals 3 and 10**



3 EFFECTIVENESS



- **203 patients supported through patient welfare fund. 100%** of the interview respondents **expressed high satisfaction and gratitude to the team of doctors and other hospital staff** for the care and support extended during the treatment time
-  Over **200+ laparoscopic surgeries performed successfully each year** through use of 3D laparoscopic machine. However, the machine is transferred to HBCH New Chandigarh in December 2023
- **40% of the respondents interviewed were referred** by their relatives or friends living in Punjab to HBCH Sangrur.

Programmatic Findings - Summary

Overview of the findings of the Impact Assessment based on the OECD DAC framework

4 EFFICIENCY



- The implementation model is **well-structured and synergized with the government health welfare schemes** - Ayushman Bharat and Mukh Mantri Cancer Rahat Scheme. The grant did not observe any mid treatment abandonment case.
- A **digital cashless card**, credited with a **pre-decided amount** is provided to all patient groups to incur medical expenses at HBCH.
- **100%** of the interview respondents **expressed gratitude** to the team of doctors and staff for the care and support extended
- The **finance team at HBCH** manages the grant utilisation and also ensures monitoring of the unspent fund balances in digital cashless cards. However, **unconsolidated and unspent values** of up to INR 20,000 in digital cashless cards for 15% respondents identified
- **Unavailability of 34 surgical medications and 27 pharmacy medicines** at the HBCH pharmacy, led to inconvenience for the beneficiary groups. They had to procure expensive medicines from elsewhere
- **20% respondents** expressed the need to introduce PET scanning at HBCH Sangrur, since it is a prime requirement for early diagnosis

5 IMPACT



- **50,000+ lives benefitted** since December 2022
- Reduced financial obligations of **up to INR 25,000 to INR 30,000 on average per patient.**
- Building a **sensitised community** through mechanisms for early diagnosis and timely treatment plan
- **100%** respondents mention that the **team of doctors have been immensely supportive both medically and on psychological level** by providing the requisite support to the patient and their family members

6 SUSTAINABILITY



- **3D Vision laparoscopic machine** provided as part of the grant assures precision surgery as well as ensures it is available and affordable to multiple patients across years
- **Semi-motorized beds** provided for everyday care of patient groups strengthens the physical infrastructure at HBCH
- **Continuous financial assistance is critical** for the program to benefit patients YoY.



Below expectations and critical



Meets some expectations with scope of improvement



Meets expectations with scope of improvement



Meets all expectations



Area of improvement



Conclusion and Way Forward

Conclusion & Way forward

The SWOT analysis for the programme was conducted through insights derived from the programmatic and impact findings of the study. A summary of the analysis and recommendations to enhance the effectiveness of the project going forward is presented below.

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|---|--|---|
| <i>Internal attributes that give an advantage</i> | <i>Internal factors that may hinder the ability to achieve programme objectives</i> | <i>External factors that can be leveraged to grow and improve</i> | <i>External challenges and risks that could impact long term sustainability</i> |
| 1) HBCH is the backbone of the state’s healthcare ecosystem for cancer care 2) There is overall a positive word of mouth from patients across, on the healthcare support and treatment provided. | 1) Absence of requisite medications at the HBCH pharmacy in Sangrur and unavailability of provision for PET scanning test can be addressed to mitigate patient dropouts in future 2) In lieu of limited resources at the KEVAT or Department of Social Welfare, not all patients receive adequate guidance and support pertaining to financial assistance. This may be an opportunity lost for additional group of patients. | 1) Building the medical infrastructure in equal capacity at HBCH Sangrur and Chandigarh would aid to meet the increasing number of complex cases. 2) There is scope to extend CSR support to meet the cost of initial investigations currently borne by the patient 3) Contribute to advocacy on documentation required for government welfare scheme applications | 1) No apparent threats |

Conclusion & Way forward

Recommendations

It is recommended to sustain the annual financial aid for TMC unit in Punjab, considering the increase in number of cancer cases and overall positive feedback on the line of treatment and support from healthcare staff at Sangrur and Chandigarh. However, the study also reveals scope for bridging various structural gaps within the programme which may positively impact the patient experience in years to come.

1) Provision to cover initial diagnostics and investigative tests as part of the grant aid

Since Government health welfare schemes do not allow for reimbursements or cashless support for investigative tests, all cancer patients are subjected to incur self-expense for PET scanning or Biopsy. The estimated costs of these tests range from INR 15,000 to INR 35,000 and basis complexity of the illness it increases to INR 50,000 as well. This is an added financial burden to the families and can be covered for while planning the fund mix leveraging the CSR grants.

2) Increase the number of manpower managing the entry office operations (KEVAT), and at Department of Social Welfare

There is evidently a need to strengthen the manpower resources at KEVAT and Department of Social Welfare, ensuring no patient leaves the hospital premise without receiving the right guidance on potential for financial assistance.

3) Consolidating the unspent funds in digital cashless card

Unspent funds can be reallocated on a quarter or bi-annual basis leading to grant efficiency. This move has the potential to increase the outreach and support to additional patient count.

4) Strengthen medical infrastructure at Sangrur

Ensuring all requisite investigative tests including PET scan is made available at the Sangrur facility which may add to convenience of time and resources for the patient and their families. Further, availability of all the prescribed medicines in the pharmacy section is an essential requirement to add to the patient experience at the hospital.

5) Intimation of asset transfer for better transparency and improved project governance

The 3D vision laparoscopic machine was transferred from Sangrur facility in December 2023, considering the infrastructural requirement, and increase in patient footfall at HBCH and RC in Chandigarh. It is recommended to keep the funder informed on movement of assets since it is a high value asset and enables improved project transparency.



Annexure

Beneficiary speak

"The team of doctors have been immensely supportive on all fronts both medically and on psychological level by providing the requisite support to us"



"The treatment provided at HBCH is good, however there are challenges in availability of all requisite medications at the in-house pharmacy and procuring them from outside is expensive"

"HBCH offers a facility such as of a private run hospital maintaining cleanliness and hygiene standards, well qualified healthcare staff and a safe environment for recovery"

"My father had to travel for 30 kms in the car for pet scanning, it should be made available at HBCH Sangrur"

Case stories

Identifiers in the case stories have been modified to maintain confidentiality.

Case story 1

Manvinder Singh, a 63-year-old resident from Chandigarh started treatment for Thoracic cancer in the year 2022, at a private hospital in Chandigarh. His last visit to TMC was in April 2024. Telephonic interaction with his brother, Kulvinder Singh indicated about his passing away in early 2024. He shares his family was referred to TMC facility in Chandigarh by a relative. Kulvinder is a driver by profession, and he used to make frequent visits to the hospital for his brother's treatment. He adds that the surgical procedure did go well, and the treatment provided was also of the best standards, however his brother still succumbed to the illness due to recurrent addictions. He adds that the total expense for the treatment was approximately INR 2,50,000 out of which self-borne expense was INR 32,000, another INR 1,50,000 was facilitated through Ayushman Bharat scheme, and the rest amount of INR 68,000 was enabled through TCHFL grant.

Kulvinder shares he had an opportunity to accompany 3 to 4 additional patients to TMC and, each of them has highly appreciated the hygiene and cleanliness standards at TMC facility, which is very unlike any other facility they have been to. The aesthetic at the facility is of a private run hospital providing quality care at affordable cost. Kulvinder adds that the community already has high regard for the brand TATA and the financial assistance is an added value.

Case story 2

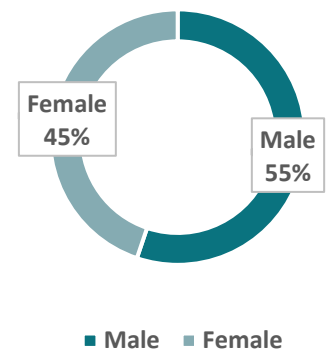
Nirmal Singh, a resident of Bathinda in Punjab is 26-year-old and currently undergoing the treatment for Gastrointestinal Cancer at TMC Sangrur. He had consulted a private hospital in Bathinda where his illness was diagnosed, post which one of his relatives recommended him to visit TMC in Sangrur. Sharing his experience, he adds that one of the biggest differentiators between the hospital at Bathinda and TMC Sangrur is that of the doctor's support and guidance. He shares that the team of doctors at TMC were truthful and did not hide any medical details from the patient ensuring transparency which led to trust building in doctor and patient relationship.

He also adds that while the waiting time and unavailability of the requisite medicines did bother him, he is well satisfied with the line of treatment and his recovery status. Doctors have now recommended him to visit for follow-ups every 3 months. He sounds hale and healthy and expresses gratitude for the right team of medical guidance which is leading to timely recovery.

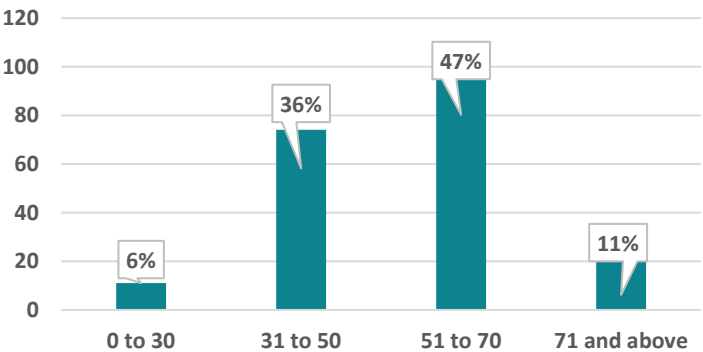
Study analysis

Beneficiary profile

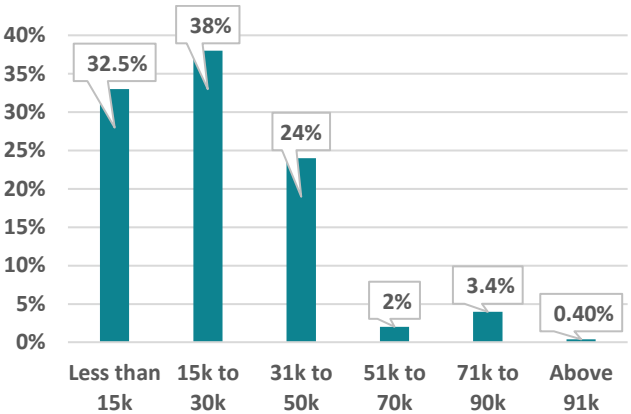
Gender Split (N=203)



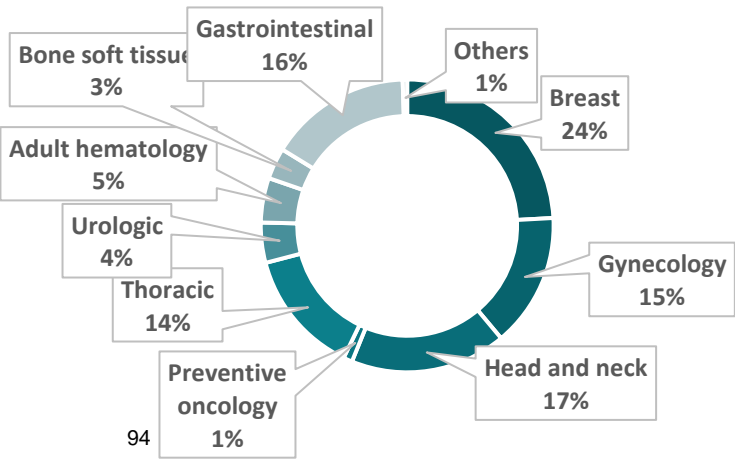
Age Group (N=203)



Number of patients received financial aid from TCHFL (N=203)



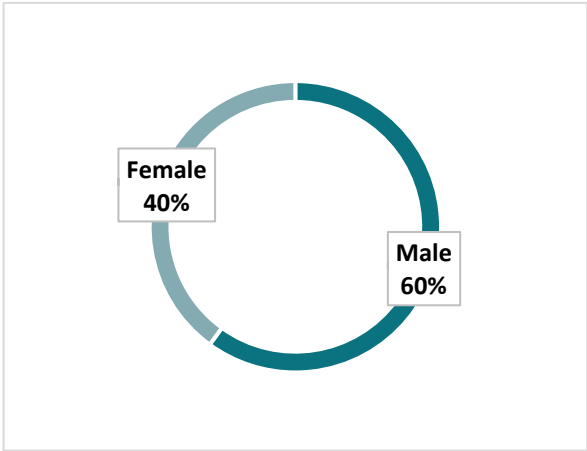
Disease Management Group (N=203)



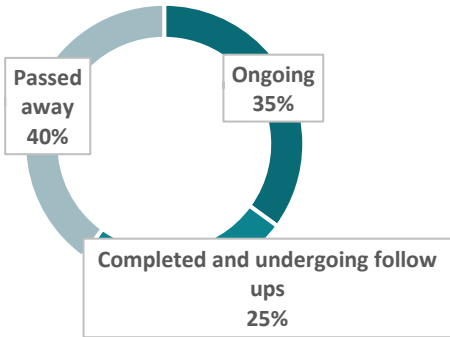
Study analysis

Interview respondent profile

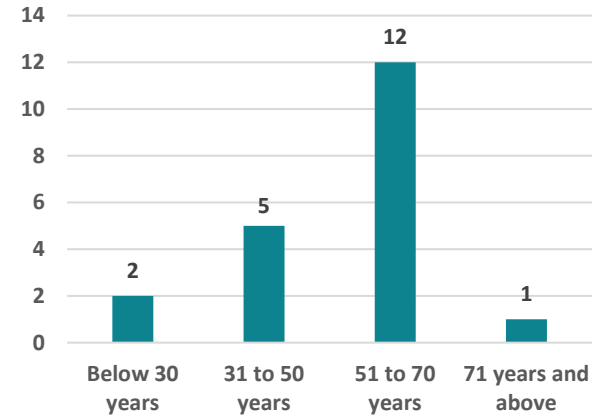
Gender Split (N=20)



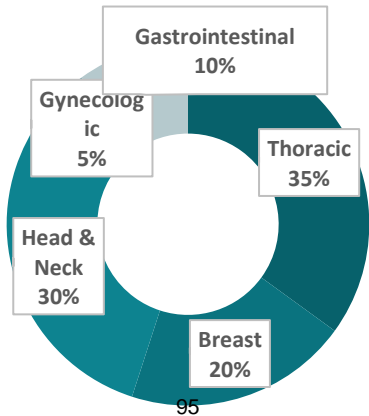
Treatment and Recovery Status (N=20)



Age Group (N=20)



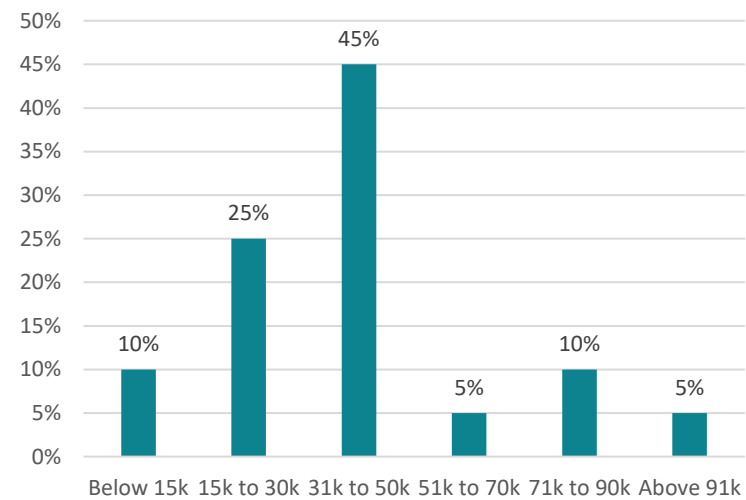
Disease Management Group (N=20)



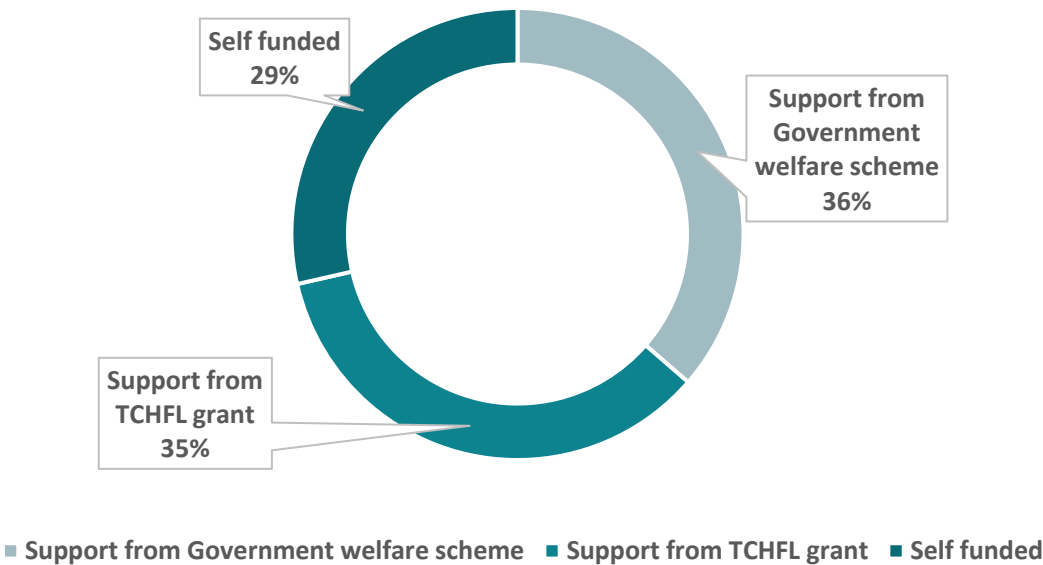
Study analysis

Interview respondent profile

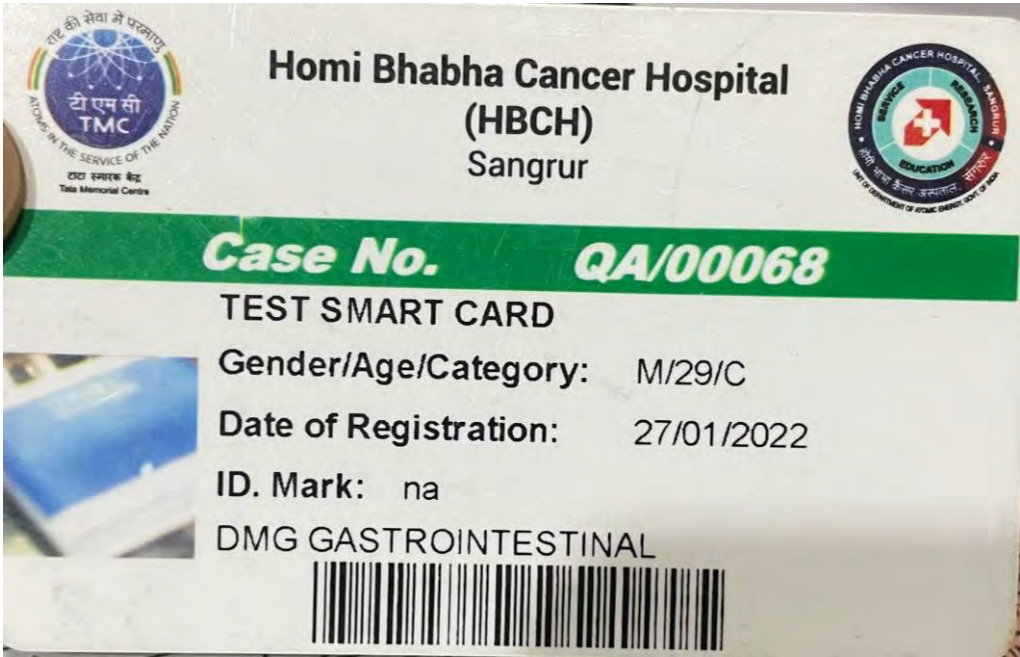
Financial aid from TCHFL grant (N=20)



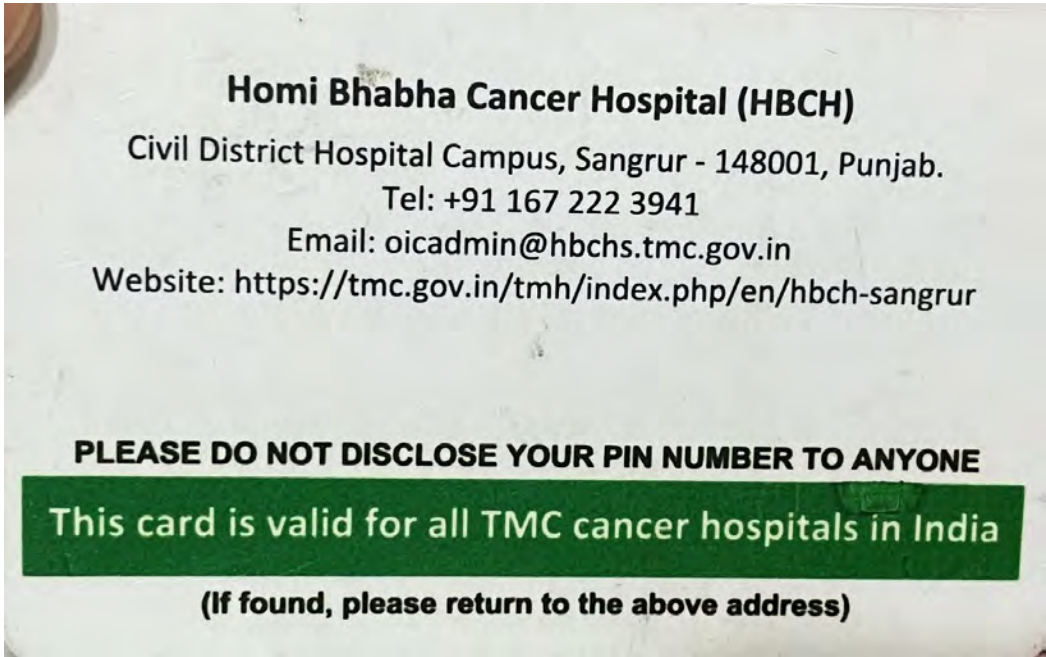
Average Fund mix bifurcation for the grant cohort (N=20)



Pictures from field



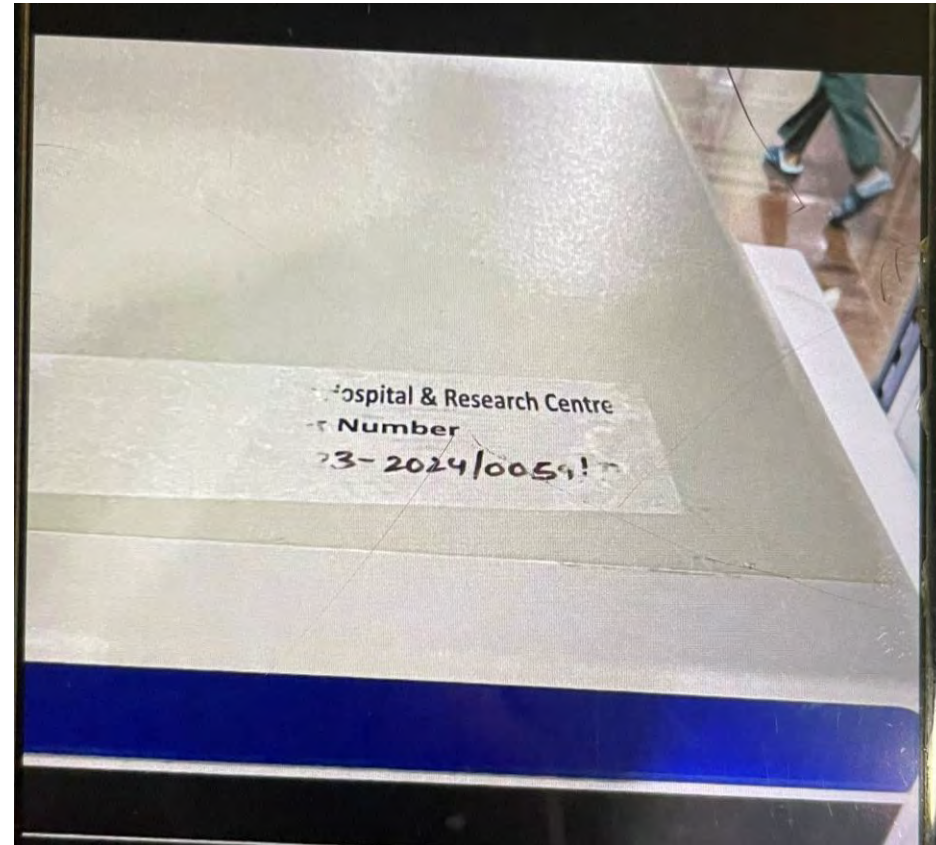
Digital cashless card issued to patients at HBCH, Sangrur | Source: Deloitte



Pictures from field



3D Vision Laparoscopic machine at the operation theatre in HBCH, Mullanpur | **Source: HBCH, New Chandigarh**



Pictures from field



3 beds are placed at the Nursing education department where mannequins are placed on the beds for clinical practice by nursing staff at HBCH Sangrur | **Source: Deloitte**



All semi motorised fowler beds are tagged with an asset number | **Source: Deloitte**

Pictures from field



7 beds are currently in the stock and shall be utilised in near future when additional departments are planned at HBCH Sangrur | **Source: Deloitte**

Documents

TATA MEMORIAL CENTRE
HOMI BHABHA CANCER HOSPITAL AND RESEARCH CENTRE, SANGRUR, PUNJAB
PATIENT REGISTRATION DETAILS

FOR ANY ASSISTANCE WHILE FILLING UP THIS FORM PLEASE
CONTACT THE HELPDISK
FIELDS MARKED IN RED COLOUR ARE MANDATORY
In case you have previously registered with us please use your
Case file number

FOR OFFICE USE ON ONLY
CASE NO.
DATE
REFERRED TO

IDENTIFICATION DETAILS
FIRST NAME
MIDDLE NAME
LAST NAME

PERSONAL INFORMATION
Please give us information about yourself.
DATE OF BIRTH: AGE: (years) (months)
SEX: NATIONALITY:
MARITAL STATUS: Single/ Married/ Widow/ Separated
MOTHER TONGUE: RELIGION:
EDUCATION: 1st/ Primary/ Secondary/ Technical/ Graduation/ Post Graduation/ Others
OCCUPATION:
PASSPORT NO.: PASSPORT VALID TILL:
(Indicate, if you are a foreign national)
PERMANENT ACCOUNT NUMBER (PAN): ADHAAR NO.:

REFERRAL INFORMATION
Please give us information about your referring doctor and choice of doctor at TATA MEMORIAL HOSPITAL (if any).
REFERRED BY DOCTOR/ HOSPITAL/ CLINIC:
ADDRESS OF REFERRING DOCTOR/ HOSPITAL/ CLINIC:
REFERRED FOR: Treatment/ Second Opinion/ Special Procedure/ Special Investigation/ Other:
CHOICE OF DOCTOR (AT TATA MEMORIAL HOSPITAL), IF ANY:

PERMANENT ADDRESS
ADDRESS:
CITY/TOWN/ VILLAGE: DISTRICT:
STATE: COUNTRY: TEL NO.:
PIN CODE: MOBILE NO.: FAX NO.: E-MAIL:

☐ Please tick in this box in case you have been residing in Punjab for more than 1 year.

Patient registration form | Source: Deloitte

HOMI BHABHA CANCER HOSPITAL & RESEARCH CENTRE, PUNJAB

Date: 22/02/23
Patient's name: [Redacted]
Age: 72 yrs G
Diagnosis: [Redacted]
Stage: [Redacted]
H Regn No: [Redacted]
Category: NC / C

Short case summary with reasons for requiring support:
Poor patient. Need funds for investigation.

Type of treatment planned:

| Treatment | Amount |
|-----------------------|--------|
| Surgery | |
| Chemotherapy | 10,000 |
| Radiotherapy | |
| Total Expenditure | |
| Donation Transfer No. | 10,000 |
| A/C NO. | 7254 |
| Total amount Rs. | 10,000 |

| Recommendation of (Clinician's name) | Remarks | Signature | Date |
|--------------------------------------|--------------|-------------|---------|
| Dr. Hemant | poor patient | [Signature] | 22/2/23 |
| Assessment by Medical Committee | | [Signature] | |
| OIC Department | | [Signature] | 22/2/23 |
| AMS | | [Signature] | |

| Assessment by Director | Remarks | Signature | Date |
|----------------------------|---------|-------------|------|
| Director HBCH & RC, Punjab | | [Signature] | |

Patient records at the Finance office | Source: Deloitte

Patient identification is hidden owing confidentiality purpose.



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Annexure B

**FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025**

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
TATA CAPITAL HOUSING FINANCE LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Capital Housing Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).
- (vi) Other laws applicable specifically to the Company namely:
- The National Housing Bank Act, 1987 and all the Rules, Regulations, Circulars and Guidelines prescribed by the National Housing Bank for Housing Finance Companies;
 - Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as amended from time to time and all the Rules, Regulations, Circular and Guidelines prescribed by the Reserve Bank of India for Housing Finance Companies;
 - The Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Registration of Corporate Agents) Regulations, 2015; and
 - The Prevention of Money-Laundering Act, 2002 and The Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreement entered by the Company with National Stock Exchange of India Limited and BSE Limited with respect to Non Convertible Debentures issued by the Company read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We report that as regards the compliance of Regulation 17 to 27 of SEBI LODR, 2015 on a Comply or explain basis until March 31, 2025, the Company has been providing the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange under Regulation 27(2)(a) of SEBI LODR, 2015.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.



We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- A. Issued 1,26,70,739 Equity Shares on a Rights Basis, for an amount aggregating to about Rs. 5,99,95,94,917;
- B. During the year, the Company had issued and redeemed the following Non-Convertible Debentures:
 - (i) Issued 6,76,100 Non-Convertible Debentures for an aggregate amount of Rs. 8,831 crore, on a private placement basis;
 - (ii) Redeemed 32,77,320 Non-Convertible Debentures for an aggregate amount of Rs. 328 crore, issued to Pubic;
 - (iii) Redeemed 19,400 Non-Convertible Debentures for an aggregate amount of Rs. 1,940 crore, issued on a private placement basis;
 - (iv) Redeemed 480 Sub-Debt Non-Convertible Debentures for an aggregate amount of Rs. 48 crore;
- C. During the year, the Company had issued and redeemed the following Commercial Papers ("CPs"):
 - (i) Issued 1,61,000 units of Commercial Papers ("CP") for an aggregate amount of Rs. 8,050 crore (Face Value); and
 - (ii) Redeemed 1,61,000 units of CP for an aggregate amount of Rs. 8,050 crore (Face value).

**For Parikh & Associates
Company Secretaries**

Jigyasa Ved

Partner

Place: Mumbai
Date: 04.06.2025

FCS No: 6488 CP No: 6018
UDIN: F006488G000539891
PR No.: 6556/2025

This Report is to be read with our letter of even date which is annexed as Annexure I and Forms an integral part of this report.

‘Annexure I’

To,
The Members
TATA CAPITAL HOUSING FINANCE LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates
Company Secretaries**

Place: Mumbai
Date: 04.06.2025

Jigyasa Ved
Partner
FCS No: 6488 CP No: 6018
UDIN: F006488G000539891
PR No.: 6556/2025

Annexure C

DETAILS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year:

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2024-25 is, as under:

| Name of Director(s) | Ratio to Median |
|------------------------------|-----------------|
| Mr. Mehernosh B. Kapadia | 4.99:1 |
| Ms. Malvika Sinha | 7.79:1 |
| Mr. Sujit Kumar Varma | 8.26:1 |
| Mr. Nagaraj Ijari | 4.73:1 |
| Mr. Ankur Verma ¹ | - |
| Mr. Sarosh Amaria | 81.26:1 |

Note:

¹In line with the internal guidelines of the Company, no payment is made towards commission to Non-Executive Directors of the Company, who are in full-time employment with any other Tata Company.

Mr. Rajiv Sabharwal, Chairman and Non-Executive Director, is the Managing Director & CEO of Tata Capital Limited ("TCL"), the holding Company and did not draw any remuneration from the Company. In view of the same, the ratio of his remuneration to the median remuneration of employees, has not been computed.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:

The percentage increase in the remuneration of Directors in FY 2024-25:

| Name of Director(s) | % Increase in Remuneration |
|--------------------------------|----------------------------|
| Mr. Mehernosh B. Kapadia | 2.11 |
| Ms. Malvika Sinha | 66.54 |
| Mr. Sujit Kumar Varma | 1.91 |
| Mr. Nagaraj Ijari ¹ | N.A. |
| Mr. Ankur Verma ² | - |
| Mr. Sarosh Amaria ³ | N.A. |

Note:

¹Mr. Nagaraj Ijari was appointed as an Independent Director of the Company with effect from April 1, 2024 and hence, the percentage increase in his remuneration has not been stated.

²In line with the internal guidelines of the Company, no payment is made towards commission to Non-Executive Directors of the Company, who are in full-time employment with any other Tata Company.

³Mr. Sarosh Amaria was appointed as the Managing Director and Key Managerial Personnel of the Company with effect from July 18, 2023 and hence, the percentage increase in his remuneration has not been stated.

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

The percentage increase in the remuneration of the Chief Financial Officer ("CFO") and Company Secretary ("CS") for FY 2024-25:

| Name of the CFO / CS | % Increase in Remuneration |
|-------------------------|----------------------------|
| Mr. Mahadeo Raikar, CFO | 16% |
| Ms. Sanna Gupta, CS | 45% |

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

There is a decrease in the median remuneration of employees in FY 2024-25 by 7% as compared to FY 2023-24.

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

The permanent employees on the rolls of Company as on March 31, 2025, were 3,832.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase already made in the salaries of employees other than that of the managerial personnel in FY 2024-25 is 43% and the percentage increase in the overall managerial remuneration is 31%.

The Remuneration does not include the value of the Long Term Incentive Plan.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy adopted by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Tata Capital Housing Finance Limited (“the Company” / “TCHFL”), a wholly-owned subsidiary of Tata Capital Limited (“TCL”), is registered as a Housing Finance Company (“HFC”) with the National Housing Bank (“NHB”) offering Home Loans, Loan Against Property and Loans to Developers for constructing Residential and Commercial premises.

1. ECONOMIC & INDUSTRY SCENARIO AND OUTLOOK

Following a prolonged period of disruptions and uncertainties, the global economy is stabilizing, albeit with growth expectations remaining tempered. Escalating trade tensions, led by a slew of tariff impositions, imparted uncertainty to the growth outlook across regions, posing new headwinds for the global economy. Financial markets have responded through sharp fall in dollar index and equity sell-offs, significant volatility in bond yields and softening of crude oil prices. Gold prices continued to strengthen, reaching new heights across every month in 2025. Against the backdrop of frequent shocks, economic activity has remained fairly resilient through 2024, although below historical average.

India has demonstrated resilience and progress in the face of global economic uncertainties, with timely policy interventions aimed at ensuring macroeconomic stability and providing an impetus to both financial and non-financial sectors. Substantial investments in robust physical and digital public infrastructure have allowed the country to navigate both domestic and international challenges, ensuring sustained economic progress.

The National Statistics Office (NSO) has estimated real Gross Domestic Product (GDP) growth at 6.5% for FY 2024-25 on the back of robust growth in private final consumption expenditure. On the supply side, real gross value added (GVA) expanded by 6.4% year-on-year, driven by agriculture and services sectors. Going forward, sustained demand from rural areas, an anticipated revival in urban consumption, expected recovery of fixed capital formation supported by increased government capital expenditure, higher capacity utilisation and healthy balance sheets of corporates and banks are expected to support growth. Headwinds from global trade disruptions continue to pose downward risks. Taking all these factors into consideration, Reserve Bank of India (RBI) has projected real GDP growth for FY 2025-26 at 6.5%.

All of these are also reflected in Morningstar DBRS rating upgrade of India's long-term rating to BBB from BBB (low), while short-term rating was raised to R-2 (high) from R-2 (middle) on the basis of India's structural reform efforts, fiscal consolidation, resilient banking system, and high potential growth rate. The successful implementation of reforms coupled with infrastructure investment and rapid digitalization have helped drive India's recovery in the post-pandemic period, with GDP expanding on an average by 8.2% from FY 2021-22 to FY 2024-25.

Financial Institutions play a crucial role in fostering stability and implementing regulatory measures to reinforce households and businesses, particularly during periods of economic uncertainty. In India, Non-Banking Financial Company (NBFC) and HFCs have emerged as critical pillars of financial support for a significant segment of the population, including Small and Medium Enterprises (SMEs) and those historically underserved by traditional banking

institutions. As per ICRA report, during the current fiscal year FY 2024-25, the HFC is expected to grow by 15% to 16% as compared to 15% growth in FY 2023-24 and further by 13% to 15% in FY 2025-26.

Additionally, as per ICRA, while most of the regulatory actions are expected to have some near-term impact on growth, they augur well for the sector in the long term, and most entities have the ability to absorb the near-term impact, if any, considering their strong balance sheets and healthy earnings profiles. Overall, the sector is expected to report healthy operating performance in over a longer term.

With the Indian economy weathering external shocks and exhibiting robust growth, NBFCs will continue to play an instrumental role in India's growth story, by leveraging their deep knowledge of regional markets and offering tailored products and services as part of last-mile funding.

2. FINANCIAL PERFORMANCE OF THE COMPANY

During FY 2024-25, the Company disbursed Loans amounting to Rs. 31,333 crore (FY 2023-24: Rs. 26,341 crore), representing an increase of 19%. The Company's loan portfolio stood at Rs. 66,405 crore as on March 31, 2025 (Rs. 51,402 crore as on March 31, 2024), representing an increase of 29%. The Cost to Income ratio decreased to 34.3% in FY 2024-25, as compared to 38.3% in FY 2023-24 and the Net Profit after Tax for the year increased by 31%, from Rs. 1,148 crore in FY 2023-24 to Rs. 1,499 crore in FY 2024-25, primarily on account of higher Net Interest Margin ("NIM"). Gross Non-Performing Asset and Net Non-Performing Asset were 0.77% and 0.32%, respectively, as on March 31, 2025 (0.95% and 0.40%, respectively, as on March 31, 2024).

The Company's Gross Income increased to Rs. 6,975 crore in FY 2024-25 from Rs. 5,189 crore in FY 2023-24, representing an increase of 34%. Interest expenses increased by 41% to Rs. 4,142 crore in FY 2024-25 from Rs. 2,935 crore in FY 2023-24.

Net interest income of the Company increased by 23%, from Rs. 1,906 crore in FY 2023-24 to Rs. 2,343 crore in FY 2024-25. NIM + Other Revenue as a percentage of average assets, stood at 4.8% for FY 2024-25. For FY 2024-25, total Income included Investment Income of Rs. 100 crore, Fee Income of Rs. 385 crore and Other Income of Rs. 6 crore.

The Operating Expenses (including Employee costs, Depreciation and other expenses) increased by 13% as compared to FY 2023-24.

Impairment reversal on the asset book during the year ended March 31, 2025 was Rs. 151 crore. The provision for taxation during the year was Rs. 514 crore.

The Company has transferred an amount of Rs. 300 crore to the Special Reserve Fund for FY 2024-25, pursuant to Section 29C of the National Housing Bank Act, 1987. An amount of Rs. 1,184 crore has been carried to the Balance Sheet after appropriations for FY 2024-25.

3. RISK MANAGEMENT

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. It aims to establish a consistent approach in management of risks and strive to reach the efficient frontier of risk and return for the Organisation and its shareholders.

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

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

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

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

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

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

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

Compliance Risk: The Company has a Board approved Compliance Policy in place 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.

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

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

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

The Risk Management Practices of the Company are compliant with ISO 31000:2018, which is the International Standard for Risk Management that lays down Principles, Guidelines and Framework for Risk Management in the Organization.

4. OPPORTUNITIES AND THREATS

As of 2025, India has ascended to become the fourth-largest economy globally, with a nominal GDP of \$4.19 trillion, surpassing Japan and trailing only the United States, China, and Germany. Projections indicate that India could become the third-largest economy by 2027, underscoring the nation's economic momentum. This growth is underpinned by the government's continued emphasis on infrastructure development, private sector capital expenditure, the small and medium-sized enterprise sector. Additionally, rising disposable incomes and a burgeoning middle class are driving consumption across various sectors. Despite these advancements, India's credit-to-GDP ratio remains on the lower side at approximately 75%, indicating significant room for credit expansion. This gap presents an opportunity for financial institutions to address credit demand, especially as digital public infrastructure matures, and credit appetite grows across various customer segments.

The drive to increase financial inclusion is expected to unlock opportunities in underserved and semi-urban/rural markets. Both established and emerging players are increasingly adopting a 'Phygital' approach, combining physical presence with digital capabilities to efficiently serve this new-to-credit customer base. Micro, Small and Medium Enterprises (MSME) sector presents another critical area of growth opportunity. Government initiatives aimed at boosting MSME activity, combined with the sector's difficulty in accessing credit through traditional

channels, provide a compelling opportunity for NBFCs to offer customised financing solutions. The ongoing financial inclusion journey in India further amplifies this opportunity, especially through co-lending partnerships with banks, which enable NBFCs to reach broader borrower segments while optimising risk and capital allocation. Government of India initiatives such as Pradhan Mantri Awas Yojana (PMAY) will help to promote demand for housing in India as well as boost Housing loans significantly.

The lending industry has also adopted technology and data-driven approach to lending in a very encouraging manner. Development of AI based tools for customer identification, evaluation, management, and collection of dues have revolutionized the way the lending industry has been operating. GenAI and Large Language Models (LLM) will be critical for scaling while ensuring a hyper-personalised experience is provided in a cost-effective manner. The emergence of account aggregators (AA) is also democratizing data with the result that credit decisioning can happen in a logical, consistent, and fair manner.

Regulatory developments have also played a conducive role in strengthening the sector. The RBI has introduced several guidelines aimed at enhancing consumer protection and promoting responsible lending practices. Notable among these are directives on digital lending norms, guidelines to enhance transparency in multi-lender loan offers involving loan service providers, co-lending framework and increased risk weights on unsecured loans. Such measures are expected to foster innovation while ensuring adherence to high standards of corporate governance and compliance.

The sector also faces certain challenges in terms of elevated funding costs, margin pressures due to competitive lending rates, limited access to funds for smaller NBFCs and the recent uptick in stress in the unsecured loans segment and borrower overleveraging raises concerns about asset quality, necessitating vigilant risk management. From a macroeconomic perspective, the sector remains exposed to external risks, including liquidity constraints, political uncertainties, and fiscal instability. Navigating such volatility requires prudent risk management and diversified funding strategies.

Amidst this landscape, the Company continues to demonstrate robust performance, driven by its commitment to responsible lending, prudent risk management practices, and a maintaining a diversified liabilities base. The Company is focused on product diversification, strengthening presence in deeper markets and enhancing customer experience through digital platforms. Furthermore, the Company remains focused on increasing cross-selling and up-selling opportunities, providing customized solutions to both existing and new customers. The Company ensures strict adherence to regulatory guidelines, ensuring compliance in both letter and spirit. With a well-articulated strategy, a strong technological foundation, advanced digital and analytical capabilities, a comprehensive risk management framework, and a robust collections infrastructure, the Company is well-positioned to capitalize on the opportunities ahead.

5. EVOLVING REGULATORY LANDSCAPE

Over the past few years, financial services as a sector have observed a positive change in terms of increased regulations and supervision in order to improve transparency and further strengthen the corporate governance. This is also true for HFCs, as over the years, the sector has undergone considerable evolution in terms of size, complexity and interconnectedness within the financial sector. Some of the key regulations and guidelines aimed at bringing this regulatory convergence between the Banks and HFCs are:

A) Digital Lending guidelines

- RBI has issued a circular dated September 2, 2022 pertaining to "Guidelines on Digital Lending". The said guidelines stipulates compliance and disclosure requirements for regulated entities, digital lending apps and lending service providers, and converses the impact on various business models and entities such as payment aggregators, first-loss default guarantee arrangements, etc. The guidelines also aim to ensure fairness and transparency in digital lending and provide a framework for the protection of borrowers.
- RBI is ensuring that the ecosystem of financial services and fintech remains at the forefront of protecting sensitive personal data. The rules will also cause the ecology to be cleaned up. Lending operations with good intentions will prosper. Whether it's preserving personal information, resolving consumer complaints, or decreasing information asymmetry, the regulations are a good step towards driving customer-centric innovation in the ecosystem.

B) Scale Based Regulations

The RBI vide its notification dated October 22, 2021, has introduced an integrated regulatory framework for Non-Banking Financial Companies ("NBFCs") under "Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs". The said SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulations, etc., RBI has defined the regulatory structure for NBFCs, which shall comprise four layers viz., top layer, upper layer, middle layer, and base layer. As per SBR, the Company is in the Middle Layer (NBFC-ML) as on March 31, 2025. The Company shall continue to ensure full compliance with all the requirements applicable to NBFC-ML under SBR within the prescribed timelines. Further, the Company has complied with and continues to comply with all applicable provisions of the Act, the National Housing Bank Act, 1987 and other applicable rules / regulations / guidelines, issued and amended from time to time.

6. INTERNAL CONTROL SYSTEMS

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

are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company's internal control system commensurate with its size and the nature of its operations.

7. INTERNAL FINANCIAL CONTROLS

The management has laid down the Internal Finance Control framework covering set of standards, processes and structure across the Organisation with reference to financial and non-financial controls to ensure that controls are adequate and are operating effectively. Internal Finance Control framework has been established in line with the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

During FY 2024-25, independent testing was conducted basis process walkthrough and review of samples as per documented controls in the Risk & Control matrix. Testing is performed for each control through an independent firm, on behalf of Management confirming adequacy and effectiveness of controls. During the review there were no material deficiencies or design ineffectiveness of controls was observed.

Inputs from the Internal Financial Control exercise and the Risk and Control matrix is also used by Internal Audit for their annual planning as part of the Risk Based Internal Audit policy.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company had 4,642, permanent on-roll and fixed term on-roll employees as of March 31, 2025.

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

Continuing with its journey of "Happiness at the workplace", the Employee Engagement & Happiness Survey – 2025 was conducted. The Company had an impressive participation rate of 96% and the Engagement score was 88 (FY 2023-2024 Score - 88) which was higher than the comparative benchmarks identified. This survey was an important step in the Company's journey to create a more positive and an even more joyful workplace by continuously seeking employee feedback. As a critical step post the survey, action planning was ensured and several initiatives are being deployed to further strengthen engagement across the Company.

The Company continued to deploy robust learning programs through Classroom learning across

156 branches, Instructor Led Virtual Training (ILVT) sessions complimented by digital learning to ensure continuous development of the employees. Learn, unlearn and relearn continues to be the Company's mantra.

The Advanced Learning Management System and the Learning App along with the tie-ups with leading online learning platforms (LinkedIn learning) continue to be a central repository and source to promote anytime, anywhere learning. The learning library has now been added and built with even more functional and behavioural modules that are byte sized, relevant and applicable with dedicated digital learning campaigns to enhance the Learner Engagement and a higher e-learning coverage.

In addition, several leadership development programs were conducted in collaboration with reputed partners. Learning initiatives were well recognized by the employees through the Happiness and Engagement survey (Great Place to Work) and emerged as one of the major strengths for the Company.

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Corporate Governance

Tata Capital Housing Finance Limited ("the Company" / "TCHFL") recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, investors, regulators and other stakeholders. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better in these aspects by adopting best practices.

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

As a part of the Tata Group, the Company has a strong legacy of fair, transparent and ethical governance practices. The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence, the Key Performance Metrics for tracking progress on long-term strategic objectives and the Tata Code of Conduct ("TCOC"), which articulates the values, ethics and business principles and serves as a guide to the Company, its Directors and employees, supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the TCOC. In addition, the Company has adopted a Vigil Mechanism, a Fair Practices Code, a Policy against Sexual Harassment at the Workplace, a Fit and Proper Policy for ascertaining the fit and proper criteria of the directors at the time of appointment and on a continuing basis, a Policy on Board Diversity and Director Attributes, a Code of Conduct for Non-Executive Directors, an Occupational Health and Safety Management System, Anti-Bribery and Anti-Corruption Policy and Whistle blower Policy.

The Company has signed the Tata Brand Equity and Business Promotion ("BEBP") Agreement with Tata Sons Private Limited for subscribing to the TATA BEBP Scheme. The Company abides by the TCOC and the norms for using the Tata Brand.

II. Compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")

The Company continues to be a High Value Debt Listed entity as on March 31, 2025 and as on date of this Report. Further, the Company is in compliance with the Regulations 17 to 27 and Chapter VA of the SEBI LODR Regulations, as applicable.

III. Board of Directors

- a) As on March 31, 2025, the Company has 6 (six) Directors. Out of the 6 (six), 4 (four) are Independent, Non-Executive Directors ("NEDs"); 1 (one) is Non-Independent, NED and 1 (one) is an Executive Director. The composition of the Board of Directors

of the Company is in compliance with the Companies Act, 2013 ("Act") and SEBI LODR Regulations (as applicable to high value debt listed entity).

- b) The profile of Directors is available on the Company's website www.tatacapital.com.
- c) None of the Directors on the Board hold Directorships in more than 7 (seven) equity listed companies. Further, none of the Independent Directors ("IDs") of the Company serves as an ID in more than 7 (seven) equity listed companies. None of the IDs serve as a whole-time director / managing director in any listed entity. None of the Directors hold directorship in more than 20 (twenty) Indian companies, with not more than 10 (ten) public limited companies. None of the Directors is a member of more than 10 committees or acts as chairperson of more than 5 committees (being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26(1) of SEBI LODR Regulations across all the public limited companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2025, have been made by the Directors. None of the Directors are related to each other.
- d) IDs are NEDs as defined under Regulation 16(1)(b) of the SEBI LODR Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) / 62N(9) of SEBI LODR Regulations, IDs have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the IDs, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) / 62B(1)(b) of the SEBI LODR Regulations and Section 149(6) of the Act and that they are independent of the Management. Further, the IDs have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.
- e) 11 (Eleven) Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on April 15, 2024, May 2, 2024, June 12, 2024, August 5, 2024, September 10, 2024, October 18, 2024, December 12, 2024, January 10, 2025, February 3, 2025, March 7, 2025 and March 18, 2025. The necessary quorum was present for all the meetings.
- f) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2025 and list of core skills / expertise / competencies identified by the Board of Directors, are given herein below:

Table 1: Number of Board Meetings attended, attendance of last AGM, Directorship, Committee Chairpersonship / Membership

| Name of the Director (DIN) | Category | Number of Board Meetings attended during FY 2024-25 | Whether attended last AGM held on June 27, 2024 | Number of Directorships in other Companies | | Number of Committee positions held in other Public Companies* | |
|---|--------------------------------|---|---|--|--------------------------------|---|--------|
| | | | | Chairperson | Member | Chairperson | Member |
| Mr. Rajiv Sabharwal, (Chairman) (00057333) <i>Director Since: January 11, 2018</i> | Non-Independent, Non-Executive | 11 | Yes | 1 (Public) 1 (Others) | 2 (Public) 2 (Others)** | - | 1 |
| Mr. Mehernosh B. Kapadia (00046612) <i>Director since: October 24, 2017</i> | Independent, Non-Executive | 10 | Yes | - (Public) - (Others) | 1 (Public) - (Others) | 2 | 2 |
| Mr. Sujit Kumar Varma (09075212) <i>Director Since: February 1, 2022</i> | Independent, Non-Executive | 11 | Yes | - (Public) - (Others) | 5 (Public) 1 (Others) | 2 | 5 |
| Ms. Malvika Sinha (08373142) <i>Director Since: December 31, 2022</i> | Independent, Non-Executive | 11 | Yes | - (Public) - (Others) | 4 (Public) 1 (Others) | - | 4 |
| Mr. Nagaraj Ijari (09390579) <i>Director Since: April 1, 2024</i> | Independent, Non-Executive | 11 | No | - (Public) - (Others) | 3 (Public) - (Others)** | - | 4 |
| Mr. Ankur Verma [§] (07972892) <i>Director Since: April 12, 2018</i> | Non-Independent, Non-Executive | 3 | NA | NA | NA | NA | NA |
| Mr. Sarosh Amaria (08733676) <i>Director Since: July 18, 2023</i> | Executive (Managing Director) | 11 | Yes | - (Public) - (Others) | - (Public) - (Others) | - | - |

*Pertains to memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship Committee of Indian public companies (excluding the Company) as per Regulation 26(1)(b) of the SEBI LODR Regulations.

Further, number of memberships in Audit/Stakeholder Committee includes Chairpersonship, wherever applicable.

**Excludes directorship in foreign companies.

[§]Mr. Ankur Verma ceased to be the Non-Independent, Non-Executive Director of the Company with effect from June 19, 2024.

Table 2: Skills / Expertise / Competencies of Directors

| Name of Director | Skills / Expertise / Competencies | | | | | | | | | | | |
|--------------------------|-----------------------------------|--------------------|---------------------------------|-------------------------------------|-----------------|-----------------|-----------------------------|-----------------------|------|----------|-------|---------|
| | Leadership & Strategy | Finance & Accounts | Governance & Regulatory Affairs | Private Equity & Investment Banking | Capital Markets | Human Resources | Banking Operations & Credit | Merger & Acquisitions | Risk | Treasury | Forex | Digital |
| Mr. Rajiv Sabharwal | ✓ | ✓ | ✓ | ✓ | - | - | ✓ | - | ✓ | ✓ | - | - |
| Mr. Mehernosh B. Kapadia | ✓ | ✓ | ✓ | - | ✓ | - | - | ✓ | - | - | - | ✓ |
| Mr. Sujit Kumar Varma | ✓ | ✓ | ✓ | - | - | - | ✓ | - | ✓ | - | - | - |
| Ms. Malvika Sinha | ✓ | ✓ | ✓ | - | - | ✓ | ✓ | - | - | - | ✓ | - |
| Mr. Ankur Verma | ✓ | ✓ | ✓ | ✓ | ✓ | - | - | ✓ | ✓ | ✓ | ✓ | - |
| Mr. Nagaraj Ijari | ✓ | ✓ | ✓ | - | - | ✓ | ✓ | - | ✓ | - | - | ✓ |
| Mr. Sarosh Amaria | ✓ | ✓ | ✓ | - | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Table 3: Number of Directorships held by Directors in other listed entities

| Sr. No. | Name of Director | Directorship in other listed entity (Category of Directorship) |
|---------|--------------------------|--|
| 1. | Mr. Rajiv Sabharwal | Tata Capital Limited (Debt Listed)^ |
| 2. | Mr. Mehernosh B. Kapadia | HDFC ERGO General Insurance Company Ltd (Debt Listed)# |
| 3. | Mr. Sujit Kumar Varma | 1. Uflex Limited# 2. Waaree Energies Limited# 3. Prime Securities Limited@ 4 Tata Capital Limited (Debt Listed)# 5. L&T Metro Rail (Hyderabad) Limited (Debt Listed) # |
| 4. | Ms. Malvika Sinha | 1. Mahanagar Gas Limited# 2. Mahindra Logistics Limited# |
| 5. | Mr. Nagaraj Ijari | 1. Tata Technologies Limited# 2. Tata Capital Limited (Debt Listed)# |
| 6. | Mr. Sarosh Amaria | - |

@Non-Independent, Non-Executive, #Independent, Non-Executive, ^Executive (Managing Director & CEO) excludes directorship in the Company, private companies, foreign companies and companies under Section 8 of the Act.

- g) The Board believes that the skills / competencies / expertise, as mentioned in the above Table 2, are required for the business of the Company and the Directors of the Company possess these skills / competencies / expertise for it to function effectively.
- h) Details of change in composition of the Board during the FY 2023-24, FY 2024-25 and as on date of this Report:

| Sr. No | Name of Director | Capacity | Nature of Change | Effective Date |
|--------|-------------------|------------------------|------------------|----------------|
| 1. | Mr. Anil Kaul | Managing Director | Cessation | July 18, 2023 |
| 2. | Mr. Sarosh Amaria | Managing Director | Appointment | July 18, 2023 |
| 3. | Mr. Nagaraj Ijari | Independent Director | Appointment | April 1, 2024 |
| 4. | Mr. Ankur Verma | Non-Executive Director | Cessation | June 19, 2024 |

- i) During FY 2024-25, 1 (one) meeting of the Independent Directors was held on March 18, 2025, wherein all the Independent Directors attended the meeting. The Independent Directors, *inter alia*, reviewed the performance of the Non-Independent Directors, Board as a whole and the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors.
- j) The Board periodically reviews the compliance reports of all laws applicable to the Company. During FY 2024-25, information as mentioned in Part A of Schedule II of the SEBI LODR Regulations, has been placed before the Board for its consideration.
- k) None of the Directors are related inter-se.
- l) None of the Non-Executive Directors hold any shares in the Company. The Company has not issued any convertible instruments.

IV. Committees of the Board

The Board has constituted Committees with specific terms of reference to focus on specific areas. These include Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Information Technology Strategy Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Lending Committee, Working Committee* and Review Committee for Identification of Wilful Defaulters.

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

* The Working Committee has been dissolved with effect from June 4, 2025.

i. Audit Committee**Composition, Meetings and Attendance**

During FY 2024-25, 8 (eight) meetings of the Audit Committee were held on May 2, 2024, August 5, 2024, September 19, 2024, October 18, 2024, December 12, 2024, February 3, 2025, March 7, 2025 and March 18, 2025.

The composition of the Audit Committee as on date of this Report and details of attendance at the meetings during FY 2024-25 is, given below:

| Name of the Member(s) | Category | Member of Committee since | No. of Meetings | |
|------------------------------|-----------------------------------|---------------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Sujit Kumar Varma | Chairman and Independent Director | February 1, 2022 | 8 | 8 |
| Ms. Malvika Sinha | Independent Director | December 31, 2022 | 8 | 8 |
| Mr. Mehernosh B. Kapadia | Independent Director | October 24, 2017 | 8 | 7 |
| Mr. Nagaraj Ijari | Independent Director | April 1, 2024 | 8 | 7 |
| Mr. Ankur Verma ¹ | Non-Executive Director | April 17, 2018 | 1 | 1 |

Note 1: Mr. Ankur Verma ceased to be a Member of the Audit Committee with effect from June 19, 2024.

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

The previous AGM of the Company was held on June 27, 2024 and was attended by Mr. Sujit Kumar Varma, Chairman of the Audit Committee.

Terms of reference

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

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

- Review of the financial reporting process, the system of internal financial controls, the audit process, the Company's process for monitoring compliance with laws and regulations and the Tata Code of Conduct;

- To recommend the appointment / re-appointment and removal / replacement of the Auditors and their remuneration and discuss with the Auditors the nature and scope of their audit;
- To examine the financial statements, financial results and the Auditors' Report thereon, including the draft limited review report;
- To review and evaluate the Company's financial and risk management systems;
- To review the adequacy and performance of Risk Based Internal Audit function;
- To perform activities and carry out functions as laid down in the Framework for Related Party Transactions adopted by the Board;
- To review findings of internal investigations, frauds, irregularities, etc;
- To review the functioning of and compliance with the Company's Whistle Blower Policy;
- To review the Compliance Policy of the Company and oversee its implementation;
- To review the compliance risk on a quarterly basis, based on monitoring and testing results and approve the risk-based compliance testing and monitoring plan;
- Review the appointment/ re-appointment, removal, transfer and terms of remuneration of the Chief Compliance Officer; and
- Reviewing the appointment, removal and terms of remuneration of the Head - Internal Audit and recommending the appointment of Chief Financial Officer after assessment.

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

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

ii. Nomination and Remuneration Committee ("NRC")

Composition, Meetings and Attendance

During FY 2024-25, 3 (Three) meetings of the NRC were held on April 24, 2024, June 12, 2024 and March 7, 2025.

The composition of the NRC as on date of this Report and details of attendance at the meetings during FY 2024-25 is, given below:

| Name of the Member(s) | Category | Member of Committee since | No. of Meetings | |
|--------------------------|-----------------------------------|---------------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Mehernosh B. Kapadia | Chairman and Independent Director | October 24, 2017 | 3 | 3 |
| Mr. Sujit Kumar Varma | Independent Director | February 1, 2022 | 3 | 3 |
| Mr. Rajiv Sabharwal | Non-Executive Director | January 29, 2018 | 3 | 3 |

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

The previous AGM of the Company was held on June 27, 2024 and was attended by Mr. Mehernosh B. Kapadia, Chairman of the NRC.

Terms of reference

The responsibilities of the NRC, inter alia, include:

- To formulate the criteria for determining qualifications, fit & proper status, positive attributes and independence of a Director and recommend to the Board;
- To specify the manner and criteria for effective evaluation of performance of Board, its Committees and individual Directors including Independent Directors;
- To devise a Policy on diversity of Board of Directors;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board, their appointment and removal;
- To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- To recommend to the Board, all remuneration, in whatever form, payable to Senior Management Personnel of the Company;
- Oversee the framing, review, implementation and recommend to the Board for its approval the Remuneration Policy for the Directors, KMPs, the Senior Management Personnel and other employees;
- Review of the Compensation structure i.e. design of annual and long term compensation plan (including share linked instruments, mix of cash and share linked instruments, deferred payment plans which may be subject to malus/ claw back arrangements, etc.); and
- To decide commission payable to the Directors, subject to prescribed limits and approval of shareholders.

Performance Evaluation Criteria for Independent Directors

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

iii. Risk Management Committee (“RMC”)

Composition, Meetings and Attendance

During FY 2024-25, 4 (Four) meetings of the RMC were held on May 28, 2024, August 27, 2024, November 19, 2024 and February 20, 2025.

The composition of the RMC as on date of this Report and details of attendance at the meetings during FY 2024-25 is, given below:

| Name of the Member(s) | Category | Member of Committee since | No. of Meetings | |
|------------------------------|--------------------------------------|---------------------------|-----------------|----------|
| | | | Held | Attended |
| Ms. Malvika Sinha | Chairperson and Independent Director | December 31, 2022 | 4 | 4 |
| Mr. Mehernosh B. Kapadia | Independent Director | October 24, 2017 | 4 | 3 |
| Mr. Rajiv Sabharwal | Non-Executive Director | April 17, 2018 | 4 | 4 |
| Mr. Ankur Verma ¹ | Non-Executive Director | April 17, 2018 | 1 | - |
| Mr. Sarosh Amaria | Managing Director | July 18, 2023 | 4 | 4 |

Note 1: Mr. Ankur Verma ceased to be the Member of the RMC with effect from June 19, 2024.

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

Terms of reference

The responsibilities of the RMC, inter alia, include:

- To assist the Board in its oversight of various risks including (i) Credit Risk (ii) Liquidity and Interest Rate Risk (iii) Operational Risk (Process, HR, Technology and Fraud) (iv) Strategic Risks (including emerging and external risks) (v) Compliance and Reputation Risk;
- To review and analyse risk exposure related to specific issues and provide oversight of risk across the Company;
- To monitor and oversee implementation of the risk management policies, including evaluating the adequacy of risk management systems;
- To ensure whether appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; and
- To review the appointment, removal and terms of remuneration of the Chief Risk Officer.

iv. Information Technology Strategy Committee (“ITSC”)

Composition, Meetings and Attendance

During FY 2024-25, 5 (Five) meetings of the ITSC were held on April 15, 2024, June 5, 2024, September 5, 2024, December 3, 2024 and March 25, 2025.

The composition of the ITSC as on date of this Report and details of attendance at the meetings held during FY 2024-25 is, given below:

| Name of the Member(s) | Category | Members of Committee since | No. of Meetings | |
|--------------------------|-----------------------------------|----------------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Nagaraj Ijari | Chairman and Independent Director | April 1, 2024 | 5 | 5 |
| Mr. Mehernosh B. Kapadia | Independent Director | April 30, 2018 | 5 | 5 |
| Mr. Sujit Kumar Varma | Independent Director | December 31, 2022 | 5 | 5 |
| Mr. Rajiv Sabharwal | Non-Executive Director | April 30, 2018 | 5 | 5 |
| Mr. Sarosh Amaria | Managing Director | July 18, 2023 | 5 | 5 |

Terms of reference

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

- To ensure that the organization has put an effective IT strategic planning process in place.
- To guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the organization towards accomplishment of its business objectives;
- To review cyber security risks/ arrangements/ preparedness of the organization.
- To review the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company; and
- To review the IT / IS Audit report.

v. Corporate Social Responsibility (“CSR”) Committee

Composition, Meetings and Attendance

During FY 2024-25, 1 (One) meeting of the CSR was held on May 28, 2024.

The composition of the CSR Committee as on date of this Report and details of attendance at the meeting held during FY 2024-25 is, given below:

| Name of the Member(s) | Category | Member of Committee since | No. of Meetings | |
|------------------------------|--------------------------------------|---------------------------|-----------------|----------|
| | | | Held | Attended |
| Ms. Malvika Sinha | Chairperson and Independent Director | December 31, 2022 | 1 | 1 |
| Mr. Rajiv Sabharwal | Non-Executive Director | April 17, 2018 | 1 | 1 |
| Mr. Ankur Verma ¹ | Non-Executive Director | May 30, 2018 | 1 | - |
| Mr. Sarosh Amaria | Managing Director | July 18, 2023 | 1 | 1 |

Note 1: Mr. Ankur Verma ceased to be a Member of the CSR Committee with effect from June 19, 2024.

Terms of reference

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

- To formulate and recommend to the Board, a CSR Policy which shall include the guiding principles for selection, implementation and monitoring of activities to be undertaken by the Company as specified in Schedule VII of the Act (“CSR Activities”) as well as for formulation of the Annual Action Plan by the Company;
- To formulate and recommend to the Board an Annual Action Plan in pursuance of the CSR Policy and in accordance with the applicable Rules. Recommend alteration in such Plan to the Board of Directors, at any time during the financial year, based on the reasonable justification to that effect;
- To recommend the amount of expenditure to be incurred on CSR activities;
- To monitor the CSR Policy of the Company from time to time and instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
- To oversee the Company’s conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen; and
- To oversee activities impacting the quality of life of the beneficiaries of the CSR projects.

vi. Stakeholders Relationship Committee (“SRC”)**Composition, Meetings and Attendance**

During FY 2024-25, 1 (one) meeting of the SRC was held on March 25, 2025.

The composition of the SRC as on date of this Report and details of attendance at the meeting held during FY 2024-25 is, given below:

| Name of the Member(s) | Category | Member of Committee since | No. of Meetings | |
|--------------------------|-------------------------------------|---------------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Rajiv Sabharwal | Chairman and Non-Executive Director | January 10, 2020 | 1 | 1 |
| Mr. Mehernosh B. Kapadia | Independent Director | January 10, 2020 | 1 | 1 |
| Mr. Nagaraj Ijari | Independent Director | April 1, 2024 | 1 | 1 |
| Mr. Sarosh Amaria | Managing Director | July 18 2023 | 1 | 1 |

Terms of reference

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

The previous AGM of the Company was held on June 27, 2024 and was attended by Mr. Rajiv Sabharwal, Chairman of the SRC.

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

Ms. Sanna Gupta, Company Secretary
11th Floor, Tower A, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400 013
Telephone No.: 022 6606 9000
Email: tchflsecretarial@tatacapital.com

b) **Details of Complaints received from the Debenture holders and redressed during the FY 2024-25 are as follows:**

| Sr. No. | Description | Opening at the beginning of the Financial Year | Received during the Financial Year | Resolved during the Financial Year | Closing at the end of the Financial Year |
|---------|--------------|--|------------------------------------|------------------------------------|--|
| 1. | Complaints | Nil | 4 | 4 | Nil |
| | Total | Nil | 4 | 4 | Nil |

c) During FY 2024-25, no complaints were received from the Equity Shareholders of the Company.

vii. **Lending Committee ("LC")**

Composition, Meetings and Attendance

During FY 2024-25, 32 (Thirty Two) meetings of the LC were held on April 29, 2024, May 13, 2024, May 27, 2024, June 11, 2024, June 24, 2024, June 28, 2024, July 11, 2024, July 26, 2024, August 13, 2024, September 9, 2024, September 18, 2024, September 27, 2024, October 10, 2024, October 22, 2024, October 28, 2024, November 12, 2024, November 21, 2024, November 25, 2024, November 28, 2024, December 10, 2024, December 12, 2024, December 23, 2024, January 14, 2025, January 21, 2025, January 29, 2025, February 11, 2025, February 19, 2025, February 25, 2025, March 12, 2025, March 19, 2025, March 25, 2025, and March 27, 2025.

The composition of the LC as on date of this Report and details of attendance at the meetings held during FY 2024-25 is, given below:

| Name of the Member(s) | Category | Member of Committee since | No. of Meetings | |
|--------------------------------|-----------------------------------|---------------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Sujit Kumar Varma | Chairman and Independent Director | February 1, 2022 | 32 | 32 |
| Mr. Rajiv Sabharwal | Non-Executive Director | April 30, 2018 | 32 | 29 |
| Mr. Ankur Verma ¹ | Non-Executive Director | November 18, 2019 | 4 | - |
| Ms. Malvika Sinha ² | Independent Director | July 4, 2024 | 26 | 26 |

| Name of the Member(s) | Category | Member of Committee since | No. of Meetings | |
|-----------------------|-------------------|---------------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Sarosh Amaria | Managing Director | July 18, 2023 | 32 | 32 |

Notes:

1. Mr. Ankur Verma ceased to be a Member of the LC with effect from June 19, 2024.
2. Ms. Malvika Sinha was inducted as a Member of the LC with effect from July 4, 2024.

Terms of reference

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

viii. Working Committee

No meeting of the Working Committee was held in FY 2024-25. The Working Committee has been dissolved with effect from June 4, 2025.

The composition of the Working Committee before the dissolution is, given below:

| Name of the Member(s) | Category | Members of the Committee since |
|--------------------------|--|--------------------------------|
| Mr. Rajiv Sabharwal | Non-Executive Director and Chairman of the Board | January 29, 2018 |
| Mr. Mehernosh B. Kapadia | Independent Director | June 15, 2018 |
| Mr. Sujit Kumar Varma | Independent Director | February 1, 2022 |
| Mr. Sarosh Amaria | Managing Director | July 18, 2023 |

Terms of reference

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

ix. Review Committee for Identification of Wilful Defaulters ("Review Committee")

The Board of Directors at its meeting held on October 18, 2024, constituted the Review Committee for Identification of Wilful Defaulters ("Review Committee"), in compliance with the RBI Master directions on Treatment of Wilful Defaulters and Large Defaulters dated July 30, 2024.

No meeting of Review Committee was held in FY 2024-25.

The Composition of the Review Committee as on date of this report is given below:

| Name of the Member(s) | Category | Members of the Committee since |
|-----------------------|--------------------------------|--------------------------------|
| Mr. Sarosh Amaria | Chairman and Managing Director | October 18, 2024 |

| Name of the Member(s) | Category | Members of the Committee since |
|-----------------------|------------------------|--------------------------------|
| Mr. Sujit Kumar Varma | Independent Director | October 18, 2024 |
| Mr. Rajiv Sabharwal | Non-Executive Director | October 18, 2024 |

Terms of reference

The responsibilities of the Review Committee, *inter alia*, include to consider the proposal of the Identification Committee for classification of a person as a Wilful Defaulter after assessing the facts or material on record, including written representation and outcome of personal hearing, if any, take a decision and pass a reasoned order.

V. Particulars of Senior Management of the Company including the changes therein since the close of previous financial year:

The details of Senior Management of the Company as on March 31, 2025, are as follows:

| Sr. No. | Name | Designation |
|---------|-----------------------|---|
| 1. | Mr. Mahadeo Raikar | Chief Financial Officer |
| 2. | Ms. Sanna Gupta | Company Secretary |
| 3. | Mr. Pradeep Puri | Chief Compliance Officer |
| 4. | Mr. Rahul Jain | Chief Risk Officer |
| 5. | Mr. Sanjeev Tulsyan | Head - Internal Audit |
| 6. | Mr. Ashok Mali | Chief Information Officer |
| 7. | Mr. Ajai Kumar Shukla | Chief Business Officer - Retail Finance |
| 8. | Mr. Sunir Ramchandani | Chief Business Officer - Construction Finance |
| 9. | Mr. Kareemulla Shaik | Chief Credit Officer - Retail Finance |
| 10. | Ms. Mallika Vyas | Head – Human Resources |
| 11. | Mr. Mahesh Sonawane | Head – Debt Management |
| 12. | Mr. Sandip Joshi | Vice President Treasury |
| 13. | Mr. Subhasankar Ghosh | Head - Operations |

There are no changes in the Senior Management of the Company since the close of the previous financial year.

VI. Remuneration of Directors

a. Non-Executive Directors

The Company paid Sitting fees to the Non-Executive Directors (“NEDs”) and Independent Directors (“IDs”) for attending meetings of the Board and the Committees of the Board and will pay Commission for the FY 2024-25, within the maximum prescribed limits to the NEDs and IDs who were Directors of the Company during FY 2024-25, as recommended by the NRC and approved by the Board at their respective meetings held on June 4, 2025. The details of the same are, as under:

| Name of the Director(s) | Sitting Fees paid for attending Board and Committee Meetings held during FY 2024-25 | Commission to be paid for FY 2024-25 |
|---|---|--------------------------------------|
| Mr. Mehernosh B. Kapadia, Independent Director | Rs. 9,00,000 | Rs. 20,00,000 |
| Ms. Malvika Sinha, Independent Director | Rs. 15,30,000 | Rs. 30,00,000 |
| Mr. Sujit Kumar Varma, Independent Director | Rs. 18,00,000 | Rs. 30,00,000 |
| Mr. Nagaraj Ijari, Independent Director | Rs. 7,50,000 | Rs. 20,00,000 |
| Mr. Ankur Verma*, Non-Executive Director | Rs. 80,000 | N.A. |

**In line with the internal guidelines of the Company, no payment is made towards commission to Non-Executive Directors of the Company, who are in full-time employment with any other Tata Company.*

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

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

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

b. Managing Director

Details of Remuneration of Mr. Sarosh Amaria, Managing Director:

| | |
|--|---|
| Period of Contract | July 18, 2023 to July 17, 2028 |
| Notice Period and Severance Fees | The Contract with the Managing Director may be terminated earlier by either party giving the other Party six months' notice of such termination or the Company paying six months' remuneration and other pro-rated incentive / commission (at the discretion of the Board), in lieu of such notice. There is no separate provision for payment of Severance fees. |
| Employee Stock Options ("ESOP") for FY 2024-25 | 1,38,000 options granted during FY 2024-25, which will vest over a period of 4 years in 4 tranches and exercisable over a period of 7 years from the date of grant. |
| Salary for FY 2024-25 | Rs. 2,36,19,742/- |
| Commission paid in FY 2024-25* | Rs. 1,29,00,000/- |
| Perquisites and allowances for FY 2024-25 | Rs. 11,11,000/- |
| Retirement benefits for FY 2024-25 | Rs. 31,68,745/- |

**Represents amount of Commission of previous financial year, paid during FY 2024-25. Commission paid in FY 2024-25 was in lines with the deferred variable pay clause of the Compensation Policy adopted by the Company in accordance with the RBI guidelines.*

VII. General Body Meetings**i. General Meeting****a. Annual General Meeting**

| Financial Year | Date | Time | Venue | Special Resolutions passed |
|----------------|---------------|------------|---|---|
| 2021-22 | June 27, 2022 | 10:00 a.m. | Meeting conducted through VC pursuant to the MCA Circular | 1. Approval for private placement of Non-Convertible Debentures 2. Approval for payment of remuneration to Ms. Anuradha E. Thakur (DIN: 06702919), Independent Director of the Company in excess of the limits prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| 2022-23 | June 27, 2023 | 10:00 a.m. | Meeting conducted through VC pursuant to the MCA Circular | 1. Approval for Increase in the Borrowing limits of the Company. 2. Approval for Creation of Charges on the asset of the Company. 3. Approval for private placement of Non-Convertible Debentures. |
| 2023-24 | June 27, 2024 | 02:00 p.m. | Meeting conducted through VC pursuant to the MCA Circular | 1. Approval for appointment of Mr. Nagaraj Ijari (DIN: 09390579) as an Independent Director of the Company. 2. Approval for Increase in the borrowing limits of the Company. 3. Approval for Creation of Charges on the assets of the Company. 4. Approval for private placement of Non-Convertible Debentures. |

b. Extraordinary General Meeting ("EGM")

No EGM was held during the FY 2024-25.

- c. Whether any special resolution passed last year through postal ballot – details of voting pattern – Not applicable.
- d. Person who conducted the postal ballot exercise – Not applicable.
- e. Whether any special resolution is proposed to be conducted through postal ballot – None.
- f. Procedure for postal ballot – Not applicable.

VIII. Means of Communication

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

IX. General Information for Shareholders and Debenture holders

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

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

| Debenture Trustees |
|---|
| Vistra ITCL (India) Limited (<i>formerly known as IL & FS Trust Company Limited</i>) The Capital Building, B Wing, 5 th Floor, Unit No. 505 A2, Bandra Kurla Complex, Bandra East, Mumbai – 400 051. Website: www.vistraitcl.com , Tel: +91 22 69300000, Fax: +91 22 2653 3297 e-mail: itclcomplianceofficer@vistra.com |
| IDBI Trusteeship Services Limited Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai – 400 001 Website: www.idbitrustee.com , Tel: +91 22 4080 7000, Fax: +91 22 6631 1776 e-mail: itsl@idbitrustee.com |
| Registrar and Transfer Agents |
| Non – Convertible Debentures issued on a Private Placement basis |
| MUFG Intime India Private Limited (<i>Formerly known as Link Intime India Private Limited</i>) C-101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Website: www.in.mpms.mufg.com , Tel.: +91 22 6656 8484, Fax: +91 22 6656 8494 E-mail ID: mumbai@in.mpms.mufg.com |
| Equity Shares and Non - Convertible Debentures issued to the Public |
| KFin Technologies Limited 301, The Centrium, 3 rd Floor, 57, Lal Bahadur Shastri Road, Nav pada, Kurla (West), Mumbai – 400070, Maharashtra, India Website: www.kfintech.com , Tel: +91 40-6716 2222 E-mail ID: einward.ris@kfintech.com |

ii. Annual General Meeting for FY 2024-25:

Date: June 27, 2025

Time: 11:00 a.m.

Venue: Through Video Conferencing

iii. Financial Year: April 1, 2024 to March 31, 2025**iv. Dividend Payment date:** Not Applicable**v. Listing on Stock Exchange and Listing Fees:**

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

Listing Fees as applicable have been paid for FY 2024-25 and FY 2025-26.

vi. In case of securities are suspended from trading, the directors report shall explain the reason thereof. – During FY 2024-25, the non-convertible debentures of the Company were not suspended from trading.

vii. Share Transfer System:

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

viii. Distribution of Equity shareholding as on March 31, 2025:

The Company is a wholly owned subsidiary of TCL. The entire equity shareholding of the Company is held by TCL and its nominees.

ix. Dematerialization of shares and liquidity:

All the Equity shares of the Company are in dematerialized form as on March 31, 2025. Under the Depository System, the International Securities Identification Number ("ISIN") allotted to the Company's equity shares is INE033L01010.

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

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

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

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

- xiii. **Address for correspondence:**

11th Floor, Tower A, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400 013.

- xiv. **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal:**

Details pertaining to Credit Ratings obtained by the Company are included in the Directors' Report.

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

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

- xvi. **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:** Not Applicable

X. Other Disclosure:

| Particulars | Details |
|---|--|
| Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large. | There were no material related party transactions during the year that have a conflict with the interest of the Company. |

| Particulars | Details |
|--|--|
| <ul style="list-style-type: none"> - Details of non - compliance by the Company, penalty, strictures imposed on the Company by the Stock Exchange, or Securities and Exchange Board of India or any statutory authority on any matter related to capital markets, during the last three years. - Details of penalties or stricture imposed on the Company by the Reserve Bank of India or any other statutory authority or regulator | Nil |
| Details of establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee. | The Company has a Whistle Blower Policy and has established necessary Vigil Mechanism for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee. |
| Details of compliance with mandatory requirements and adoption of the non-mandatory requirements. | Details of compliance with non-mandatory and mandatory requirements are mentioned in point no. XI and XII of this report, respectively. |
| Web link where policy for determining 'material' subsidiaries is disclosed. | The Company does not have a subsidiary Company. |
| Web link where policy on dealing with related party transactions. | The Company has a policy on dealing with related party transactions which is disclosed on its website at https://www.tatacapital.com/content/dam/tata-capital/pdf/tcfsl/regulatory-policies/RPT%20Policy.pdf |
| Disclosure of commodity price risks and commodity hedging activities. | Not Applicable |
| Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI LODR Regulations. | Not Applicable |

| Particulars | Details | | | | | | | | | | | | |
|--|--|---|---|-------------|----------------------|---|----|----------------|----|----------------------------------|-----|--------------|------------|
| Certificate from a Company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority | The Company has obtained certificate from M/s. Parikh & Associates, Practising Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same is reproduced at the end of this report and marked as Annexure I . | | | | | | | | | | | | |
| Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof. | During FY 2024-25, all the recommendations of the various Committees of the Board were accepted by the Board. | | | | | | | | | | | | |
| Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. | <div>The particulars of payment of fees to Joint Statutory Auditors is given below:</div> <table><tr><th>Particulars</th><th>Amount (Rs. In lakh)</th></tr><tr><td>Services as statutory auditors (including quarterly audits)</td><td>90</td></tr><tr><td>Tax audit fees</td><td>10</td></tr><tr><td>Certification and other services</td><td>117</td></tr><tr><td>Total</td><td>217</td></tr></table> <div>(The above payments exclude out-of pocket, travelling expenses and Goods and Service tax).</div> <div>Further, no fees were paid to any entity in the network firm/network entity of which the Statutory Auditor is a part.</div> | | | Particulars | Amount (Rs. In lakh) | Services as statutory auditors (including quarterly audits) | 90 | Tax audit fees | 10 | Certification and other services | 117 | Total | 217 |
| Particulars | Amount (Rs. In lakh) | | | | | | | | | | | | |
| Services as statutory auditors (including quarterly audits) | 90 | | | | | | | | | | | | |
| Tax audit fees | 10 | | | | | | | | | | | | |
| Certification and other services | 117 | | | | | | | | | | | | |
| Total | 217 | | | | | | | | | | | | |
| Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. | Number of complaints filed during the financial year. | Number of complaints disposed of during the financial year. | Number of complaints pending as on end of the financial year. | | | | | | | | | | |
| | Nil | Nil | Nil | | | | | | | | | | |
| Disclosure by listed entity of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount. | Nil | | | | | | | | | | | | |

| Particulars | Details |
|---|--|
| Information disclosed under clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations. | Not Applicable |
| Familiarization Program | Details of familiarisation programmes imparted to Independent Directors is disclosed on its website at https://www.tatacapital.com/content/dam/tata-capital/tchfl/TCHFL%20-%20Familiarisation%20Programme%20for%20Independent%20Directors.pdf |

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

None.

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

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

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

i. Audit Qualification:

The Company has adopted a regime of financial statement with unmodified audit opinion.

ii. Separate posts of Chairman and Managing Director:

The Company has appointed separate posts of Chairman and the Managing Director, such that Chairman is a Non-Executive Director and not related to the Managing Director.

iii. Reporting of Internal Auditor:

The Head - Internal Audit of the Company directly reports to Audit Committee of the Company.

- XIII. The disclosures of the compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (a) to (i) of Regulation 62(1A) of SEBI LODR Regulations shall be made in the section on corporate governance of the annual report.**

As on March 31, 2025, the Company is in compliance with all the mandatory requirements specified in Regulation 17 to 27 of SEBI LODR Regulations which have become applicable to the Company as a High Value Debt Listed Entity effective September 7, 2021 on a 'comply or explain' basis until March 31, 2025. Further, the Company is also in compliance with requirements specified in clause (a) to (i) of Regulation 62(1A) of SEBI LODR Regulations.

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

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

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

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

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

- XVI. Disclosures with respect to demat suspense account / unclaimed suspense account: Not Applicable**

Annexure I**CERTIFICATE**

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S. No. | Name of Director | DIN | Date of Appointment in Company* |
|--------|-----------------------|----------|---------------------------------|
| 1. | Mr. Mehernosh Kapadia | 00046612 | 24/10/2017 |
| 2. | Ms. Malvika Sinha | 08373142 | 31/12/2022 |
| 3. | Mr. Sujit Kumar Varma | 09075212 | 01/02/2022 |
| 4. | Mr. Nagaraj Ijari | 09390579 | 01/04/2024 |
| 5. | Mr. Rajiv Sabharwal | 00057333 | 11/01/2018 |
| 6. | Mr. Sarosh Amaria | 08733676 | 18/07/2023 |

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

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

For Parikh & Associates
Practising Company Secretaries

Jigyasa N. Ved
Partner
FCS: 6488 CP: 6018
UDIN: F006488G000540087
PR No.: 6556/2025
Mumbai, 04.06.2025

Annexure II**DECLARATION BY THE MANAGING DIRECTOR**

In accordance with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the financial year ended March 31, 2025.

For **Tata Capital Housing Finance Limited**

Sarosh Amaria
Managing Director

Place: Mumbai

Date: June 4, 2025

Annexure III**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON
CORPORATE GOVERNANCE**

**TO
THE MEMBERS OF
TATA CAPITAL HOUSING FINANCE LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Tata Capital Housing Finance Limited ("the Company") for the year ended on March 31, 2025, as stipulated under Regulations 17 to 27, clauses (a) to (i) of sub-regulation (1A) of Regulation 62 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and as made applicable to the Company on a comply or explain basis until March 31, 2025, and the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange under Regulation 27(2)(a) of SEBI Listing Regulations.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR Regulations for the year ended on March 31, 2025 and had provided necessary explanation pertaining to compliance of Regulation 17 to 27 of SEBI Listing Regulations in the quarterly compliance report on Corporate Governance submitted to the Stock Exchanges under Regulation 27(2)(a) of SEBI Listing Regulations.

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

For Parikh & Associates
Practising Company Secretaries

Jigyasa N. Ved
Partner
FCS: 6488 CP: 6018
UDIN: F006488G000539966
PR No.: 6556/2025
Mumbai, 04.06.2025

TATA CAPITAL HOUSING FINANCE LIMITED

FINANCIAL STATEMENTS

FY 2024-25

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Tata Capital Housing Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Tata Capital Housing Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and the notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "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 (India Accounting Standard) Rules, 2015, as amended, (Ind-AS) and with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2025. 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.

| Key Audit Matter | How the matter was addressed in our audit |
|---|--|
| Impairment of Financial Instruments | |
| <p>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.</p> <p>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:</p> <ol style="list-style-type: none"> 1. Estimating the behavioural life of the product. 2. Data inputs in relation to ECL model. 3. Application of the macro-economic variables on a forward-looking basis. 4. Determination of loan book segmentation, probability of defaults, loss given defaults and exposure at default. <p>Refer Note No. 7 of Notes to the Financial Statements.</p> | <p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> • 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. • 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. |

| Key Audit Matter | How the matter was addressed in our audit |
|--|--|
| Evaluation of Company's Information Technology (IT) systems and Controls over Financial Reporting | |
| <p>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.</p> <p>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.</p> | <p>Our audit approach/procedures include the following:</p> <ul style="list-style-type: none"> • 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 nonfinancial information generated from the system on a test check basis. |

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors is 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 auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 Board of Directors 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Other Matter

The annual financial statements of the Company for the year ended March 31, 2024, were audited by T R Chadha & Co LLP and CNK & Associates LLP, jointly as the predecessor auditors, whose audit report dated May 02, 2024, expressed an unmodified opinion on those annual financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2025, taken on record by the Board of Directors, none of the Directors of the Company is disqualified as on March 31, 2025, from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to financial statements.
- g) 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 (“the Rules”), in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 31 of Notes to the Financial Statements.
 - ii) The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 6 of Notes to the Financial Statements.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) The Management has represented that:
 - a) to the best of their 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 entity(ies) (“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;
 - b) to the best of their 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, 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;

- c) Based on such audit procedures performed by us that have been 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) of the Rules as provided under a) and (b) above contain any material misstatement.
- v) As stated in Note No. 21.3 of Notes to the Financial Statements, the Company has not declared and paid interim dividend during the year and until the date of this report.
- vi) Based on our examination which included test checks, the Company has used certain accounting software's for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that the audit trail feature was not enabled throughout the year at the database level to capture log of any direct data changes.
- Accordingly, we are unable to comment whether the audit trail feature has operated throughout the year for all relevant transaction recorded in the above mentioned software or whether there is any instance of audit trail feature being tampered with or whether the audit trail of prior year(s) has been preserved by the Company as per the statutory requirements for record retention prescribed under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- Further, where enabled, audit trail feature has operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.
- 3) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No: 105215W/W100057

For G D Apte & Co
Chartered Accountants
Firm Registration No: 100515W

Sandeep D. Welling
Partner
Membership Number: 044576
UDIN: 25044576BMKQXU7965

C. M. Dixit
Partner
Membership Number: 017532
UDIN: 25017532BMUIEG3982

Place: Mumbai
Date: May 09, 2025

Place: Mumbai
Date: May 09, 2025

Annexure 'A' to the Independent Auditors' Report on the Financial Statements of Tata Capital Housing Finance Limited for the year ended March 31, 2025

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- a) A) In our opinion and according to the information and explanations given to us, the Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment, investment property and relevant details of right-of use assets.
B) The Company is maintaining proper records showing full particulars of intangible assets.
 - b) During the current year, no physical verification of its Property, Plant and Equipment was carried out by the company. However, the Company has a program of physical verification of Property, Plant and Equipment whereby all these assets are verified once in three years. The last physical verification exercise was completed during FY 2022-23, no material discrepancies were noticed on such verification. 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.
 - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company.
 - d) In our opinion and according to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including right-of-use assets) or intangible assets or both during the year.
 - e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii)
- a) The Company is a service company primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus, the provision of clause 3(ii)(a) of the Order is not applicable to the Company.
 - b) The Company has been sanctioned working capital limit in excess of Rs. 5 crore in aggregate during the year from banks 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 No. 15. 9 of the Notes to 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's principal business is to give loans, the provision of clause 3(iii)(a) of the Order are not applicable it.
 - b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans,

are not prejudicial to the Company's interest. The Company has not provided any guarantee or given any security during the year.

- 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 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 No. 39(A)(i)(1)(a) of Notes to the 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 No. 39(A)(i)(1)(a) of Notes to the Financial Statements. The total amount overdue for more than 90 days amounts to Rs. 512.53 crore with respect to 2,870 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) Since the Company's principal business is to give loans, the provision of clause 3(iii)(e) of the order are not applicable to it.
- 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, 2025.
- iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and securities which attract the provisions of sections 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v) In our opinion and according to information and explanations given to us, 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 Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and hence reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- vii)
 - a) In our opinion and according to the information and explanations given to us, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- b) In our opinion and according to the information and explanations given to us, we confirm that there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, which have not been deposited to/with the appropriate authority on account of any dispute except as provided below:

(Amount Rs. in crores)

| Sr. No. | Name of the Statute | Nature of Dues | Amount under dispute | Amount paid under dispute | Net dues | Period | Forum where dispute is pending |
|---------|--------------------------------|----------------|----------------------|---------------------------|----------|--------------------------|--------------------------------|
| 1 | Goods & Services Tax Act, 2017 | GST | 0.04 | - | 0.04 | FY 2019-20 | Commercial Tax Officer |
| 2 | Goods & Services Tax Act, 2017 | GST | 15.98 | - | 15.98 | FY 2017-18 to FY 2021-22 | Commissioner (Appeals) |

- viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions 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.

ix)

- a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
- b) As disclosed in Note No. 49(c) of Notes to the Financial Statements, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) & f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions of the clauses (ix)(e) & (f) of the Order are not applicable to the Company.

x)

- a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- 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) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the Management, no whistle blower complaints have been received by the Company during the year.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv)

- a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.

xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

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 paragraph 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 (CIC) as defined in the regulations made by Reserve Bank of India.
- d) The Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors during the year and accordingly paragraph 3(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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx)

- a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

Kirtane & Pandit LLP
Chartered Accountants
601, 6th Floor, Earth Vintage,
Senapati Bapat Marg, Dadar West,
Mumbai - 400 028.

G D Apte & Co
Chartered Accountants
D-509, Neelkanth Business Park,
Nathani Road, Vidyavihar West,
Mumbai - 400 086.

xxi) Reporting under the paragraph 3(xxi) of the Order is not applicable as the same is required to be reported only in case of Consolidated Financial Statements.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No: 105215W/W100057

For G D Apte & Co
Chartered Accountants
Firm Registration No: 100515W

Sandeep D Welling
Partner
Membership Number: 044576
UDIN: 25044576BMKQXU7965

C. M. Dixit
Partner
Membership Number: 017532
UDIN: 25017532BMUIEG3982

Place: Mumbai
Date: May 09, 2025

Place: Mumbai
Date: May 09, 2025

Annexure B to the Independent Auditors' Report

Independent Auditors' report on the Internal Financial Controls with reference to financial statements under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statements of **Tata Capital Housing Finance Limited** (hereinafter referred to as the 'the Company'), as of March 31, 2025, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "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 (the "Act").

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 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. 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 internal financial controls with reference 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:

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii) 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
- iii) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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, adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at March 31, 2025, based on the internal controls with reference financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No: 105215W/W100057

For G D Apte & Co
Chartered Accountants
Firm Registration No: 100515W

Sandeep D. Welling
Partner
Membership Number: 044576
UDIN: 25044576BMKQXU7965

C. M. Dixit
Partner
Membership Number: 017532
UDIN: 25017532BMUIEG3982

Place: Mumbai
Date: May 09, 2025

Place: Mumbai
Date: May 09, 2025

Tata Capital Housing Finance Limited

Balance Sheet

as at March 31, 2025

(Rs. in crore)

| Particulars | Note | As at March 31, 2025 | As at March 31, 2024 |
|--|------|-------------------------|-------------------------|
| ASSETS | | | |
| (1) Financial assets | | | |
| (a) Cash and cash equivalents | 3 | 2,630.91 | 1,658.11 |
| (b) Bank balances other than (a) above | 4 | 116.40 | 51.02 |
| (c) Derivative financial instruments | 6 | 65.46 | 49.50 |
| (d) Receivables | | | |
| (i) Trade receivables | 5 | 9.01 | 29.38 |
| (ii) Other receivables | | - | - |
| (e) Loans | 7 | 66,405.25 | 51,401.88 |
| (f) Investments | 8 | 1,108.93 | 969.29 |
| (g) Other financial assets | 9 | 76.51 | 16.63 |
| Total Financial assets | | 70,412.47 | 54,175.81 |
| (2) Non-Financial assets | | | |
| (a) Current tax assets (Net) | 10.2 | 35.17 | 5.27 |
| (b) Deferred tax assets (Net) | 10 | 4.71 | 79.23 |
| (c) Investment Property | 11 | 2.83 | 3.02 |
| (d) Property, plant and equipment | 11 | 63.00 | 69.50 |
| (e) Capital work-in-progress | 11.1 | 0.53 | 0.08 |
| (f) Intangible assets under development | 11.2 | 1.65 | 1.04 |
| (g) Other intangible assets | 11 | 20.11 | 8.56 |
| (h) Right of use assets | 40 | 114.44 | 114.72 |
| (i) Other non-financial assets | 12 | 21.70 | 18.11 |
| Total Non-Financial assets | | 264.14 | 299.53 |
| Total Assets | | 70,676.61 | 54,475.34 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| (1) Financial liabilities | | | |
| (a) Derivative financial instruments | 6 | 8.54 | 6.57 |
| (b) Payables | | | |
| (i) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 13.1 | 0.24 | 1.27 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 13 | 228.59 | 157.14 |
| (ii) Other payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - |
| (c) Debt Securities | 14 | 28,333.97 | 21,437.97 |
| (d) Borrowings (Other than debt securities) | 15 | 31,415.44 | 24,455.83 |
| (e) Subordinated liabilities | 16 | 1,327.59 | 1,377.18 |
| (f) Lease Liabilities | 40 | 127.30 | 122.32 |
| (g) Other financial liabilities | 17 | 263.35 | 85.36 |
| Total Financial liabilities | | 61,705.02 | 47,643.64 |
| (2) Non-Financial liabilities | | | |
| (a) Current tax liabilities (Net) | 10.3 | 73.75 | 24.99 |
| (b) Provisions | 18 | 34.77 | 35.20 |
| (c) Other non-financial liabilities | 19 | 61.08 | 60.51 |
| Total Non-Financial liabilities | | 169.60 | 120.70 |
| (3) Equity | | | |
| (a) Equity share capital | 20 | 608.82 | 596.15 |
| (b) Other equity | 21 | 8,193.17 | 6,114.85 |
| Total Equity | | 8,801.99 | 6,711.00 |
| Total Liabilities and Equity | | 70,676.61 | 54,475.34 |
| Summary of material accounting policy information | 2 | | |
| The accompanying notes form an integral part of the financial statements | 3-50 | | |

In terms of our report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No: 105215W/W100057

For G D Apte & Co
Chartered Accountants
Firm Registration No: 100515W

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

Sandeep D. Welling
Partner
Membership No: 044576
Mumbai

C.M. Dixit
Partner
Membership No: 017532
Mumbai

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)
Mumbai

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

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

Mumbai
May 09, 2025

Mahadeo Raikar
Chief Financial Officer
Mumbai

Sanna Gupta
Company Secretary
Mumbai

Tata Capital Housing Finance Limited

Statement of Profit and Loss

for the year ended March 31, 2025

(Rs. in crore)

| Particulars | Note | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|------|--------------------------------------|--------------------------------------|
| I Revenue from operations | | | |
| (i) Interest income | 22 | 6,484.92 | 4,840.64 |
| (ii) Fees and commission income | 23 | 385.28 | 287.18 |
| (iii) Net gain on fair value changes | 25 | 63.29 | 56.57 |
| (iv) Net gain on derecognition of financial instruments under amortised cost category | | 35.60 | - |
| II Other income | 26 | 6.27 | 4.81 |
| III Total Income (I+II) | | 6,975.36 | 5,189.20 |
| IV Expenses | | | |
| (i) Finance costs | 27 | 4,141.83 | 2,935.13 |
| (ii) Reversal of impairment on financial instruments | 29 | (151.06) | (148.47) |
| (iii) Employee benefits expenses | 28 | 467.17 | 446.76 |
| (iv) Depreciation, amortisation and impairment | 11 | 49.27 | 44.39 |
| (v) Other expenses | 30 | 455.41 | 372.26 |
| Total expenses (IV) | | 4,962.62 | 3,650.07 |
| V Profit before exceptional items and tax (III-IV) | | 2,012.74 | 1,539.13 |
| VI Exceptional Items | | - | - |
| VII Profit before tax (V-VI) | | 2,012.74 | 1,539.13 |
| VIII Tax expense | | | |
| (1) Current tax | 10.1 | 435.24 | 332.23 |
| (2) Deferred tax | 10.1 | 78.57 | 59.23 |
| Total tax expense | | 513.81 | 391.46 |
| IX Profit for the year (VII-VIII) | | 1,498.93 | 1,147.67 |
| X Other Comprehensive Income | | | |
| (i) Items that will not be reclassified subsequently to statement of profit or loss | | | |
| (a) Remeasurement of defined employee benefit plans | | (4.26) | 0.46 |
| (b) Income tax relating to items that will not be reclassified to profit or loss | | 1.07 | (0.12) |
| (ii) 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 | | (16.07) | (8.60) |
| (b) Income tax relating to effective portion of gain / (loss) on hedging instrument in a cash flow hedge | | 4.04 | 2.16 |
| Total Other Comprehensive Income (i+ii) | | (15.22) | (6.10) |
| XI Total Comprehensive Income for the year (IX+X) (Comprising Profit and Other Comprehensive Income for the year) | | 1,483.71 | 1,141.57 |
| XII Earnings per equity share (Face value : Rs. 10 per share): | | | |
| (1) Basic (Rs.) | | 25.13 | 20.04 |
| (2) Diluted (Rs.) | | 25.13 | 20.04 |

Summary of material accounting policy information

2

The accompanying notes form an integral part of the financial statements

3-50

Sandeep D. Welling

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No: 105215W/W100057

For G D Apte & Co

Chartered Accountants

Firm Registration No: 100515W

For and on behalf of the Board of Directors

Tata Capital Housing Finance Limited

Sandeep D. Welling

Partner

Membership No: 044576

Mumbai

C.M. Dixit

Partner

Membership No: 017532

Mumbai

Rajiv Sabharwal

Chairman

(DIN No. : 00057333)

Mumbai

Sujit Kumar Varma

Director

(DIN No. : 09075212)

Mumbai

Sarosh Amaria

Managing Director

(DIN No. : 08733676)

Mumbai

Mumbai

May 09, 2025

Mahadeo Raikar

Chief Financial Officer

Mumbai

Sanna Gupta

Company Secretary

Mumbai

Tata Capital Housing Finance Limited

Statement of Changes in Equity

for the year ended March 31, 2025

(Rs. in crore)

A. Equity share capital

| Particulars | Rs. in crore |
|--|--------------|
| 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 |
| Balance as at April 1, 2024 | 596.15 |
| Changes in equity share capital due to prior period errors | - |
| Restated balance as at April 1, 2024 | 596.15 |
| Changes in equity share capital during the year | 12.67 |
| Balance as at March 31, 2025 | 608.82 |

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, 2023 | 2,333.51 | 574.32 | 1,364.13 | 7.72 | 4.13 | 10.28 | (0.80) | 4,293.29 |
| Ind AS 116 transition impact | - | - | - | - | - | - | - | - |
| 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 |
| Balance as at April 1, 2024 | 3,008.07 | 803.85 | 2,282.27 | 6.66 | 10.62 | 3.84 | (0.46) | 6,114.85 |
| Changes in accounting policy / prior period errors | - | - | - | - | - | - | - | - |
| Restated balance as at April 1, 2024 | 3,008.07 | 803.85 | 2,282.27 | 6.66 | 10.62 | 3.84 | (0.46) | 6,114.85 |
| Profit for the year | - | - | 1,498.93 | - | - | - | - | 1,498.93 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | - | (12.03) | (3.19) | (15.22) |
| Total | 3,008.07 | 803.85 | 3,781.20 | 6.66 | 10.62 | (8.19) | (3.65) | 7,598.55 |
| Share issue expenses written-off | (0.03) | - | - | - | - | - | - | (0.03) |
| Addition to ESOP reserve | - | - | - | 7.35 | - | - | - | 7.35 |
| Transfer to General Reserve | - | - | - | (3.42) | 3.42 | - | - | - |
| Transfer to Special Reserve Account | - | 299.79 | (299.79) | - | - | - | - | - |
| Addition to Securities Premium Account | 587.29 | - | - | - | - | - | - | 587.29 |
| Balance as at March 31, 2025 | 3,595.33 | 1,103.64 | 3,481.41 | 10.59 | 14.04 | (8.19) | (3.65) | 8,193.16 |

Summary of material accounting policy information

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No: 105215W/W100057

For G D Apte & Co
Chartered Accountants
Firm Registration No: 100515W

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

Sandeep D. Welling

Sandeep D. Welling
Partner
Membership No: 044576
Mumbai

C.M. Dixit
Partner
Membership No: 017532
Mumbai

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)
Mumbai

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

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

Mumbai
May 09, 2025

Mahadeo Raikar
Chief Financial Officer
Mumbai

Sanna Gupta
Company Secretary
Mumbai

Tata Capital Housing Finance Limited

Statement of Cash Flow

for the year ended March 31, 2025

(Rs. in crore)

| Particulars | Note | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|------|--------------------------------------|--------------------------------------|
| 1 CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | 2,012.74 | 1,539.13 |
| Adjustments for : | | | |
| Amortisation of Ancillary borrowing cost | | | |
| Depreciation and amortisation | | 49.27 | 44.39 |
| Net loss on derecognition of property, plant and equipment | | 0.11 | 0.14 |
| Net gain on modification/derecognition of right of use assets | | (0.03) | (0.49) |
| Net gain on derecognition of financial instruments under amortised cost category | | (35.60) | - |
| Assets written off | | 0.02 | 0.04 |
| Interest expenses | | 4,141.83 | 2,935.13 |
| Interest income | | (6,484.92) | (4,840.64) |
| Net gain on fair value changes | | (63.29) | (56.57) |
| Remeasurement of defined employee benefit plans through OCI | | (4.26) | 0.46 |
| Share based payments- Equity-settled | | 6.85 | 6.00 |
| Provision for leave encashment | | 2.89 | 1.88 |
| Provision for long-term service award | | 0.17 | 0.08 |
| Reversal of impairment on financial instruments | | (152.90) | (164.39) |
| Provision against trade receivables | | 1.84 | 15.91 |
| Interest paid | | (3,778.19) | (2,829.66) |
| Interest received | | 6,304.77 | 4,666.96 |
| Operating Profit before working capital changes | | 2,001.30 | 1,318.37 |
| Adjustments for : | | | |
| Decrease / (Increase) in Trade receivables | | 18.53 | (19.94) |
| Increase in Loans | | (14,644.59) | (14,166.85) |
| Increase in Other financial asset | | (59.26) | (1.94) |
| Increase in Other non-financial assets | | (3.79) | (4.64) |
| Increase in Trade payables | | 70.42 | 24.94 |
| Increase / (Decrease) in Other financial liabilities | | 57.24 | (330.64) |
| Increase in Other non-financial liabilities and provisions | | 4.39 | 23.92 |
| Cash used in operations | | (12,555.76) | (13,156.78) |
| Taxes paid (net off refunds) | | (415.32) | (358.11) |
| Net Cash Used In Operating Activities (A) | | (12,971.08) | (13,514.89) |
| 2 CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant & equipment (including capital advances) | | (32.67) | (36.62) |
| Proceeds from sale of property, plant & equipment | | 0.51 | 0.64 |
| Purchase of mutual fund units | | (1,91,971.83) | (1,17,565.86) |
| Proceeds from redemption of mutual fund units | | 1,92,033.12 | 1,19,773.76 |
| Purchase of Investments | | (361.21) | (1,648.16) |
| Proceeds from sale of investments | | 350.00 | 1,190.00 |
| Purchase of Tri Party Repo (TREPS) | | (74,089.93) | - |
| Proceeds from Tri Party Repo (TREPS) | | 73,990.05 | - |
| Purchase of Equity Shares | | (25.00) | - |
| Net Proceeds from / (Purchase of) fixed deposits with banks having maturity exceeding 3 month | | 49.56 | (50.25) |
| Proceeds on settlement of derivative contracts | | 6.79 | - |
| Net Cash (Used In) / Generated From From Investing Activities (B) | | (50.61) | 1,663.51 |
| 3 CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Share Issue Expenses | | (0.03) | (0.03) |
| Proceeds from issue of Equity Share Capital | | 599.96 | 700.00 |
| Payment of ancillary borrowing cost | | (14.56) | (10.10) |
| Proceeds from Borrowings (Other than debt securities) | | 19,904.01 | 16,567.07 |
| Proceeds from Debt Securities | | 16,575.22 | 12,196.70 |
| Proceeds from Subordinated Liabilities | | - | 296.11 |
| Repayment of Borrowings (Other than debt securities) | | (12,986.01) | (9,777.53) |
| Repayment of Debt Securities | | (10,008.88) | (7,100.70) |
| Repayment of Subordinated Liabilities | | (48.00) | (36.20) |
| Repayment of Lease Liabilities | | (27.22) | (24.11) |
| Net Cash Generated From Financing Activities (C) | | 13,994.49 | 12,811.21 |
| Net Increase In Cash And Cash Equivalents (A+B+C) | | 972.80 | 959.83 |
| Cash And Cash Equivalents As At The Beginning Of The Year | | 1,658.11 | 698.28 |
| Cash And Cash Equivalents As At The End Of The Year | | 2,630.91 | 1,658.11 |

Tata Capital Housing Finance Limited

Statement of Cash Flow

for the year ended March 31, 2025

(Rs. in crore)

| Particulars | Note | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|------|--------------------------------------|--------------------------------------|
| 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 | | 2,630.91 | 1,658.11 |
| Add : Restricted Cash | | 0.24 | 0.24 |
| Add: Fixed deposits with original maturity over 3 months | | 1.03 | 50.78 |
| Add : Margin Money deposit towards derivative variation | | 115.13 | - |
| Cash And Cash Equivalents And Other Bank Balances As At The End Of The Year | | 2,747.31 | 1,709.13 |

The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

Summary of material accounting policy information

2

The accompanying notes form an integral part of the financial statements

3-50

In terms of our report of even date

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No: 105215W/W100057

For G D Apte & Co

Chartered Accountants

Firm Registration No: 100515W

For and on behalf of the Board of Directors

Tata Capital Housing Finance Limited

Sandeep D. Welling

Partner

Membership No: 044576

Mumbai

C.M. Dixit

Partner

Membership No: 017532

Mumbai

Rajiv Sabharwal

Chairman

(DIN No. : 00057333)

Mumbai

Sujit Kumar Varma

Director

(DIN No. : 09075212)

Mumbai

Sarosh Amaria

Managing Director

(DIN No. : 08733676)

Mumbai

Mumbai

May 09, 2025

Mahadeo Raikar

Chief Financial Officer

Mumbai

Sanna Gupta

Company Secretary

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

i. Statement of compliance

- ii. The financial statements of the Company comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2025 and a summary of the material accounting policy and other explanatory information (together referred to as the "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), read with relevant rules issued thereunder and other accounting principles generally accepted in India, requirements prescribed under the Schedule III - Division III of the Act and 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 has been consistently applied unless otherwise stated. The financial statements were authorised for issue by the Board of Directors (BOD) on May 09, 2025.

iii. 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 amended) as specified under Section 133 of 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.

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

iv. Basis of measurement

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

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

v. Measurement of fair values:

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

In estimating the fair value of an asset or a liability, the 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 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:

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

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

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.

vi. 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 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 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.

vii. 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, 2025 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

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

measurement of forward looking ECL, i.e. best case, worst case and base case also requires judgement.

viii. 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 and cost incurred 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.

Gains (Excess interest spread (EIS)) arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee. The future EIS basis the scheduled cash flows over the expected life, on execution of the transaction, discounted at the applicable rate entered with the assignee is recorded upfront in the statement of profit and loss. Any subsequent changes in the excess interest spread are recognised with the corresponding adjustment to the carrying amount of the assets.

ix. 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 / agreements and when it is probable that the Company will collect the consideration for following:

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

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

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.

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.

x. Dividend and Other 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.

Other income 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.

xi. 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.

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

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

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

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

xii. 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.

xiii. 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.

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

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.

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Notes forming part of the Financial Statements (*Continued*)

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

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

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

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

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

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

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

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

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

Subsequent measurement and gains and losses

| | |
|--|---|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss. |
| Financial assets (other than Equity Investments) at FVTOCI | Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 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'

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

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.

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Notes forming part of the Financial Statements (*Continued*)

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

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Company's revenue recognition policies. The Company has not designated any financial guarantee contracts as FVTPL.

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

The Measurement of ECLs

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

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

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

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

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

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

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

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

The mechanics of the ECL method are summarised below:

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Notes forming part of the Financial Statements (*Continued*)

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

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

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

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

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

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

Impairment of Trade receivable

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

Write-off

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

Collateral valuation and repossession

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

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

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

Presentation of ECL allowance for financial asset:

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

Modification and De-recognition of financial assets

Modification of financial assets

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

De-recognition of financial assets

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

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

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

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

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

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

Securitization and Assignment

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

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

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity

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

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

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.

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

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

c) Cash, Cash equivalents and bank balances

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

xiv. 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 period 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

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

Depreciation on tangible property, plant and equipment deployed for own use has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of buildings, computer equipment, office equipment, plant & machinery and vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc. 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 period 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.

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

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.

xv. Non-Current Assets held for sale:

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

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

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

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

xvi. 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, 2025.

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 period when the employees render the service. These benefits include performance incentive and compensated absences

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

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 period 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.

xvii. 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 period 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.

xviii. 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 its operations

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

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

xix. Earnings per share

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

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

xx. Taxation

Income Tax

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

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax law) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

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

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

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

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

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

xxi. Goods and Services Input Tax Credit

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

xxii. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the 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 interim financial statements.

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

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

xxiii. Commitments

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

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) 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.

TATA CAPITAL HOUSING FINANCE LIMITED

Notes forming part of the Financial Statements (*Continued*)

xxiv. Statement of Cash Flows

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

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

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

xxv. Dividend payable

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

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

xxvi. Recent accounting pronouncements

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. During the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

3. CASH AND CASH EQUIVALENTS

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| (a) Balances with banks | | |
| - in fixed deposit accounts (with original maturity of 3 months or less) | 375.63 | - |
| - in current accounts | 2,241.12 | 1,538.34 |
| (b) Cheques on hand | 14.16 | 119.77 |
| Total | 2,630.91 | 1,658.11 |

- 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. 2,630.91 crore (March 31, 2024 : Rs. 1,658.11 crore)

4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Balances with banks | | |
| - In fixed deposit accounts (Refer note 4.1 below) | 1.03 | 50.78 |
| - In current accounts (Refer note 4.2 below) | 0.24 | 0.24 |
| - Margin money deposit towards derivative variation | 115.13 | - |
| Total | 116.40 | 51.02 |

- 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, 2024 : Rs. 0.24 crore) towards unclaimed matured debentures and accrued interest thereon.

5. TRADE RECEIVABLES

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| At amortised cost | | |
| (i) Receivables considered good - Unsecured | 1.77 | 23.83 |
| (ii) Receivables which have significant increase in Credit Risk | 7.28 | 5.67 |
| (iii) Receivables - credit impaired | 2.26 | 0.33 |
| | 11.31 | 29.83 |
| Less: Impairment loss allowance | | |
| (i) Receivables considered good - Unsecured | 0.01 | 0.10 |
| (ii) Receivables which have significant increase in Credit Risk | 0.03 | 0.02 |
| (iii) Receivables - credit impaired | 2.26 | 0.33 |
| Total | 9.01 | 29.38 |

- 5.1 Trade receivables include amounts due from the related parties Rs. 8.47 crore (March 31, 2024 : Rs. 24.36 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, 2025

(Rs. in crore)

5.3 TRADE RECEIVABLES (Continued)

| PARTICULARS | As at March 31, 2025 | | | | | | | Total |
|--|----------------------|---------|--------------------|------------------|-----------|-----------|-------------------|--------------|
| | Unbilled Dues | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | - | - | 1.77 | - | - | - | - | 1.77 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | 7.28 | - | - | - | - | 7.28 |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | 0.45 | 1.79 | - | - | 0.02 | 2.26 |
| (iv) Disputed Trade Receivables–considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| Total | | | | | | | | 11.31 |

| PARTICULARS | As at March 31, 2024 | | | | | | | Total |
|--|----------------------|---------|--------------------|------------------|-----------|-----------|-------------------|--------------|
| | Unbilled Dues | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (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 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

6. Derivative financial instruments

| Part I | As at March 31, 2025 | | | | As at March 31, 2024 | | | |
|--|----------------------|-------------------|----------------|--------------------------|----------------------|-------------------|----------------|--------------------------|
| | Notional value | Fair value assets | Notional value | Fair value - Liabilities | Notional value | Fair value assets | Notional value | Fair value - Liabilities |
| (i) Currency derivatives : | | | | | | | | |
| Spot and Forwards | - | 3.82 | 221.48 | 5.72 | - | - | 226.15 | 6.57 |
| Currency swaps | 1,563.45 | 61.33 | 589.66 | 2.82 | 625.10 | 46.78 | - | - |
| Subtotal (i) | 1,563.45 | 65.15 | 811.14 | 8.54 | 625.10 | 46.78 | 226.15 | 6.57 |
| (ii) Interest rate derivatives : | | | | | | | | |
| Interest rate swaps ¹ | - | 0.31 | - | - | - | 2.72 | - | - |
| Subtotal (ii) | - | 0.31 | - | - | - | 2.72 | - | - |
| Total derivatives | 1,563.45 | 65.46 | 811.14 | 8.54 | 625.10 | 49.50 | 226.15 | 6.57 |
| 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 | 1,563.45 | 65.15 | 811.14 | 8.54 | 625.10 | 46.78 | 226.15 | 6.57 |
| Interest rate derivatives | - | 0.31 | - | - | - | 2.72 | - | - |
| Total derivatives | 1,563.45 | 65.46 | 811.14 | 8.54 | 625.10 | 49.50 | 226.15 | 6.57 |

Notes:

- 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.
- Cross currency swap has been taken in respect of the same contract for which forward contract has been entered, accordingly notional value of forward contract is not shown separately.
- Notional amounts of the respective currencies have been converted using exchange rates as at the balance sheet date.
- 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, 2025 | For the year ended March 31, 2024 | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
| | | | | |
| Forward exchange contracts, interest rate swaps and currency swaps | (16.07) | (8.60) | - | - |

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, 2025 | For the year ended March 31, 2024 | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
| | | | | |
| Forward exchange contracts, interest rate swaps and currency swaps | 14.00 | (2.21) | (46.02) | (12.33) |

*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, 2025 | For the year ended March 31, 2024 |
|--|-----------------------------------|-----------------------------------|
| Opening Balance | 3.84 | 10.28 |
| Effective portion of changes in fair value | 14.00 | (2.21) |
| Foreign currency translation differences | (46.02) | (12.33) |
| Amortisation of forward premium | 15.95 | 5.94 |
| Tax on movements on reserves during the year | 4.04 | 2.16 |
| Closing Balance | (8.19) | 3.84 |

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 Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

7. LOANS

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| At amortised cost | | |
| (I) Term loans | | |
| - Housing Loans | 46,214.98 | 36,534.48 |
| - Non Housing Loans | 20,636.24 | 15,279.69 |
| - Credit Substitutes (refer note no. VI below) | - | 200.30 |
| - Retained portion of assigned loans | 94.16 | 5.97 |
| Others | | |
| - Loan to TCL Employee Welfare Trust (refer note no. VII below) | 2.37 | 2.37 |
| Gross Loans | 66,947.75 | 52,022.81 |
| Less: Impairment loss allowance | | |
| - Stage I & II | 246.20 | 334.42 |
| - Stage III | 296.30 | 286.51 |
| Loans net of impairment loss allowance | 66,405.25 | 51,401.88 |
| (II) | | |
| - Secured by tangible assets (refer note no. VIII below) | 61,939.56 | 48,120.93 |
| - Secured by intangible assets (refer note no. IX below) | 2,405.00 | 1,730.77 |
| - Covered by bank / government guarantees | 3.75 | 19.38 |
| - Unsecured | 2,606.53 | 2,171.00 |
| - Unamortised loan sourcing costs | 201.56 | 171.11 |
| - Income received in advance | (208.66) | (190.38) |
| Gross Loans | 66,947.74 | 52,022.81 |
| Less: Impairment loss allowance | | |
| - Stage I & II | 246.20 | 334.42 |
| - Stage III | 296.30 | 286.51 |
| Loans net of impairment loss allowance | 66,405.24 | 51,401.88 |
| (III) | | |
| Loans in India | | |
| - Public sector | - | - |
| - Others (refer note no. X below) | 66,954.84 | 52,042.08 |
| - Unamortised loan sourcing costs | 201.56 | 171.11 |
| - Income received in advance | (208.66) | (190.38) |
| Gross Loans | 66,947.74 | 52,022.81 |
| Less: Impairment loss allowance | | |
| - Stage I & II | 246.20 | 334.42 |
| - Stage III | 296.30 | 286.51 |
| Loans net of impairment loss allowance | 66,405.24 | 51,401.88 |
| (IV) | | |
| - Secured | 63,198.30 | 48,192.54 |
| - Unsecured | 2,606.53 | 2,171.00 |
| - Significant increase in credit risk (SICR) | 637.48 | 1,184.65 |
| - Credit impaired | 512.53 | 493.89 |
| - Unamortised loan sourcing costs | 201.56 | 171.11 |
| - Income received in advance | (208.66) | (190.38) |
| Gross Loans | 66,947.74 | 52,022.81 |
| Less: Impairment loss allowance | | |
| - Stage I & II | 246.20 | 334.42 |
| - Stage III | 296.30 | 286.51 |
| Loans net of impairment loss allowance | 66,405.24 | 51,401.88 |
| (V) | | |
| Reconciliation of loans: | | |
| - Housing Loans | 46,044.89 | 36,524.27 |
| - Non Housing Loans | 20,909.95 | 15,517.81 |
| Total - Gross Loans | 66,954.84 | 52,042.08 |
| Add: Unamortised loan sourcing costs | 201.56 | 171.11 |
| Less: Revenue received in advance | (208.66) | (190.38) |
| Total - Carrying Value of Loans | 66,947.74 | 52,022.81 |
| Less: Impairment Allowance | 542.50 | 620.93 |
| Total - Net Loans | 66,405.24 | 51,401.88 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

- (VI) 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.
- (VII) Loan repayable on demand pertains to loan given to TCL employee welfare trust (related party) and accounts for less than 0.01% of total gross loans and advances (March 31, 2024: 0.01%)
- (VIII) 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:
- Equitable / registered mortgage of property.
 - Undertaking to create a security.
 - Against securities.
- (IX) Loans secured by intangible assets amounting to Rs. 2,405.00 crore (March 31, 2024: Rs. 1,730.77 crore) backed by development rights / slum development rights as collateral. The estimated value of such collateral is Rs. 8,630.41 crore (March 31, 2024 : Rs. 6,189.07 crore)
- (X) Loans to others include loans to retail and corporate other than public sector undertakings (PSUs).
- (XI) 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.
- (XII) 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 | - | 0.00% | |
| Directors | - | 0.00% | |
| KMPs | - | 0.00% | |
| Related Parties | 2.37 | 0.00% | Repayable on demand |
| Related Parties | 338.17 | 0.51% | |

- (XIII) 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, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Directors and their relatives | - | - |
| Entities associated with directors and their relatives | - | - |
| Senior Officers and their relatives | 3.00 | - |

- (XIV) Impairment loss allowance excludes impairment allowance on loan commitments of Rs. 20.44 crore (March 31, 2024 : Rs. 27.75 crore)

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

8. INVESTMENTS

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Investments in India | | |
| (A) Investments carried at amortised cost - Quoted | | |
| Government Securities | 974.51 | 612.60 |
| Treasury Bills | - | 349.23 |
| Investment in Tri Party Repo (TREPS) | 99.96 | - |
| (B) Investments carried at fair value through profit or loss | | |
| Equity Shares - unquoted | 25.00 | - |
| Mutual Funds - quoted | 9.46 | 7.46 |
| Total | 1,108.93 | 969.29 |

8.1 There are no investments outside India.

8.2 Investments

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Value of Investments | | |
| (i) Gross value of Investments | 1,108.93 | 969.29 |
| (a) In India | 1,108.93 | 969.29 |
| (b) Outside India | - | - |
| (ii) Provisions for Depreciation | - | - |
| (a) In India | - | - |
| (b) Outside India | - | - |
| (iii) Net value of Investments | 1,108.93 | 969.29 |
| (a) In India | 1,108.93 | 969.29 |
| (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 Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

9. OTHER FINANCIAL ASSETS

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| (a) Security deposits | 17.69 | 16.31 |
| (b) Advances to employees | 0.21 | 0.32 |
| (c) Income accrued but not due | 23.47 | - |
| (d) Excess interest spread on direct assignment | 35.18 | - |
| Less: Impairment loss allowance | (0.04) | - |
| Total | 76.51 | 16.63 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

10. DEFERRED TAX ASSET (NET)

The major components of deferred tax assets and liabilities as at March 31, 2025 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 | 72.22 | - | - | 72.22 |
| (b) Impairment loss allowance - stage I & II | 91.15 | (24.04) | - | 67.12 |
| (c) Employee benefits | 1.70 | 0.70 | - | 2.40 |
| (d) Deferred income | 47.36 | (1.06) | - | 46.30 |
| (e) Depreciation on property, plant & equipment | 0.90 | 0.24 | - | 1.14 |
| (f) Right to use asset | 4.37 | 1.48 | - | 5.85 |
| (g) Other deferred tax assets | 0.31 | (0.26) | - | 0.05 |
| Gross Deferred Tax Liabilities :- | | | | |
| (a) Deduction u/s 36(1)(viii) | (137.10) | (46.64) | - | (183.74) |
| (b) Fair value measurement of investments | (0.39) | (0.14) | - | (0.53) |
| (c) Fair value of cost flow hedge | (1.29) | - | 4.04 | 2.75 |
| (d) Direct Assignment | - | (8.85) | - | (8.85) |
| Net deferred tax asset | 79.23 | (78.57) | 4.04 | 4.71 |

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 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(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, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Current tax: | | |
| Current tax expense for the year | 435.28 | 331.62 |
| Current tax benefit pertaining to prior year | (0.04) | 0.61 |
| Total | 435.24 | 332.23 |
| Deferred tax benefit | | |
| Origination and reversal of temporary differences | 78.57 | 59.23 |
| Total income tax expense for the year | 513.81 | 391.46 |

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, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Profit before income taxes | 2,012.74 | 1,539.13 |
| Indian statutory income tax rate | 25.17% | 25.17% |
| Expected income tax expense | 506.57 | 387.37 |
| Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense: | | |
| Non deductible expenses | 7.29 | 3.48 |
| Tax pertaining to prior years | (0.04) | 0.61 |
| Total income tax expense (effective tax rate of 25.48%, March 31, 2024: 25.40%) | 513.81 | 391.46 |

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, 2025 | | | For the year ended March 31, 2024 | | |
|---|--------------------------------------|-----------------------------|----------------|--------------------------------------|-----------------------------|---------------|
| | 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) | (4.26) | 1.07 | (3.19) | 0.46 | (0.12) | 0.34 |
| Items that will be reclassified to profit or loss | | | | | | |
| The effective portion of gains and loss on hedging instruments in a cost of hedge | (16.07) | 4.04 | (12.03) | (8.60) | 2.16 | (6.44) |
| Total | (20.33) | 5.11 | (15.22) | (8.14) | 2.04 | (6.10) |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

10.2 CURRENT TAX ASSETS (NET)

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Advance tax (net of provision for Income tax Rs. 547.57 crore (March 31, 2024 : Rs. 410.03 crore) | 35.17 | 5.27 |
| Total | 35.17 | 5.27 |

10.3 CURRENT TAX LIABILITIES (NET)

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Provision for tax (net of advance tax Rs. 497.09 crore (March 31, 2024 : Rs. 712.14 crore) | 73.75 | 24.99 |
| Total | 73.75 | 24.99 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(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, 2024 | Additions | Deletions | Closing balance as at March 31, 2025 | Opening balance as at April 1, 2024 | Depreciation/Amortisation for the year* | Deletions | Closing balance as at March 31, 2025 | as at March 31, 2025 |
| Investment Property #^ | 4.32 | - | - | 4.32 | 1.30 | 0.19 | - | 1.49 | 2.83 |
| | (4.32) | - | - | (4.32) | (1.11) | (0.19) | - | (1.30) | (3.02) |
| TANGIBLE ASSETS | | | | | | | | | |
| Buildings | 2.48 | - | - | 2.48 | 0.77 | 0.11 | - | 0.88 | 1.60 |
| | (2.48) | - | - | (2.48) | (0.66) | (0.11) | - | (0.77) | (1.71) |
| Leasehold Improvements | 31.86 | 1.80 | 0.51 | 33.15 | 9.47 | 4.09 | 0.39 | 13.17 | 19.98 |
| | (16.57) | (16.08) | (0.79) | (31.86) | (6.28) | (3.75) | (0.56) | (9.47) | (22.39) |
| Furniture & Fixtures | 10.41 | 1.43 | 0.18 | 11.66 | 5.17 | 1.14 | 0.14 | 6.17 | 5.49 |
| | (7.82) | (2.98) | (0.39) | (10.41) | (3.86) | (1.57) | (0.26) | (5.17) | (5.24) |
| Computer Equipment | 40.04 | 5.89 | 1.01 | 44.92 | 16.52 | 10.34 | 0.93 | 25.93 | 18.99 |
| | (31.93) | (13.66) | (5.55) | (40.04) | (12.70) | (9.31) | (5.49) | (16.52) | (23.52) |
| Office Equipment | 10.33 | 1.64 | 0.03 | 11.94 | 4.68 | 1.93 | 0.03 | 6.58 | 5.36 |
| | (7.18) | (3.41) | (0.26) | (10.33) | (3.25) | (1.66) | (0.23) | (4.68) | (5.65) |
| Plant & Machinery | 8.93 | 0.64 | 0.18 | 9.39 | 1.95 | 0.95 | 0.15 | 2.75 | 6.64 |
| | (5.74) | (3.49) | (0.30) | (8.93) | (1.36) | (0.82) | (0.23) | (1.95) | (6.98) |
| Vehicles | 6.00 | 3.11 | 1.03 | 8.08 | 1.99 | 1.81 | 0.66 | 3.14 | 4.94 |
| | (3.88) | (2.77) | (0.65) | (6.00) | (1.20) | (1.14) | (0.35) | (1.99) | (4.01) |
| PROPERTY, PLANT AND EQUIPMENT - TOTAL | 110.05 | 14.51 | 2.94 | 121.62 | 40.55 | 20.37 | 2.30 | 58.62 | 63.00 |
| | (75.60) | (42.39) | (7.94) | (110.05) | (29.31) | (18.36) | (7.12) | (40.55) | (69.50) |
| Software | 19.50 | 16.62 | - | 36.12 | 10.94 | 5.07 | - | 16.01 | 20.11 |
| | (15.30) | (4.20) | - | (19.50) | (7.29) | (3.65) | - | (10.94) | (8.56) |
| INTANGIBLE ASSETS - TOTAL | 19.50 | 16.62 | - | 36.12 | 10.94 | 5.07 | - | 16.01 | 20.11 |
| | (15.30) | (4.20) | - | (19.50) | (7.29) | (3.65) | - | (10.94) | (8.56) |
| Total | 129.55 | 31.13 | 2.94 | 157.74 | 51.49 | 25.44 | 2.30 | 74.63 | 83.11 |
| | (90.90) | (46.59) | (7.94) | (129.55) | (36.60) | (22.01) | (7.12) | (51.49) | (78.06) |

Note : Figures in bracket relate to March 31, 2024.

Fair value of investment property as on March 31, 2025 Rs. 9.37 crore. (March 31, 2024 : Rs. 8.59 crore) The fair value of the investment properties has been determined by an external independent property valuer.

* Total depreciation charged for the period 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. 23.65 crore (March 31, 2024 : Rs. 22.19 crore)

^ Immovable property having net carrying value amounting to Rs. 0.20 crore (March 31, 2024 : Rs. 0.22 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, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Rental Income | 0.06 | 0.05 |
| 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 Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

11.1 CAPITAL WORK IN PROGRESS

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| Opening Balance | 0.08 | 10.16 |
| Additions (Net) | 14.96 | 32.31 |
| Deductions / Adjustments | 14.51 | 42.39 |
| Closing Balance | 0.53 | 0.08 |

As at March 31, 2025

| PARTICULARS | Amount in CWIP for a period of | | | | Total |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Projects in progress | 0.53 | - | - | - | 0.53 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| Total | | | | | 0.53 |

CWIP completion schedule

| PARTICULARS | Less than 1 year | To be completed in | | More than 3 years | Total |
|-------------------------------------|------------------|--------------------|-----------|-------------------|-------------|
| | | 1-2 years | 2-3 years | | |
| (i) Projects in progress | 0.53 | - | - | - | 0.53 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| Total | | | | | 0.53 |

As at March 31, 2024

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

CWIP completion schedule

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

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

11.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| Opening Balance | 1.04 | 0.18 |
| Additions (Net) | 17.23 | 5.06 |
| Deductions / Adjustments | 16.62 | 4.20 |
| Closing Balance | <u>1.65</u> | <u>1.04</u> |

As at March 31, 2025

| PARTICULARS | Amount in Intangible assets under development for a period of | | | | Total |
|-------------------------------------|---|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Projects in progress | 1.49 | - | 0.11 | 0.05 | 1.65 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| Total | | | | | <u>1.65</u> |

Intangible assets under development completion schedule

| PARTICULARS | Less than 1 year | To be completed in | | More than 3 years | Total |
|-------------------------------------|------------------|--------------------|-----------|-------------------|-------------|
| | | 1-2 years | 2-3 years | | |
| (i) Projects in progress | 1.65 | - | - | - | 1.65 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| Total | | | | | <u>1.65</u> |

As at March 31, 2024

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

Intangible assets under development completion schedule

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

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

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

12. OTHER NON-FINANCIAL ASSETS

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|--|---------------------------------|---------------------------------|
| (a) Capital advances | 0.07 | 0.27 |
| (b) Prepaid Expenses | 12.48 | 8.29 |
| (c) Balances with government authorities | 6.14 | 5.64 |
| (d) Other advances | 3.01 | 3.91 |
| Total | 21.70 | 18.11 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

13. TRADE PAYABLES

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------|-------------------------|-------------------------|
| (i) Accrued expenses | 212.90 | 144.85 |
| (ii) Payable to Dealers/Vendors | 10.93 | 7.96 |
| (iii) Others | 5.00 | 5.60 |
| Total | 228.83 | 158.41 |

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, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| (a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | 0.24 | 1.27 |
| (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 | 0.24 | 1.27 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

13.2 TRADE PAYABLES (Continued)

| PARTICULARS | As at March 31, 2025 | | | | | | Total |
|-----------------------------|----------------------|----------|------------------|-----------|-----------|-------------------|---------------|
| | Unbilled Dues | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | 0.24 | - | - | - | 0.24 |
| (ii) Others | 212.90 | - | 15.69 | - | - | - | 228.59 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 212.90 | - | 15.93 | - | - | - | 228.83 |

| PARTICULARS | As at March 31, 2024 | | | | | | Total |
|-----------------------------|----------------------|----------|------------------|-----------|-----------|-------------------|---------------|
| | Unbilled Dues | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (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 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

14. DEBT SECURITIES

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| At amortised cost | | |
| Secured - In India | | |
| Privately Placed Non-Convertible Debentures (Refer note 14.1 (a) and 14.2 below) | 24,347.75 | 16,485.19 |
| Privately Placed Non-Convertible Debentures - Zero Coupon Bond (Refer note 14.1 (a) and 14.3 below) | - | 627.25 |
| Public issue of Non-Convertible Debentures (Refer note 14.1 (b) and 14.4 below) | 143.36 | 475.45 |
| Unsecured - In India | | |
| Commercial paper (Refer note 14.5 below) | 3,842.86 | 3,850.08 |
| [Net of unamortised discount of Rs. 157.01 crore (March 31, 2024 : Rs. 149.81 crore) and ancillary borrowing cost of Rs. 0.14 crore (March 31, 2024 : 0.11 crore)] | | |
| Total | 28,333.97 | 21,437.97 |

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 as stated in the respective transaction documents.

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 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, 2025

(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, 2025 | | As at March 31, 2024 | |
|--|------------|-----------------|----------------------|------------------|----------------------|------------------|
| | | | No. of NCDs | Rs. In Crore | No. of NCDs | Rs. In Crore |
| 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 | 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 | 25,000 | 250.00 |
| TCHFL NCD "A" FY 2023-24 Reissue No.2-3 | 30-Jul-24 | 18-Sep-26 | 17,500 | 175.00 | - | - |
| TCHFL NCD "A" FY 2023-24 Reissue No.2-2 | 30-Jul-24 | 18-Sep-26 | 2,500 | 25.00 | - | - |
| TCHFL NCD "A" FY 2023-24 Reissue No.2-1 | 30-Jul-24 | 18-Sep-26 | 20,000 | 200.00 | - | - |
| TCHFL NCD "A" Series FY 2023-24 Re-1 | 16-Jul-24 | 18-Sep-26 | 15,000 | 150.00 | - | - |
| TCHFL NCD "D" FY 2023-24 | 21-Feb-24 | 19-Feb-27 | 90,100 | 901.00 | 90,100 | 901.00 |
| TCHFL NCD "C" FY 2023-24 | 21-Dec-23 | 19-Mar-27 | 50,000 | 500.00 | 50,000 | 500.00 |
| TCHFL NCD "C" FY 2023-24 – Reissue No. 1 | 24-Jan-24 | 19-Mar-27 | 30,000 | 300.00 | 30,000 | 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 | 5,000 | 500.00 |
| TCHFL NCD "A" Series FY 2022-23 – Reissue No. 3 | 27-Feb-24 | 18-May-27 | 4,000 | 400.00 | 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 "D" FY 2022-23-Option-II Reissue No. 1 | 27-May-24 | 05-Aug-27 | 8,500 | 850.00 | - | - |
| TCHFL NCD D FY 2022-23-Option-II R2-2 | 18-Jun-24 | 05-Aug-27 | 4,500 | 450.00 | - | - |
| TCHFL NCD D FY 2022-23-Option-II R2-1 | 18-Jun-24 | 05-Aug-27 | 1,500 | 150.00 | - | - |
| TCHFL NCD "D" FY 2022-23-Option-II Reissue No.3 | 22-Aug-24 | 05-Aug-27 | 1,600 | 160.00 | - | - |
| 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 G Series FY 2022-23-Opt-II Reissue No.3 | 30-Jul-24 | 03-Nov-27 | 3,000 | 300.00 | - | - |
| TCHFL NCD "G" Series FY 2022-23-Option--II Reissue No.3 | 30-Jul-24 | 03-Nov-27 | 2,000 | 200.00 | - | - |
| TCHFL NCD "G Series FY 2022-23-Opt-II R2 | 16-Jul-24 | 03-Nov-27 | 1,900 | 190.00 | - | - |
| TCHFL NCD UNLISTED "A" SERIES FY 2022-23 | 27-Dec-22 | 27-Dec-27 | 11,250 | 1,125.00 | 11,250 | 1,125.00 |
| TCHFL NCD D FY 2024-25-1 | 16-Oct-24 | 14-Jan-28 | 1,17,600 | 1,176.00 | - | - |
| TCHFL NCD "E" FY 2024-25 | 26-Dec-24 | 24-Jul-28 | 50,000 | 500.00 | - | - |
| TCHFL NCD "B" FY 2023-24 | 13-Dec-23 | 13-Dec-28 | 89,800 | 898.00 | 89,800 | 898.00 |
| TCHFL NCD "A" FY 2024-25 | 18-Jun-24 | 18-Jun-29 | 55,000 | 550.00 | - | - |
| TCHFL NCD "A" FY 2024-25 Reissue No.1-2 | 07-Aug-24 | 18-Jun-29 | 55,000 | 550.00 | - | - |
| TCHFL NCD "A" FY 2024-25 Reissue No.1-1 | 07-Aug-24 | 18-Jun-29 | 20,000 | 200.00 | - | - |
| TCHFL NCD "C" Series FY 2024-25 | 23-Sep-24 | 21-Sep-29 | 1,00,000 | 1,000.00 | - | - |
| 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 2024-25 | 14-Jan-25 | 14-Jan-30 | 90,500 | 905.00 | - | - |
| 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 | 1,00,000 | 1,000.00 |
| TCHFL NCD "B" FY 2024-25 | 08-Jul-24 | 07-Jul-34 | 58,000 | 580.00 | - | - |
| TCHFL NCD "B" FY 2024-25 Reissue No.1 | 07-Aug-24 | 07-Jul-34 | 27,000 | 270.00 | - | - |
| TCHFL NCD "B" FY 2024-25 Reissue No.2 | 30-Sep-24 | 07-Jul-34 | 25,000 | 250.00 | - | - |
| TCHFL NCD "A" FY 2021-22 | 18-May-21 | 17-May-24 | - | - | 2,600 | 260.00 |
| TCHFL NCD "D" FY 2021-22 | 20-Jul-21 | 19-Jul-24 | - | - | 1,850 | 185.00 |
| TCHFL NCD "E" FY 2021-22 | 15-Sep-21 | 13-Sep-24 | - | - | 5,000 | 500.00 |
| TCHFL NCD R FY 2014-15 | 09-Dec-14 | 09-Dec-24 | - | - | 2,000 | 200.00 |
| TCHFL NCD V FY 2014-15 | 23-Jan-15 | 23-Jan-25 | - | - | 1,500 | 150.00 |
| Total | | | | 23,560.10 | | 16,024.10 |
| Add: Unamortised premium | | | | 10.43 | | 3.82 |
| Add: Interest accrued but not due | | | | 823.16 | | 505.41 |
| Total | | | | 833.59 | | 509.23 |
| Less: Unamortised borrowing cost | | | | (15.37) | | (13.92) |
| Less: Unamortised discount | | | | (30.57) | | (34.22) |
| Total | | | | (45.94) | | (48.14) |
| Privately Placed Non-Convertible Debentures | | | | 24,347.75 | | 16,485.19 |

Note: Coupon rate of above outstanding as on March 31, 2025 varies from 6.25% to 8.87% (March 31, 2024 : 5.70% to 9.22%).

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

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, 2025 | | No. of NCDs | As at March 31, 2024 | |
|--|------------|-----------------|----------------------|--------------|-------------|----------------------|--------------|
| | | | No. of NCDs | Rs. In Crore | | No. of NCDs | Rs. In Crore |
| TCHFL NCD "C" Series FY 2022-23 | 06-Jul-22 | 05-Jul-24 | - | - | 1,600 | 160.00 | |
| TCHFL NCD "C" FY 2021-22 | 23-Jun-21 | 23-Sep-24 | - | - | 1,350 | 135.00 | |
| TCHFL NCD "C" FY 2021-22 - Reissue No. 1 | 08-Sep-21 | 23-Sep-24 | - | - | 2,000 | 200.00 | |
| TCHFL NCD "I" FY 2021-22 | 17-Dec-21 | 17-Dec-24 | - | - | 1,500 | 150.00 | |
| Total | | | | - | | 645.00 | |
| Add: Interest accrued but not due | | | | - | | - | |
| Total | | | | - | | - | |
| Less: Unamortised borrowing cost | | | | - | | (0.04) | |
| Less: Unamortised discount | | | | - | | (17.71) | |
| Total | | | | - | | (17.75) | |
| Privately Placed Non-Convertible Debentures - ZCB | | | | - | | 627.25 | |

Note: Coupon rate of above outstanding as on March 31, 2025 is Nil (March 31, 2024 : 5.70% 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, 2025 | | No. of NCDs | As at March 31, 2024 | |
|---|------------|-----------------|----------------------|---------------|-------------|----------------------|--------------|
| | | | No. of NCDs | Rs. In Crore | | No. of NCDs | Rs. In Crore |
| 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 | |
| TCHFL NCD "Series II" FY 2019-20 | 14-Jan-20 | 14-Jan-25 | - | - | 51,892 | 5.19 | |
| TCHFL NCD "Series II" FY 2019-20 | 14-Jan-20 | 14-Jan-25 | - | - | 5,41,471 | 54.15 | |
| TCHFL NCD "Series III" FY 2019-20 | 14-Jan-20 | 14-Jan-25 | - | - | 3,35,925 | 33.59 | |
| TCHFL NCD "Series III" FY 2019-20 | 14-Jan-20 | 14-Jan-25 | - | - | 23,48,032 | 234.80 | |
| Total | | | | 141.84 | | 469.57 | |
| Add: Interest accrued but not due | | | | 1.97 | | 6.96 | |
| Less: Unamortised borrowing cost | | | | (0.45) | | (1.08) | |
| Total | | | | 1.52 | | 5.88 | |
| Public issue of Non-Convertible Debentures | | | | 143.36 | | 475.45 | |

Note: Coupon rate of above outstanding as on March 31, 2025 varies from 8.01% to 8.40% (March 31, 2024 : 7.92% to 8.40%).

14.5 Coupon Rate on Commercial Paper varies from 7.47% to 7.75% (March 31, 2024 : 7.05% to 8.05%).

14.6 The Company has not defaulted in the repayment of debt securities and interest thereon for the year ended March 31, 2025 and March 31, 2024.

14.7 Debt securities held by related parties as on March 31, 2025 is Rs. 151.90 crore (March 31, 2024: Rs. 153.86 crore).

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

15. BORROWINGS (OTHER THAN DEBT SECURITIES)

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| At amortised cost | | |
| (a) Term loans | | |
| Secured - From Banks | | |
| (i) Term Loans (Refer note 15.1 and 15.2 below) | 17,441.61 | 13,836.37 |
| (ii) National Housing Bank (Refer notes 15.5) | 9,023.44 | 8,197.41 |
| (iii) External Commercial Borrowings (Refer note 15.1 and 15.2 below) | 2,372.66 | 835.80 |
| Secured - From Others | | |
| (i) Term Loans (Refer note 15.3 and 15.4 below) | 647.59 | 100.11 |
| (b) Loans repayable on demand | | |
| Secured - 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) | 1,530.14 | 1,086.12 |
| Unsecured - From Banks | | |
| (i) Working capital demand loan (Refer note 15.6 below) | 400.00 | 400.00 |
| Total | 31,415.44 | 24,455.83 |
| Borrowings within India | 29,042.78 | 23,620.03 |
| Borrowings outside India | 2,372.66 | 835.80 |

- 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 3 months to 7 years (as at March 31, 2024: 1 months to 6 years) from the date of loan taken. Rate of interest payable to banks varies between 6.60% to 8.70% (March 31, 2024 : 6.99% to 8.70%).
- 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 1 to 7 years from the date of loan taken. Rate of Interest payable to others varies between 8.05% to 8.10% (March 31, 2024 : 8.10%).
- 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 1-40 (March 31, 2024: 3-39) quarterly installments. Rate of interest payable on National Housing Bank varies between 2.80% to 8.50% (March 31, 2024: 2.80% to 8.50%).
- 15.6** Rate of Interest payable on Bank Overdraft & Working Capital Demand Loan varies between 7.30% to 8.60% (March 31, 2024 : 7.28% to 8.45%).
- 15.7** As at March 31, 2025, the Company had undrawn committed borrowing facilities of Rs. 3,875 crore. (March 31, 2024 : Rs. 3,330 crore).
- 15.8** The Company has not defaulted in the repayment of borrowings (other than debt securities) and interest thereon for the year ended March 31, 2025 and March 31, 2024.
- 15.9** The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

16. SUBORDINATED LIABILITIES

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| At amortised cost | | |
| Unsecured - In India | | |
| Debentures | | |
| Privately Placed Non-Convertible Subordinated Debentures (Refer note 16.1 below) | 1,248.55 | 1,298.22 |
| Public issue of Non-Convertible Subordinated Debentures (Refer note 16.2 below) | 79.04 | 78.96 |
| Total | 1,327.59 | 1,377.18 |

Notes:

(a) The Company has not defaulted in the repayment of Subordinated Liabilities and interest for the year ended March 31, 2025 and for the year ended March 31, 2024.

(b) Subordinated Liabilities held by related parties as on March 31, 2025 is Rs. 18.62 crore (March 31, 2024: Rs. 18.62 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, 2025 | | As at March 31, 2024 | |
|---|------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| | | | No. of NCDs | Rs. In Crore | No. of NCDs | Rs. In Crore |
| 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 | 300 | 300.00 |
| TCHFL Tier II Bond A FY 2014-15 | 26-Sep-14 | 26-Sep-24 | - | - | 480 | 48.00 |
| Total | | | | 1,200.00 | | 1,248.00 |
| Add: Interest accrued but not due | | | | 54.71 | | 57.33 |
| Less: Unamortised borrowing cost | | | | (2.75) | | (3.24) |
| Less: Unamortised discount | | | | (3.41) | | (3.87) |
| Total | | | | 48.55 | | 50.22 |
| Privately Placed Non-Convertible Subordinated Debentures | | | | 1,248.55 | | 1,298.22 |

Note: Coupon rate of above outstanding as on March 31, 2025 varies from 7.33% to 9.25% (March 31, 2024 : 7.33% to 10.15%).

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, 2025 | | As at March 31, 2024 | |
|--|------------|-----------------|----------------------|--------------|----------------------|--------------|
| | | | No. of NCDs | Rs. In Crore | No. of NCDs | 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 | | | | 1.43 | | 1.44 |
| Less: Unamortised borrowing cost | | | | (0.43) | | (0.52) |
| Total | | | | 1.00 | | 0.92 |
| Public issue of Non-Convertible Subordinated Debentures | | | | 79.04 | | 78.96 |

Note: Coupon rate of above outstanding as on March 31, 2025 is borrowed at 8.70% (March 31, 2024 : 8.70%).

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

17. OTHER FINANCIAL LIABILITIES

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| (a) Payable for capital expenditure | 0.23 | 0.91 |
| (b) Advances from customers | 12.97 | 6.34 |
| (c) Accrued employee benefit expense | 73.54 | 60.75 |
| (d) Amounts payable - assigned loans | 13.79 | 0.74 |
| (e) Unclaimed matured debentures and accrued interest thereon | 0.24 | 0.24 |
| (f) Claimed amount under CGTMSE, ECLGS and other arrangements | 0.83 | 0.66 |
| (g) Margin money received towards derivative variation | 121.92 | - |
| (h) Book Overdraft | 39.83 | 15.72 |
| Total | 263.35 | 85.36 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

18. PROVISIONS

| PARTICULARS | As at | As at |
|--|----------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Provision for employee benefits: | | |
| (a) Provision for gratuity | 3.91 | 0.09 |
| (b) Provision for compensated absences | 9.84 | 6.95 |
| (c) Provision for long-term service award | 0.58 | 0.41 |
| Others: | | |
| (a) Provision for off Balance Sheet exposure | 20.44 | 27.75 |
| Total | 34.77 | 35.20 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

19. OTHER NON-FINANCIAL LIABILITIES

| PARTICULARS | As at | As at |
|--------------------|----------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| (a) Statutory dues | 46.55 | 46.45 |
| (b) Others | 14.53 | 14.06 |
| Total | 61.08 | 60.51 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

as at March 31, 2025

(Rs. in crore)

20. SHARE CAPITAL

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| AUTHORISED | | |
| 2,500,000,000 (as at March 31, 2023: 2,500,000,000) 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) Preference shares of Rs.10 each | 2,000.00 | 2,000.00 |
| | 4,500.00 | 4,500.00 |
| ISSUED, SUBSCRIBED & PAID UP | | |
| 60,88,16,574 (as at March 31, 2024: 59,61,45,835) Equity shares of Rs.10 each fully paid up | 608.82 | 596.15 |
| Total | 608.82 | 596.15 |

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

| Particulars | No. of shares | As at March 31, 2025 Rs. in Crore | % holding | No. of shares | As at March 31, 2024 Rs. in Crore | % holding |
|---|---------------|--------------------------------------|-----------|---------------|--------------------------------------|-----------|
| Tata Capital Limited (Holding Company) | 60,88,16,574 | 608.82 | 100% | 59,61,45,835 | 596.15 | 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, 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 |
| Additions during the year | 1,26,70,739 | 12.67 |
| Closing Balance as on March 31, 2025 | - | 60,88,16,574 |
| | | 608.82 |

During the year, the Company has issued 1,26,70,739 equity shares of face value Rs. 10 each fully paid up, at a price of Rs. 473.50 each, including a premium of Rs. 463.50 each (March 31, 2024: 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).

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, 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 |
| | Additions during the period | 1,26,70,739 | 12.67 |
| | Closing Balance as on March 31, 2025 | - | 60,88,16,574 |
| | % change during the year as on March 31, 2024 | 4.45% | |
| | % change during the period as on March 31, 2025 | 2.13% | |

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, 2025

(Rs. in crore)

21. OTHER EQUITY

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| (a) Securities Premium Account | 3,595.33 | 3,008.07 |
| (b) Special Reserve Account | 1,103.64 | 803.85 |
| (c) Retained earnings | 3,481.41 | 2,282.27 |
| (d) Other Comprehensive Income | | |
| (i) Effective portion of cash flow hedge reserve | (8.19) | 3.84 |
| (ii) Remeasurement of defined benefit (liability) / asset | (3.65) | (0.46) |
| (e) Share options outstanding account | 10.59 | 6.66 |
| (f) General Reserve | 14.04 | 10.62 |
| Total | 8,193.17 | 6,114.85 |

- 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. 298.18 crore (March 31, 2024: Rs. 229.53 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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year | | |
| a) Statutory Reserve as per Section 29C of 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 NHB Act, 1987 | 544.67 | 366.23 |
| Total (A) | 803.85 | 574.32 |
| Addition / Appropriation / withdrawal during the period | | |
| Add: a) Amount transferred u/s 29C of the NHB Act, 1987 | 114.46 | 51.09 |
| 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 NHB Act, 1987 | 185.33 | 178.44 |
| 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) | 299.79 | 229.53 |
| Balance at the end of the period | | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 373.64 | 259.18 |
| 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 | 730.00 | 544.67 |
| Total (A+B) | 1,103.64 | 803.85 |

- 21.2 The Company has transferred an amount of Rs. 185.33 crore (March 31, 2024: Rs. 178.44 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 2024-2025 on equity shares (March 31, 2024 : Nil).

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 Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

22. INTEREST INCOME

| PARTICULARS | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| On Financial Assets measured at Amortised Cost | | |
| (a) Interest on loans | 6,385.01 | 4,786.28 |
| (b) Interest income from investments | 88.73 | 41.87 |
| (c) Interest income on deposits with banks | 7.23 | 1.82 |
| (d) Other interest income | 3.95 | 10.67 |
| Total | 6,484.92 | 4,840.64 |

23. FEES AND COMMISSION INCOME

| PARTICULARS | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| On Financial Assets measured at Amortised Cost | | |
| (a) Foreclosure charges | 27.66 | 26.43 |
| (b) Fees on value added services and products | 286.93 | 209.47 |
| (c) Others (valuation charges, PDD charges etc) | 70.69 | 51.28 |
| Total | 385.28 | 287.18 |

The company has earned commission from non-life insurance companies amounting to Rs. 150.84 crore (March 31, 2024 : Rs. 85.28 crore) and from life insurance companies amounting to Rs. 136.09 crore (March 31, 2024 : Rs. 124.19 crore)

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

| PARTICULARS | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| i. Type of service | | |
| - Fee and commission income | 385.28 | 287.18 |
| Total | 385.28 | 287.18 |
| ii. Primary geographical market: | | |
| - Outside India | - | - |
| - India | 385.28 | 287.18 |
| Total revenue from contracts with customer | 385.28 | 287.18 |
| iii. Timing of revenue recognition | | |
| - at a point in time upon rendering services | 385.28 | 287.18 |
| - over period of time upon rendering services | - | - |
| Total | 385.28 | 287.18 |
| iv. Trade receivables towards contracts with customers | | |
| - Opening Balance | 29.38 | 25.35 |
| - Closing Balance | 9.01 | 29.38 |
| v. Impairment on trade receivables towards contracts with customers | 2.30 | 0.45 |

Income accrued but not due of Rs. 23.47 crore as at March 31, 2025 (March 31, 2024 : Rs. Nil) has been considered as contract assets, which are billable on completion of milestones specified in the contracts.

As on March 31, 2025 and March 31, 2024, the Company does not have any unsatisfied / partially satisfied performance obligation.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

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

| PARTICULARS | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| (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 | 63.29 | 56.57 |
| - On derivative contracts | - | - |
| (C) Total net gain/(loss) on fair value changes | 63.29 | 56.57 |
| (D) Fair value changes : | | |
| -Realised | 62.72 | 59.75 |
| -Unrealised | 0.57 | (3.18) |
| Total net gain/(loss) on fair value changes | 63.29 | 56.57 |

26. OTHER INCOME

| PARTICULARS | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--------------------------|--------------------------------------|--------------------------------------|
| (a) Miscellaneous Income | 6.27 | 4.81 |
| Total | 6.27 | 4.81 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

27. FINANCE COSTS

| PARTICULARS | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| At Amortised cost | | |
| (a) Interest on borrowings | 2,058.01 | 1,437.17 |
| (b) Interest on debt securities | 1,964.92 | 1,400.78 |
| (c) Interest on subordinated liabilities | 108.73 | 88.28 |
| (d) Interest on lease liabilities | 9.46 | 8.90 |
| (e) Other interest expense | 0.71 | - |
| Total | 4,141.83 | 2,935.13 |

28. EMPLOYEE BENEFIT EXPENSES

| PARTICULARS | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| (a) Salaries, wages and bonus | 416.32 | 399.55 |
| (b) Contribution to provident and other fund | 18.31 | 14.99 |
| (c) Staff welfare expenses | 21.86 | 23.19 |
| (d) Expenses related to post-employment defined benefit plans | 3.83 | 3.03 |
| (e) Share based payments to employees | 6.85 | 6.00 |
| Total | 467.17 | 446.76 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

29. REVERSAL ON IMPAIRMENT OF FINANCIAL INSTRUMENTS

| PARTICULARS | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| (a) Loans - at amortised cost | | |
| (i) Impairment allowance - stage I & II | (95.54) | (100.85) |
| (ii) Impairment allowance - stage III | 9.79 | (62.13) |
| (iii) Write off - Loans (net of recoveries)* | (67.19) | (1.40) |
| (b) Trade receivables - at amortised cost | | |
| (i) Impairment allowance | 1.84 | (14.44) |
| (ii) Write off - Trade receivables (net of recoveries)* | - | 30.35 |
| (c) Other financial assets | | |
| (i) Impairment allowance | 0.04 | - |
| Total | (151.06) | (148.47) |

Note:

* includes write off amounting to Rs. 51.93 crore (March 31, 2024: Rs. 158.50 crore) and write back amounting to Rs. 119.12 crore (March 31, 2024: Rs. 129.55 crore)

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

30. OTHER EXPENSES

| PARTICULARS | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| (a) Advertisements and publicity | 40.86 | 30.56 |
| (b) Brand Equity and Business Promotion | 18.99 | 14.07 |
| (c) Corporate social responsibility cost (refer note no. 30.3) | 22.10 | 16.53 |
| (d) Incentive / commission / brokerage | 0.06 | 0.19 |
| (e) Information technology expenses | 95.17 | 76.91 |
| (f) Insurance charges | 0.16 | 1.16 |
| (g) Legal and professional fees | 43.19 | 40.05 |
| (h) Loan processing fees | 46.36 | 32.26 |
| (i) Printing and stationery | 4.56 | 4.76 |
| (j) Power and fuel | 5.45 | 4.82 |
| (k) Repairs and maintenance | 2.86 | 1.44 |
| (l) Rent | 11.42 | 15.02 |
| (m) Rates and taxes | 1.70 | 1.80 |
| (n) Service providers' charges | 77.64 | 72.65 |
| (o) Training and recruitment | 3.40 | 7.26 |
| (p) Telephone, telex and leased line | 1.08 | 3.31 |
| (q) Travelling and conveyance | 18.97 | 16.12 |
| (r) Assets written off | 0.02 | 0.04 |
| (s) Net loss on derecognition of property, plant & equipment | 0.11 | 0.14 |
| (t) Collection Charges | 22.30 | 10.19 |
| (u) Audit Fees (refer note no. 30.1) | 2.17 | 1.29 |
| (u) Other expenses* | 36.84 | 21.69 |
| Total | 455.41 | 372.26 |

* includes contribution amounting to Rs. 9.93 crore to the Progressive Electoral Trust.

30.1 Auditors Remuneration (excluding taxes) are as below:

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Audit Fees | 0.90 | 0.90 |
| Tax Audit Fees | 0.10 | 0.10 |
| Other Services (Certification)# | 1.17 | 0.29 |
| Total | 2.17 | 1.29 |

*Other Services include out of pocket expenses of Rs. Nil (March 31, 2024: Rs. 0.07 crore).

Includes fees of Rs. 1.10 crore (Previous year Rs. Nil) incurred during the year in respect of fund raised and in process of raising fund by the holding company (Tata Capital Limited).

30.2 Expenditure in foreign currency:

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Other expenses: | | |
| Legal and Professional fees | 0.13 | - |
| Information technology expenses | 7.49 | 5.20 |
| Training and recruitment | 0.04 | 0.02 |
| Total | 7.66 | 5.22 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

30.3 Corporate social responsibility expenses:

(a) Gross amount required to be spent by the company during the year was Rs. 22.10 crore (March 31, 2024: Rs.16.53 crore)

(b) Amount spent during the year on:

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| (i) Construction/acquisition of any asset | | |
| Paid | 0.34 | 2.19 |
| Yet to be paid | - | - |
| (ii) On purposes other than above (i) | | |
| Paid | 17.99 | 14.34 |
| 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: Rs 3.77 crore.

(d) The total of previous period shortfall amounts: Nil

(e) The reason for above shortfalls by way of a note: The amount of Rs. 3.77 crore is proposed to be earmarked towards capital-intensive watershed infrastructural work (like creating check-dams, desiltation of water bodies, creating new farm ponds, etc.), agricultural trainings and livelihood support which are best implemented before monsoon period in the project area within the duration of the ongoing project to enhance and augment the impact. Therefore, the amount of Rs. 3.77 crore, proposed to be re-allocated to an existing ongoing project i.e. JalAadhar Milestone 10,000 ha Project at Tamil Nadu with National Agro Foundation (NAF), will be unspent in FY 2024-25 and the said unspent amount will be utilized towards the said project in accordance with the provisions of Companies Act, 2013.

(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 Education, Climate Action and Health.

(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

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

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

(a) Contingent Liabilities:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Claims against the company not acknowledge as debt: | | |
| Suits filed against the Company | 3.42 | 3.56 |
| Income Tax (Pending before Appellate authorities) | - | 0.68 |
| Goods and Services Tax (Pending before Appellate authorities) | 16.02 | - |
| Guarantees excluding financial guarantees: | | |
| Bank Guarantees | 0.75 | 0.75 |

(b) Commitments:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances given) Rs. 3.76 crore. (March 31, 2024: 11.82 crore).

(ii) Undrawn Commitment given to Borrowers: Rs. 10,840.58 crore (March 31, 2024: Rs. 8,256.20 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 (ceased to be subsidiary w.e.f December 31, 2024 but not strike off yet) |
| | Tata Capital General Partners LLP |
| | Tata Capital Healthcare General Partners LLP |
| | Tata Opportunities General Partners LLP |
| | Tata Securities Limited |
| | Tata Capital Healthcare II General Partners LLP |
| | TCL Employee Welfare Trust |
| Associates of Holding Company (with which the company had transactions) | Fincare Business Services Limited (ceased to be an associate w.e.f March 24, 2025) |
| | 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 |
| Retiral Plans of Subsidiary of Holding Company | Tata Securities Limited Employees Gratuity Scheme |
| | Tata Securities Limited Employees Superannuation Scheme |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 |
| | 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 (merged with Tata Capital Limited w.e.f May 08, 2025) |
| | 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 |
| | 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 |
| | TVS Emerald Limited (Formerly known as Emerald Haven Realty Limited (EHRL)) |
| 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) |
| | Mr. Sujit Kumar Varma (Independent Director) |
| | Ms. Malvika Sinha (Independent Director) |
| | Mr. Nagaraj Iajri (Independent Director) (Appointed as a Independent Director w.e.f 1st April 2024) |
| | Mr. Mahadeo Bhiku Raikar (Chief Financial Officer) |
| | Ms. Sanna Gupta (Company Secretary) |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

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

| Sr. No. | Party Name | Nature of transaction | 2024-25 | 2023-24 |
|---------|---|--|----------|----------|
| 1 | Tata Sons Private Limited | Expenses | | |
| | | BEBP Expenses | 18.99 | 14.10 |
| | | Training Expenses | - | 0.02 |
| | | Liabilities | | |
| | | Balance payable (Net) | 18.99 | 14.10 |
| 2 | Tata Capital Limited^ | Income | | |
| | | Rent recovery | 5.21 | 6.44 |
| | | Reimbursement of valuation expenses | 1.75 | 1.23 |
| | | Guest House Recovery | 0.13 | 0.04 |
| | | Interest income on loan | 0.61 | - |
| | | Expenses | | |
| | | Inter-Corporate Deposit (ICD) interest | - | 11.59 |
| | | Service provider charges | 9.50 | 12.19 |
| | | Insurance expenses | - | 0.06 |
| | | Rent expenses | 16.09 | 10.86 |
| | | Reimbursement of Professional charges | 0.38 | 0.70 |
| | | Guest house expenses | 0.26 | 0.10 |
| | | Referral Fees | 0.50 | 1.93 |
| | | Reimbursement of Information technology expenses | - | 0.15 |
| | | Other transactions | | |
| | | Inter-Corporate Deposit received | - | 1,355.00 |
| | | Inter-Corporate Deposit repaid | - | 1,798.67 |
| | | Loan given | 1,025.00 | - |
| | | Loan repaid | 1,025.00 | - |
| | | Infusion in Equity Share (inclusive of securities premium) | 599.96 | 700.00 |
| | | Purchase of Fixed Assets | 0.28 | - |
| | | Sale of Fixed Asset | 0.25 | 0.16 |
| | | Assets | | |
| | | Security Deposit receivable | 12.60 | 12.60 |
| | | Liabilities | | |
| | | Balance payable (Net) | 0.81 | 2.26 |
| 3 | Tata Consultancy Services Limited | Expenses | | |
| | | Information technology expenses | 48.51 | 37.23 |
| | | Liabilities | | |
| | | Balance payable (Net) | 12.87 | 13.24 |
| 4 | Tata AIA Life Insurance Company Limited | Income | | |
| | | Fees on value added services and products | 91.02 | 66.71 |
| | | Expenses | | |
| | | Insurance Expense for Employees | 1.02 | 1.17 |
| | | Assets | | |
| | | Advance given | 1.39 | 1.10 |
| | | Balance receivables (Net) | 1.33 | 13.13 |
| | | Liabilities | | |
| | | Payable towards NCDs | 75.00 | - |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

| Sr. No. | Party Name | Nature of transaction | 2024-25 | 2023-24 |
|---------|---|---|---------|---------|
| 5 | Tata AIG General Insurance Company Limited | Income Fees on value added services and products | 72.22 | 30.24 |
| | | Expenses Insurance expenses | 11.72 | 0.69 |
| | | Other Transactions Interest paid on Non-Convertible Debentures (NCDs) | 4.82 | 10.15 |
| | | Repayment towards NCDs | 74.46 | - |
| | | Assets Advance given | 0.85 | 0.59 |
| | | Balance Receivables (Net) | 7.14 | 6.88 |
| | | Liabilities Payable towards NCDs | 50.00 | 124.46 |
| 6 | Tata Teleservices Limited | Expenses Telephone Expenses | 0.01 | 0.03 |
| | | Assets Security Deposit receivable | 0.01 | - |
| 7 | Tata Teleservices (Maharashtra) Limited | Expenses Telephone Expenses | 0.19 | 0.02 |
| | | Liabilities * Balance payable (Net) | - | 0.00 |
| 8 | Tata Communications Limited | Expenses Information technology expenses | 2.29 | 1.52 |
| | | Liabilities Balance payable (Net) | 0.52 | - |
| 9 | Voltas Limited | Expenses Repair & Maintenance | 0.15 | 0.13 |
| | | Other transactions Purchase of Fixed Assets | 0.31 | 1.77 |
| | | Liabilities * Balance payable (Net) | - | 0.04 |
| 10 | Titan Company Limited | Expenses Staff welfare | - | 0.01 |
| 11 | Tata Capital Limited Employees Provident Fund Trust | Expenses Contribution to Provident Fund | 11.68 | 9.26 |
| | | Other transactions Employees Contribution to Provident Fund | 17.68 | 14.57 |
| | | Interest paid on NCDs | - | 0.05 |
| | | Repayment towards NCDs | - | 0.50 |
| 12 | Tata Capital Limited Superannuation Scheme | Expenses Contribution to Superannuation | 0.20 | 0.15 |
| 13 | Tata Securities Limited | Income Rent income | 0.22 | 0.13 |
| | | Expenses * Referral Fees | 0.00 | 0.00 |
| | | * DP Cost | 0.00 | 0.00 |
| | | Assets Balance receivable (Net) | - | 0.01 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

| Sr. No. | Party Name | Nature of transaction | 2024-25 | 2023-24 |
|---------|--|---|---------------------------|--|
| 14 | Tata Technologies Limited | Expenses Information technology expenses | 1.38 | 1.08 |
| 15 | The Indian Hotels Company Limited | Expenses Staff welfare Other Transactions Advance given | 0.11 - | 0.09 0.04 |
| 16 | Piem Hotel Limited | Expenses Staff welfare | - | 0.01 |
| 17 | Tata Motors Finance Limited # | Expenses Rent Expenses Other Transactions Paid towards purchase of loan Liabilities Balance Payable (Net) | 0.41 0.28 - | 0.74 - 0.08 |
| 18 | TMF Business Services Limited ## | Expenses Rent Expenses Liabilities Balance Payable (Net) | - - | 0.25 - |
| 19 | Innovative Retail Concepts Private Limited | Expenses Staff welfare expenses | 0.01 | 0.01 |
| 20 | Indusface Private Limited | Expenses Information technology expenses Liabilities Balance Payable (Net) | 0.08 0.01 | 0.01 - |
| 21 | Tata Electronics Private Limited | Income Interest income on loan Other Transactions Loan given Loan repaid | - - - | 3.00 113.90 113.90 |
| 22 | Fincare Business Services Limited | Income Interest income on loan Other Transactions Loan given Loan repaid Assets Loan receivable including interest accrued Commitments Off balance sheet exposure | 21.40 - 465.00 - | 3.50 465.00 - 468.50 35.00 |
| 23 | Tata 1mg Technologies Private Limited | Expenses Staff welfare expenses | 0.05 | 0.03 |
| 24 | Tata Unistore Limited | Expenses * Staff welfare expenses | - | 0.00 |
| 25 | Tata Steel Ltd Provident Fund | Other Transactions Interest paid on NCDs Liabilities Payable towards NCDs | 3.36 37.50 | 3.35 37.50 |
| 26 | Tata Industries Superannuation Fund Trust | Other Transactions Interest paid on NCDs Repayment towards NCDs | - - | 0.09 1.00 |
| 27 | Tata Motors Limited Gratuity Fund | Other Transactions Interest paid on NCDs Repayment towards NCDs | - - | 0.79 8.20 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

| Sr. No. | Party Name | Nature of transaction | 2024-25 | 2023-24 |
|---------|--|--|--|---|
| 28 | Tata Sons Consolidated Provident Fund | Other Transactions Interest paid on NCDs Repayment towards NCDs | - - | 0.09 0.90 |
| 29 | Tata Sons Consolidated Superannuation Fund | Other Transactions Interest paid on NCDs Repayment towards NCDs | - - | 0.15 1.60 |
| 30 | Titan Industries Gratuity Fund | Other Transactions Interest paid on NCDs Repayment towards NCDs Liabilities Payable towards NCDs | 0.09 1.00 - - | 0.09 - 1.00 |
| 31 | Titan Watches Provident Fund | Other Transactions Interest paid on NCDs Repayment towards NCDs Liabilities Payable towards NCDs | 0.14 1.50 - - | 0.14 - 1.50 |
| 32 | Voltas Limited Employees Superannuation Scheme | Other Transactions Interest paid on NCDs Liabilities Payable towards NCDs | 0.15 2.00 | 0.15 2.00 |
| 33 | Voltas Limited Provident Fund | Other Transactions Interest paid on NCDs Liabilities Payable towards NCDs | 0.15 2.00 | 0.15 2.00 |
| 34 | Voltas Managerial Staff Provident Fund | Other Transactions Interest paid on NCDs Liabilities Payable towards NCDs | 0.30 4.00 | 0.30 4.00 |
| 35 | Tata Consulting Engineers Limited | Other Transactions Interest paid on NCDs Repayment towards NCDs | - - | 2.01 10.00 |
| 36 | TCL Employee Welfare Trust | Assets Loan receivable | 2.37 | 2.37 |
| 37 | TVS Emerald Limited (Formerly known as Emerald Haven Realty Limited (EHL)) | Income Interest income on loan Processing Fees Expenses Other Marketing Cost Other Transactions Loan given Loan repaid Assets Loan receivable including interest accrued | 14.62 4.25 0.04 425.00 90.00 338.17 | - - - - - - |
| 38 | KMP of Holding Company | Other Transactions * Interest paid on NCDs Liabilities Payable towards NCDs | 0.00 0.02 | 0.00 0.02 |
| 39 | Key Management Personnel (KMP) | Remuneration to KMP ### Short Term Employee Benefits Post Employment Benefits Termination Benefits - Share based payments (No. of Shares) ^^ (i) Options granted till date (ii) Options exercised till date | 10.14 0.22 - 28,27,850 18,03,278 | 45.01 0.21 0.43 55,71,208 35,48,012 |

*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.

Tata Motors Finance Limited got merged with Tata Capital Limited with effect from May 08, 2025.

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 (Holding 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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

33. Earnings per Share (EPS):

| Particulars | | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|---------------|--------------------------------------|--------------------------------------|
| Profit after tax | Rs. in crore | 1,498.93 | 1,147.67 |
| Add: Preference dividend (including dividend distribution tax) | Rs. in crore | - | - |
| Profit after tax attributable to parent company | Rs. in crore | 1,498.93 | 1,147.67 |
| Weighted average number of Equity shares used in computing Basic / Diluted EPS | Nos | 59,63,88,835 | 57,26,20,412 |
| Face value of equity shares | Rupees | 10.00 | 10.00 |
| Earnings per share (Basic and Diluted) | Rupees | 25.13 | 20.04 |

34. Movement in provisions against loans and off balance sheet exposure during the year is as under :

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------|-------------------------|-------------------------|
| Opening Balance | 362.17 | 463.03 |
| Additions during the year | 61.49 | 84.91 |
| Utilised during the year | (157.02) | (185.77) |
| Closing Balance | 266.64 | 362.17 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 | ESOP 2024 |
|--|--|--|--|--|---|--|--|---|--|
| i. Vesting requirements | 20% at the end of each 12 months and 30% at the end of each 36 months from the date of grant | 20% at the end of each 12 months and 30% at the end of each 36 months from the date of grant | 20% at the end of each 12 months and 30% at the end of each 36 months from the date of grant | 20% at the end of each 12 months and 30% at the end of each 36 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 months and 30% at the end of each 36 months from the date of grant | 20% at the end of each 12 months and 30% at the end of each 36 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 months and 30% at the end of each 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 | 7 years |
| iii. Method of settlement | Equity settled | 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. | 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. | N.A. |

B. Summary of share based payments

31 March 2025

| Particulars | ESOP 2018 | ESOP 2019 | ESOP 2020 | ESOP 2021 | ESOP 2021 RSU | ESOP 2022 | ESOP 2023 | ESOP 2023 Special Scheme | ESOP 2024 | Total |
|--|-----------|-----------|-----------|-----------|---------------|-----------|-----------|-----------------------------|-----------|-----------|
| Outstanding balance at the beginning of the year | 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 granted | - | - | - | - | - | - | - | - | 9,49,500 | 9,49,500 |
| Options forfeited | - | - | - | - | 1,03,240 | - | 39,646 | - | 12,290 | 1,55,176 |
| Options exercised | 1,00,000 | 40,000 | 2,46,000 | 2,19,375 | 1,79,657 | 1,67,780 | 1,55,818 | - | - | 11,08,630 |
| Options expired | - | - | - | - | - | - | - | - | - | - |
| Options lapsed | - | - | - | - | - | - | - | - | - | - |
| Options outstanding at the end of the year | - | 60,000 | - | 1,96,875 | - | 4,41,156 | 9,27,976 | 1,80,000 | - | 27,43,217 |
| Options exercisable at the end of the year | - | 60,000 | - | - | - | - | 64,296 | - | - | 1,24,296 |
| For share options exercised: | | | | | | | | | | |
| Weighted average exercise price at date of exercise | | | | | | | | | | 68.10 |
| Money realized by exercise of options (Rs. in crore) | | | | | | | | | | 7.55 |
| For share options outstanding | | | | | | | | | | |
| Range of exercise prices | 50.60 | 51.00 | 40.30 | 51.80 | 51.80 | 85.00 | 151.15 | 151.15 | 226.40 | |
| Average remaining contractual life of options | - | 1.33 | - | 3.34 | - | 4.17 | 5.17 | 5.17 | 6.17 | 5.14 |
| Modification of plans | N.A. | 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. | N.A. | |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

35. Share based payment

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 year | 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 year | 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 year | 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 | 4.69 |
| 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. | |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 | ESOP 2024 |
|---|--|--|--|---|--|--|---|---|
| Share price: | 50.60 | 51.00 | 40.30 | 51.80 | 85.00 | 151.15 | 151.15 | 226.40 |
| Exercise Price: | 50.60 | 51.00 | 40.30 | 51.80 | 85.00 | 151.15 | 151.15 | 226.40 |
| Fair value of option: | 23.34 | 23.02 | 17.07 | 22.33 | 40.40 | 71.14 | 72.68 | 105.22 |
| Valuation model used: | Black Scholes valuation | 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 | 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 | As per the standard deviation of comparable companies of TCL for corresponding option lifetime |
| Contractual Option Life (years): | 7.00 | 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 | 0.00 |
| Risk free interest rate: | 8.04% | 6.28% | 5.22% | 5.87% | 7.14% | 7.06% | 7.05% | 6.90% |
| 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 | 20% vesting on June 30, 2025 |
| | 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 | | 40% vesting on May 31, 2026 |
| | 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 | | 70% vesting on May 31, 2027 |
| | 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 | | 100% vesting on May 31, 2028 |
| Valuation of incremental fair value on modification | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025

| Name of Scheme | Mr. Mahadeo Bhiku Raikar | | Mr. Sarosh Amaria## | | Ms. Sanna Gupta | |
|--------------------------|--------------------------|---------------|---------------------|------------------|-----------------|-----------|
| | Granted | Exercised | Granted | Exercised | Granted | Exercised |
| ESPS 2009 | 26,420 | 26,420 | 1,23,250 | 1,23,250 | - | - |
| 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 | - | - | 4,00,000 | 4,00,000 | - | - |
| ESOP 2019 | - | - | 4,00,000 | 4,00,000 | - | - |
| ESOP 2020 | - | - | 4,40,000 | 3,41,000 | - | - |
| ESOP 2021 | - | - | 4,50,000 | 1,80,000 | - | - |
| ESOP 2021 RSU | - | - | 1,23,194 | 1,23,194 | - | - |
| ESOP 2022 | 12,000 | 4,800 | 3,31,640 | 66,328 | - | - |
| ESOP 2023 | 25,000 | 5,000 | 2,00,000 | - | - | - |
| ESOP 2023 Special Scheme | - | - | - | - | - | - |
| ESOP 2024 | 22,200 | - | 1,38,000 | - | 2,860 | - |
| Total | 1,05,620 | 56,220 | 27,19,370 | 17,47,058 | 2,860 | - |

As at March 31, 2024

| Name of Scheme | Mr. Anil Kaul** | | Mr. Sarosh Amaria## | | Mr. Mahadeo Bhiku Raikar | | Ms. Sanna Gupta | |
|--------------------------|------------------|------------------|---------------------|------------------|--------------------------|---------------|-----------------|-----------|
| | Granted | Exercised | Granted | Exercised | Granted | Exercised | Granted | 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 | - | - |

**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 Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 ₹ 0.22 crore (March 31, 2024: ₹ 0.15 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 Holding 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, 2025.

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 ₹ 16.76 crore (March 31, 2024: ₹ 13.86 crore) for Provident Fund contributions and ₹ Nil (March 31, 2024: ₹ 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/Disability |
| 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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

36. Employee benefit expenses (Continued)

Movement in net defined benefit (asset) / liability

a) Reconciliation of balances of Defined Benefit Obligations.

| Particulars | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|--|--------------------------------------|----------------|--------------------------------------|----------------|
| | Total Funded | Total Unfunded | Total Funded | Total Unfunded |
| Defined Obligations at the beginning of the year | 20.05 | - | 13.22 | - |
| Current service cost | 4.00 | - | 3.01 | - |
| Interest cost | 1.36 | - | 0.87 | - |
| Amalgamations / Acquisitions | 0.34 | - | 3.08 | - |
| a. Due to change in financial assumptions | 2.87 | - | 0.31 | - |
| b. Due to change in experience adjustments | 1.86 | - | 1.47 | - |
| c. Due to experience adjustments | 0.26 | - | - | - |
| Benefits paid directly by the Company | (0.72) | - | (1.92) | - |
| Defined Obligations at the end of the year | 30.02 | - | 20.05 | - |

b) Reconciliation of balances of Fair Value of Plan Assets

| Particulars | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|--|--------------------------------------|----------------|--------------------------------------|----------------|
| | Total Funded | Total Unfunded | Total Funded | Total Unfunded |
| Fair Value at the beginning of the year | 19.96 | - | 12.01 | - |
| Expected return on plan assets | 0.74 | - | 2.24 | - |
| Employer contributions | 3.57 | - | 1.72 | - |
| Amalgamations / Acquisitions | 0.34 | - | 3.08 | - |
| Interest Income on Plan Assets | 1.50 | - | 0.91 | - |
| Fair Value of Plan Assets at the end of the year | 26.11 | - | 19.96 | - |

c) Funded status

| Particulars | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|---|--------------------------------------|----------------|--------------------------------------|----------------|
| | Total Funded | Total Unfunded | Total Funded | Total Unfunded |
| Deficit of plan assets over obligations | (3.91) | - | (0.09) | - |
| Total | (3.91) | - | (0.09) | - |

d) Categories of plan assets

| Particulars | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|--------------------------------------|--------------------------------------|----------------|--------------------------------------|----------------|
| | Total Funded | Total Unfunded | Total Funded | Total Unfunded |
| Corporate bonds | 0.05 | - | 0.04 | - |
| Government securities | 0.05 | - | 0.04 | - |
| Insurer managed funds - ULIP Product | 25.87 | - | 19.83 | - |
| Cash | 0.14 | - | 0.05 | - |
| Total | 26.11 | - | 19.96 | - |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

36. Employee benefit expenses (Continued)

e) Amount recognised in Balance sheet

| Particulars | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|--|--------------------------------------|----------------|--------------------------------------|----------------|
| | Total Funded | Total Unfunded | Total Funded | Total Unfunded |
| Present value of the defined benefit obligation | 30.02 | - | 20.05 | - |
| Fair value of plan assets | 26.11 | - | 19.96 | - |
| Net liability recognised in the Balance Sheet | (3.91) | - | (0.09) | - |

f) Amount recognised in Statement of Profit and Loss

| Particulars | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|------------------------------|--------------------------------------|----------------|--------------------------------------|----------------|
| | Total Funded | Total Unfunded | Total Funded | Total Unfunded |
| Current Service Cost | 4.00 | - | 3.01 | - |
| Interest Cost (net) | (0.14) | - | 0.02 | - |
| Others | (0.03) | - | - | - |
| Expenses for the year | 3.83 | - | 3.03 | - |

g) Amount recognised in OCI

| Particulars | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|---|--------------------------------------|----------------|--------------------------------------|----------------|
| | Total Funded | Total Unfunded | Total Funded | Total Unfunded |
| a. Due to change in financial assumptions | 2.87 | - | 0.31 | - |
| b. Due to change in experience adjustments | 1.86 | - | 1.47 | - |
| c. Due to experience adjustments | 0.27 | - | - | - |
| c. (Return) on plan assets (excl. interest income) | (0.74) | - | (2.24) | - |
| Total remeasurements in OCI | 4.26 | - | (0.46) | - |
| Total defined benefit cost recognized in P&L and OCI | 8.09 | - | 2.57 | - |

h) Expected cash flows for the following year

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Expected total benefit payments | 67.24 | 34.68 |
| Year 1 | 2.67 | 1.63 |
| Year 2 | 3.33 | 1.68 |
| Year 3 | 4.14 | 2.17 |
| Year 4 | 5.34 | 2.54 |
| Year 5 | 6.51 | 3.27 |
| Next 5 years | 45.25 | 23.39 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

36. Employee benefit expenses (Continued)

i) Major Actuarial Assumptions

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--|---|
| Discount Rate (%) | 6.50% | 6.90% |
| Salary Escalation/ Inflation (%) | Non CRE & J Grade: 12.00% for 3 years, 9.00% p.a. thereafter CRE & CSE Grade : 2.00% | Non CRE: 9.00%, CRE & J Grade: 6.50% |
| Expected Return on Plan assets (%) | 6.50% | 6.90% |
| 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) | Non CRE Grade : 15.00%; J Grade : 30.00%; CRE & CSE Grade: 40.00% | 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 | 2.67 | 1.63 |

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 year, 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.

| Particulars | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|--------------------------------------|--------------------------------------|----------|--------------------------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (1.85) | 2.07 | (1.49) | 1.69 |
| Future salary growth (1% movement) | 1.99 | (1.82) | 1.64 | (1.47) |
| Others (Withdrawal rate 5% movement) | (2.91) | 4.07 | (1.84) | 2.73 |

| Experience adjustments | Defined benefit obligation | Plan assets | Surplus/ (deficit) | Experience adjustments on plan liabilities | Experience adjustments on plan assets |
|-----------------------------------|-------------------------------|-------------|-----------------------|--|---|
| Funded | | | | | |
| For the year ended March 31, 2025 | 30.02 | 26.11 | (3.91) | (1.86) | 0.74 |
| For the year ended March 31, 2024 | 20.05 | 19.96 | (0.09) | (1.47) | 2.24 |
| Unfunded | | | | | |
| For the year ended March 31, 2025 | - | - | - | - | - |
| For the year ended March 31, 2024 | - | - | - | - | - |

j) Provision for leave encashment

| Particulars | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|------------------------------------|--------------------------------------|---------|--------------------------------------|---------|
| | Non current | Current | Non current | Current |
| Liability for compensated absences | 7.78 | 1.74 | 4.90 | 1.83 |

k) Provision for long service award scheme

| Particulars | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|--|--------------------------------------|---------|--------------------------------------|---------|
| | Non current | Current | Non current | Current |
| Liability for long term service awards | 0.51 | 0.07 | 0.36 | 0.05 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

37. Fair values of financial instruments (Continued)

B. Valuation framework

The Company has 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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 is as follows:

| Particulars | Fair value through Profit or Loss | Fair Value through Other Comprehensive Income | Amortised cost | Total Carrying Value |
|----------------------------------|---|--|-------------------|----------------------------|
| Financial Assets: | | | | |
| Cash and cash equivalents | - | - | 2,630.91 | 2,630.91 |
| Other balances with banks | - | - | 116.40 | 116.40 |
| Derivative financial instruments | - | 65.46 | - | 65.46 |
| Trade receivables | - | - | 9.01 | 9.01 |
| Loans | - | - | 66,405.25 | 66,405.25 |
| Investments | 34.46 | - | 1,074.47 | 1,108.93 |
| Other financial assets | - | - | 76.51 | 76.51 |
| Total | 34.46 | 65.46 | 70,312.55 | 70,412.47 |
| Financial Liabilities: | | | | |
| Derivative financial instruments | - | 8.54 | - | 8.54 |
| Trade and other payables | - | - | 228.83 | 228.83 |
| Borrowings * | - | - | 61,077.00 | 61,077.00 |
| Lease Liabilities | - | - | 127.30 | 127.30 |
| Other financial liabilities | - | - | 263.35 | 263.35 |
| Total | - | 8.54 | 61,696.48 | 61,705.02 |

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

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 and March 31, 2024 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the year 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, 2025 | Level 1 | Level 2 | Level 3 | Total |
|----------------------------------|----------|--------------|--------------|--------------|
| Financial Assets: | | | | |
| Investments | - | 9.46 | 25.00 | 34.46 |
| Derivative financial instruments | - | 65.46 | - | 65.46 |
| Total | - | 74.92 | 25.00 | 99.92 |
| Financial Liabilities: | | | | |
| Derivative financial instruments | - | 8.54 | - | 8.54 |
| Total | - | 8.54 | - | 8.54 |

| 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 |

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, 2025 | | As at March 31, 2024 | |
|--|-------------------------|------------------|-------------------------|------------------|
| | Carrying Value | Fair value | Carrying Value | Fair value |
| Financial Assets at amortised cost: | | | | |
| Loans | 66,405.25 | 68,403.25 | 51,401.88 | 54,215.54 |
| Investments | 1,074.47 | 1,080.78 | 961.83 | 946.20 |
| Total | 67,479.72 | 69,484.03 | 52,363.71 | 55,161.74 |
| Financial Liabilities at amortised cost: | | | | |
| Borrowings (includes debt securities and subordinated liabilities) | 61,077.00 | 61,293.08 | 47,270.98 | 47,392.42 |
| Total | 61,077.00 | 61,293.08 | 47,270.98 | 47,392.42 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 | As at March 31, 2024 | | | | |
| Loans | 68,403.25 | 54,215.54 | 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 | 68,403.25 | 54,215.54 | | | | |

| Particulars | 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, 2025 | As at March 31, 2024 | | | | |
| Borrowings (includes debt securities and subordinated liabilities) | 61,293.08 | 47,392.42 | 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 | 61,293.08 | 47,392.42 | | | | |

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

| Particulars | FVTPL- Investments | |
|-------------------------------|----------------------|----------------------|
| | As at March 31, 2025 | As at March 31, 2024 |
| Opening | - | - |
| Total gains or losses: | | |
| recognised in profit or loss | - | - |
| in OCI | - | - |
| Purchases | 25.00 | - |
| Settlements | - | - |
| Foreign currency translations | - | - |
| Transfers into Level 3 | - | - |
| Closing | 25.00 | - |

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.

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 Fraud Risk Management Policy | Operational Risk Management Committee Fraud Risk Management Committee |
| People Risk | Operational Risk Policy Fraud Risk Management Policy HR Policies | Risk Management Committee of the Board Operational Risk Management Committee Fraud 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, 2025

(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.

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025.

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, 2025.

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, 2025.

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.

There has been no Operational Risk incidents leading to significant losses.

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 assessed the capital requirements 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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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.

i. Credit quality analysis

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

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

| a) | As at March 31, 2025 | | | | | As at March 31, 2024 | | | | |
|--------------------------------|----------------------|------------------|---------------|---------------|------------------|----------------------|------------------|-----------------|---------------|------------------|
| | Count | Stage 1 | Stage 2 | Stage 3 | Total | Count | Stage 1 | Stage 2 | Stage 3 | Total |
| Outstanding Gross Loans | | | | | | | | | | |
| Days past due | | | | | | | | | | |
| Zero overdue | 3,36,960 | 65,434.21 | 139.08 | 6.47 | 65,579.76 | 2,72,218 | 50,133.37 | 709.33 | 11.23 | 50,853.93 |
| 1-30 days | 2,525 | 370.62 | 74.97 | 3.76 | 449.35 | 1,957 | 230.17 | 122.58 | 2.32 | 355.07 |
| 31-60 days | 2,024 | - | 354.24 | 12.43 | 366.67 | 1,435 | - | 285.48 | 4.13 | 289.61 |
| 61-90 days | 476 | - | 69.19 | 9.56 | 78.75 | 353 | - | 67.26 | 10.92 | 78.18 |
| More than 90 days | 2,578 | - | - | 480.31 | 480.31 | 2,035 | - | - | 465.29 | 465.29 |
| Total | 3,44,563 | 65,804.83 | 637.48 | 512.53 | 66,954.84 | 2,77,998 | 50,363.54 | 1,184.65 | 493.89 | 52,042.08 |

| b) | As at March 31, 2025 | | | | As at March 31, 2024 | | | |
|--------------------------------------|----------------------|--------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Impairment allowance on Loans | | | | | | | | |
| Days past due | | | | | | | | |
| Zero overdue | 176.25 | 15.69 | 3.23 | 195.17 | 157.79 | 102.78 | 6.31 | 266.88 |
| 1-30 days | 12.11 | 7.26 | 1.06 | 20.43 | 3.97 | 21.97 | 1.73 | 27.67 |
| 31-60 days | - | 26.57 | 6.27 | 32.84 | - | 35.16 | 1.67 | 36.83 |
| 61-90 days | - | 8.32 | 3.43 | 11.75 | - | 12.75 | 3.91 | 16.66 |
| More than 90 days | - | - | 282.31 | 282.31 | - | - | 272.89 | 272.89 |
| Total | 188.36 | 57.84 | 296.30 | 542.50 | 161.76 | 172.66 | 286.51 | 620.93 |
| ECL coverage ratio | 0.29% | 9.07% | 57.81% | 0.81% | 0.32% | 14.57% | 58.01% | 1.19% |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

i. Credit quality analysis continued

Trade Receivables

| PARTICULARS | As at March 31, 2025 | | | As at March 31, 2024 | | |
|--|----------------------|----------------------|-------------|----------------------|----------------------|--------------|
| | Gross | Impairment allowance | Net | Gross | Impairment allowance | Net |
| Category of Trade receivables | | | | | | |
| Stage 1: Considered good | 1.77 | 0.01 | 1.76 | 23.83 | 0.10 | 23.73 |
| Stage 2: Significant increase in credit risk | 7.28 | 0.03 | 7.25 | 5.67 | 0.02 | 5.65 |
| Stage 3: Credit impaired | 2.26 | 2.26 | - | 0.33 | 0.33 | - |
| Net Carrying value of trade receivables | 11.31 | 2.30 | 9.01 | 29.83 | 0.45 | 29.38 |

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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 | | | As at March 31, 2024 | | |
|---|----------------------|---------------------|--------------------------|----------------------|---------------------|--------------------------|
| | Notional Amounts | Fair Value - Assets | Fair Value - Liabilities | Notional Amounts | Fair Value - Assets | Fair Value - Liabilities |
| Spot and Forwards | 221.48 | 3.82 | 5.72 | 226.15 | - | 6.57 |
| Currency swaps | 2,153.11 | 61.33 | 3 | 625.10 | 46.78 | - |
| Interest rate swaps | - | 0.31 | - | - | 2.72 | - |
| Total | 2,374.59 | 65.46 | 8.54 | 851.25 | 49.50 | 6.57 |

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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 |
| | Charges over: |
| Non housing loan / Retained portion of assigned loans | 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:

- Equitable / registered mortgage of property.
- Undertaking to create a security.
- 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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 | | As at March 31, 2024 | |
|---------------------|----------------------|---------------|----------------------|---------------|
| | Credit | Security held | Credit | Security held |
| Gross Stage 3 Loans | 512.53 | 899.04 | 493.89 | 873.41 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

iii Amounts arising from ECL

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.

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, rescheduling 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.

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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

39. Financial risk review (Continued)

A. Credit risk

iii Amounts arising from ECL

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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 | | | | As at March 31, 2024 | | | |
|----|--|----------------------|-----------------|---------------|------------------|----------------------|-----------------|---------------|------------------|
| | | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | Gross carrying amount opening balance | 50,363.54 | 1,184.65 | 493.89 | 52,042.08 | 35,730.97 | 1,417.32 | 585.18 | 37,733.47 |
| | New assets originated or purchased (including charges levied on existing exposure) - net | 27,350.97 | 29.43 | 6.05 | 27,386.45 | 23,353.39 | 19.73 | 5.37 | 23,378.49 |
| | Assets derecognised or repaid (excluding write offs) | (12,082.59) | (213.99) | (177.11) | (12,473.69) | (8,522.09) | (298.86) | (168.11) | (8,989.06) |
| | Transfers to Stage 1 | 611.57 | (598.08) | (13.49) | - | 88.68 | (64.82) | (23.86) | - |
| | Transfers to Stage 2 | (285.61) | 307.43 | (21.82) | - | (190.55) | 220.40 | (29.85) | - |
| | Transfers to Stage 3 | (153.05) | (71.96) | 225.01 | - | (96.86) | (105.52) | 202.38 | - |
| | Amounts written off * | - | - | - | - | - | (3.60) | (77.22) | (80.82) |
| | Gross carrying amount closing balance | 65,804.83 | 637.48 | 512.53 | 66,954.84 | 50,363.54 | 1,184.65 | 493.89 | 52,042.08 |

| b) | Particulars | As at March 31, 2025 | | | | As at March 31, 2024 | | | |
|----|---|----------------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| | | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | ECL allowance - opening balance | 161.76 | 172.66 | 286.51 | 620.93 | 138.46 | 291.24 | 348.65 | 778.35 |
| | New assets originated or purchased (including re-measurement) - net | 65.52 | 3.28 | 29.49 | 98.29 | 87.05 | 3.44 | 45.11 | 135.60 |
| | Assets derecognised or repaid (excluding write offs) | (11.77) | (62.12) | (102.83) | (176.72) | (7.80) | (109.19) | (121.26) | (238.25) |
| | Transfers to Stage 1 | 50.04 | (49.90) | (0.14) | 0.00 | 0.58 | (0.48) | (0.10) | - |
| | Transfers to Stage 2 | (19.80) | 23.44 | (3.64) | - | (19.48) | 25.52 | (6.04) | - |
| | Transfers to Stage 3 | (57.39) | (29.52) | 86.91 | - | (37.05) | (37.44) | 74.49 | - |
| | Amounts written off * | - | - | - | - | - | (0.43) | (54.34) | (54.77) |
| | ECL allowance - closing balance | 188.36 | 57.84 | 296.30 | 542.50 | 161.76 | 172.66 | 286.51 | 620.93 |

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

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| | Amortised Cost | Amortised Cost |
| Loan exposure to modified financial assets | | |
| (i) Gross carrying amount | 855.40 | 1,055.78 |
| (ii) Impairment allowance | 160.17 | 228.31 |
| (iii) Net carrying amount (i-ii) | 695.23 | 827.47 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 | | | | As at March 31, 2024 | | | |
|----|--------------------------------|----------------------|---------------|---------------|------------------|----------------------|-----------------|---------------|------------------|
| | | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | Division | | | | | | | | |
| | Housing | 45,356.45 | 350.56 | 337.88 | 46,044.89 | 35,604.88 | 603.86 | 315.53 | 36,524.27 |
| | Non Housing | 20,446.01 | 286.92 | 174.65 | 20,907.58 | 14,756.29 | 580.79 | 178.36 | 15,515.44 |
| | Others | 2.37 | - | - | 2.37 | 2.37 | - | - | 2.37 |
| | Total | 65,804.83 | 637.48 | 512.53 | 66,954.84 | 50,363.54 | 1,184.65 | 493.89 | 52,042.08 |

| b) | Impairment allowance on Loans | As at March 31, 2025 | | | | As at March 31, 2024 | | | |
|----|-------------------------------|----------------------|--------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| | | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | Days past due | | | | | | | | |
| | Housing | 122.34 | 34.92 | 207.68 | 364.94 | 111.78 | 104.36 | 197.91 | 414.05 |
| | Non Housing | 66.01 | 22.92 | 88.62 | 177.55 | 49.97 | 68.30 | 88.60 | 206.87 |
| | Others | 0.01 | - | - | 0.01 | 0.01 | - | - | 0.01 |
| | Total | 188.36 | 57.84 | 296.30 | 542.50 | 161.76 | 172.66 | 286.51 | 620.93 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 residual contractual maturities of the Company's financial liabilities and financial assets:

| As at March 31, 2025 | 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 | 8.54 | 8.54 | 0.01 | 0.03 | 5.33 | 3.17 | - | 5.37 | 3.17 |
| Trade payables | 228.83 | 228.83 | 114.42 | 114.41 | - | - | - | 228.83 | - |
| Debt securities | 28,333.97 | 28,333.97 | 1.47 | 1,874.80 | 4,065.36 | 17,615.60 | 4,776.74 | 5,941.63 | 22,392.34 |
| Borrowings | 31,415.44 | 31,415.44 | 441.41 | 3,791.80 | 5,370.24 | 20,317.49 | 1,494.50 | 9,603.45 | 21,811.99 |
| Subordinated liabilities | 1,327.59 | 1,327.59 | 54.01 | - | 201.63 | 277.35 | 794.60 | 255.64 | 1,071.95 |
| Lease Liabilities | 127.30 | 127.30 | 1.55 | 3.14 | 15.33 | 77.59 | 29.69 | 20.02 | 107.28 |
| Other financial liabilities | 263.35 | 263.35 | 176.44 | 86.91 | - | - | - | 263.35 | - |
| | 61,705.02 | 61,705.02 | 789.31 | 5,871.09 | 9,657.89 | 38,291.20 | 7,095.53 | 16,318.29 | 45,386.73 |
| Financial asset by type | | | | | | | | | |
| Cash and cash equivalents | 2,630.91 | 2,630.91 | 2,405.38 | - | 225.53 | - | - | 2,630.91 | - |
| Balances with bank in deposit account | 116.40 | 116.40 | 103.83 | 0.07 | 11.81 | 0.69 | - | 115.71 | 0.69 |
| Derivative financial instruments | 65.46 | 65.46 | - | - | 59.82 | 5.64 | - | 59.82 | 5.64 |
| Trade Receivables | 9.01 | 9.01 | 1.80 | 7.21 | - | - | - | 9.01 | - |
| Loans (Net of Impairment Allowance) # | 66,405.25 | 66,405.25 | 1,346.27 | 2,140.35 | 8,044.45 | 15,875.42 | 38,998.76 | 11,531.07 | 54,874.18 |
| Investments | 1,108.93 | 1,108.93 | 1,074.47 | - | - | 9.46 | 25.00 | 1,074.47 | 34.46 |
| Other Financial Assets | 76.51 | 76.51 | 9.05 | 34.69 | 7.19 | 25.58 | - | 50.93 | 25.58 |
| | 70,412.47 | 70,412.47 | 4,940.80 | 2,182.32 | 8,348.80 | 15,916.79 | 39,023.76 | 15,471.92 | 54,940.55 |

Loans reported/to be reported to RBI as per ALM includes Stage I and II provisions and excludes Stage III (net of provisions)

* includes Borrowings from National Housing Bank.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 residual 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 (Net of Impairment Allowance) # | 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 |

Loans reported/to be reported to RBI as per ALM includes Stage I and II provisions and excludes Stage III (net of provisions)

* includes Borrowings from National Housing Bank.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 | | | As at March 31, 2024 | | |
|---------------------------------------|----------------------|------------------|------------------|----------------------|------------------|------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Financial assets | | | | | | |
| Cash and cash equivalents | 2,630.91 | - | 2,630.91 | 1,658.11 | - | 1,658.11 |
| Balances with bank in deposit account | 115.71 | 0.69 | 116.40 | 50.64 | 0.38 | 51.02 |
| Derivatives financial instruments | 59.82 | 5.64 | 65.46 | - | 49.50 | 49.50 |
| Trade Receivables | 9.01 | - | 9.01 | 29.38 | - | 29.38 |
| Loans | 11,531.07 | 54,874.18 | 66,405.25 | 9,687.51 | 41,714.37 | 51,401.88 |
| Investments | 1,074.47 | 34.46 | 1,108.93 | 961.83 | 7.46 | 969.29 |
| Other financial assets | 50.93 | 25.58 | 76.51 | 16.63 | - | 16.63 |
| Non-financial Assets | | | | | | |
| Current tax assets (Net) | 35.17 | - | 35.17 | 5.27 | - | 5.27 |
| Deferred tax Assets (Net) | - | 4.71 | 4.71 | - | 79.23 | 79.23 |
| Investment property | - | 2.83 | 2.83 | - | 3.02 | 3.02 |
| Property, Plant and Equipment | - | 63.00 | 63.00 | - | 69.50 | 69.50 |
| Capital work-in-progress | - | 0.53 | 0.53 | - | 0.08 | 0.08 |
| Intangible assets under development | - | 1.65 | 1.65 | - | 1.04 | 1.04 |
| Other intangible assets | - | 20.11 | 20.11 | - | 8.56 | 8.56 |
| Right of use assets | - | 114.44 | 114.44 | - | 114.72 | 114.72 |
| Other non-financial assets | - | 21.70 | 21.70 | - | 18.11 | 18.11 |
| Total Assets | 15,507.09 | 55,169.52 | 70,676.61 | 12,409.37 | 42,065.97 | 54,475.34 |

B. Liquidity risk (Continued)

ii. Maturity analysis of assets and liabilities (Continued)

| LIABILITIES | As at March 31, 2025 | | | As at March 31, 2024 | | |
|--|----------------------|------------------|------------------|----------------------|------------------|------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Financial Liabilities | | | | | | |
| Derivative financial instruments | 5.37 | 3.17 | 8.54 | 0.18 | 6.39 | 6.57 |
| Trade Payables | | | | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 0.24 | - | 0.24 | 1.27 | - | 1.27 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 228.59 | - | 228.59 | 157.14 | - | 157.14 |
| Debt Securities | 5,941.63 | 22,392.34 | 28,333.97 | 6,584.73 | 14,853.24 | 21,437.97 |
| Borrowings (Other than debt securities) | 9,603.45 | 21,811.99 | 31,415.44 | 7,670.37 | 16,785.46 | 24,455.83 |
| Subordinated liabilities | 255.64 | 1,071.95 | 1,327.59 | 99.14 | 1,278.04 | 1,377.18 |
| Lease Liabilities | 20.02 | 107.28 | 127.30 | 16.14 | 106.18 | 122.32 |
| Other financial liabilities | 263.35 | - | 263.35 | 85.36 | - | 85.36 |
| Non-Financial Liabilities | | | | | | |
| Current tax liabilities (Net) | 73.75 | - | 73.75 | 24.99 | - | 24.99 |
| Provisions | 20.44 | 14.33 | 34.77 | 27.75 | 7.45 | 35.20 |
| Other non-financial liabilities | 61.08 | - | 61.08 | 60.51 | - | 60.51 |
| Total liabilities | 16,473.56 | 45,401.06 | 61,874.62 | 14,727.58 | 33,036.76 | 47,764.34 |
| Net | (966.47) | 9,768.46 | 8,801.99 | (2,318.21) | 9,029.21 | 6,711.00 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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:

| ASSETS | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---------------------------------------|----------------------|-----------------|------------------|----------------------|-----------------|------------------|
| | Pledged | Not Pledged | Total | Pledged | Not Pledged | Total |
| Financial assets | 66,189.02 | 4,223.45 | 70,412.47 | 51,194.50 | 2,981.31 | 54,175.81 |
| Cash and cash equivalents | - | 2,630.91 | 2,630.91 | - | 1,658.11 | 1,658.11 |
| Balances with bank in deposit account | - | 116.40 | 116.40 | - | 51.02 | 51.02 |
| Derivatives financial instruments | - | 65.46 | 65.46 | - | 49.50 | 49.50 |
| Trade Receivables | - | 9.01 | 9.01 | - | 29.38 | 29.38 |
| Loans | 66,189.02 | 216.23 | 66,405.25 | 51,194.50 | 207.38 | 51,401.88 |
| Investments | - | 1,108.93 | 1,108.93 | - | 969.29 | 969.29 |
| Other financial assets | - | 76.51 | 76.51 | - | 16.63 | 16.63 |
| Non-financial Assets | 0.20 | 263.94 | 264.14 | 0.22 | 299.31 | 299.53 |
| Current tax asset | - | 35.17 | 35.17 | - | 5.27 | 5.27 |
| Deferred tax Assets (Net) | - | 4.71 | 4.71 | - | 79.23 | 79.23 |
| Investment property | 0.20 | 2.63 | 2.83 | 0.22 | 2.80 | 3.02 |
| Property, Plant and Equipment | - | 63.00 | 63.00 | - | 69.50 | 69.50 |
| Capital work-in-progress | - | 0.53 | 0.53 | - | 0.08 | 0.08 |
| Intangible assets under development | - | 1.65 | 1.65 | - | 1.04 | 1.04 |
| Other intangible assets | - | 20.11 | 20.11 | - | 8.56 | 8.56 |
| Right of use assets | - | 114.44 | 114.44 | - | 114.72 | 114.72 |
| Other non-financial assets | - | 21.70 | 21.70 | - | 18.11 | 18.11 |
| Total Assets | 66,189.22 | 4,487.39 | 70,676.61 | 51,194.72 | 3,280.62 | 54,475.34 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 | |
|---|----------------------|----------------------|
| | As at March 31, 2025 | As at March 31, 2024 |
| Assets subject to market risk | | |
| Cash and cash equivalents | 2,630.91 | 1,658.11 |
| Balances with bank in deposit account | 116.40 | 51.02 |
| Derivative financial instruments | 65.46 | 49.50 |
| Receivables | 9.01 | 29.38 |
| Loans | 66,405.25 | 51,401.88 |
| Investments | 1,108.93 | 969.29 |
| Other Financial Assets | 76.51 | 16.63 |
| Liabilities subject to market risk | | |
| Derivative financial instruments | 8.54 | 6.57 |
| Trade payables | 228.83 | 158.41 |
| Debt securities | 28,333.97 | 21,437.97 |
| Borrowings (Other than debt securities) | 31,415.44 | 24,455.83 |
| Subordinated liabilities | 1,327.59 | 1,377.18 |
| Lease Liabilities | 127.30 | 122.32 |
| Other financial liabilities | 263.35 | 85.36 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025

| Rate sensitive | Less than 1 Year | @ 100bps change increase | @ 100bps change decrease |
|------------------------------|------------------|-----------------------------|-----------------------------|
| Rate sensitive assets | 72,209.42 | 684.59 | (684.59) |
| Rate sensitive liabilities | 39,152.23 | 290.74 | (290.74) |
| Net Gap (Asset - liability) | 33,092.36 | 394.19 | (394.19) |

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) |

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, 2025 | As at March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| Variable rate borrowings | 45% | 46% |
| Fixed rate borrowings | 55% | 54% |
| 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, 2025 and March 31, 2024 , since Company has entered into derivative contract to fully hedge the risk. (Refer Note no. 6 for disclosure relating to derivative financial instruments.)

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(Rs. in crore)

39. Financial risk review (Continued)

C. Market risk

iv Disclosure pursuant to Ind AS 7 “Statement of Cash Flows”

Changes in Liabilities arising from financing activities

As at March 31, 2025

| Particulars | April 1, 2024 | Cash Flows (Net) | Exchange Difference | Others | March 31, 2025 |
|---|------------------|------------------|---------------------|---------------|------------------|
| Debt Securities | 21,437.97 | 6,566.34 | - | 329.66 | 28,333.97 |
| Borrowings (Other than debt securities) | 24,455.83 | 6,918.00 | 46.02 | (4.41) | 31,415.44 |
| Subordinated liabilities | 1,377.18 | (48.00) | - | (1.59) | 1,327.59 |
| Total | 47,270.98 | 13,436.34 | 46.02 | 323.66 | 61,077.00 |

Other column includes the effect of interest accrued but not due and amortisation of borrowing cost.

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 and amortisation of borrowing cost.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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) Unrealised gains on sale of loans with expected future margin income recognised upfront

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

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Ordinary share capital | 608.82 | 596.15 |
| Securities premium reserve | 3,595.33 | 3,008.07 |
| Retained earnings | 3,467.30 | 2,280.11 |
| Special reserve | 1,103.64 | 803.85 |
| General reserve | 14.04 | 10.62 |
| Less: | | |
| -Deferred revenue expenditure | (40.08) | (32.11) |
| -Software | (20.11) | (8.56) |
| -Intangible assets under development | (1.65) | (1.04) |
| -Unamortised loan acquisition cost | (201.56) | (171.11) |
| -Deferred tax asset | (4.71) | (79.23) |
| -Right of use assets | - | (114.72) |
| -Unrealised gains on sale of loans with expected future margin income recognised upfront | (35.18) | - |
| Tier I Capital | 8,485.84 | 6,292.03 |
| Subordinate Debt | 902.43 | 998.04 |
| Impairment loss allowance | 208.39 | 189.51 |
| Tier II Capital | 1,110.82 | 1,187.55 |
| Tier I + Tier II Capital | 9,596.66 | 7,479.58 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------|----------------------|----------------------|
| Balance at the beginning of the year | 114.72 | 76.38 |
| Additions during the year | 23.51 | 63.08 |
| Deletion during the year | (0.14) | (2.55) |
| Depreciation charge for the year | (23.65) | (22.19) |
| Balance at the end of the year | 114.44 | 114.72 |

Movement of Lease liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Balance at the beginning of the year | 122.32 | 78.93 |
| Additions during the year | 22.91 | 61.63 |
| Deletion during the year | (0.17) | (3.02) |
| Finance cost for the year | 9.46 | 8.90 |
| Payment of lease liabilities for the year | (27.22) | (24.12) |
| Balance at the end of the year | 127.30 | 122.32 |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------------------|----------------------|----------------------|
| Less than one month | 2.33 | 2.18 |
| Between one and three months | 4.66 | 4.29 |
| Between three months and one year | 21.69 | 17.95 |
| Between one and five years | 97.13 | 86.77 |
| More than five years | 32.03 | 44.43 |
| Total | 157.84 | 155.62 |

Amounts recognized in the Statement of Profit and Loss:

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Interest on lease liabilities | 9.46 | 8.90 |
| Depreciation on Right-of-use assets | 23.65 | 22.19 |
| Gain/(loss) on termination of leases | 0.03 | 0.49 |

Amounts recognised in statement of cash flows:

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Total cash outflow for leases | (27.22) | (24.12) |

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, 2025

(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 | 2024-25 | 2023-24 |
|---|---------|---------|
| (i) CRAR (%) | 19.01% | 18.80% |
| (ii) CRAR – Tier I Capital (%) | 16.81% | 15.82% |
| (iii) CRAR – Tier II Capital (%) | 2.20% | 2.98% |
| (iv) Amount of subordinated debt raised as Tier- II Capital | - | 300.00 |
| (v) Amount raised by issue of Perpetual Debt Instruments | - | - |

41.2 There were no unhedged foreign currency transactions during current year (March 31, 2024: Rs. Nil).

41.3 The Company has not done any Securitisation during the financial year. (March 31, 2024: Rs Nil).

41.4 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction is Rs. Nil (March 31, 2024: Rs Nil).

41.5 The disclosure for assignment transaction during the year has been disclosed in Note no 45 (March 31, 2024: Rs Nil).

41.6 The Company does not have purchase transaction of non-performing financial asset (March 31, 2024: Rs Nil).
The disclosure for sale transaction of non-performing financial assets has been disclosed in Note no 45 (March 31, 2024: Rs Nil).

41.7 Asset Liability Management

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

For the year 2024-25

(Rs. in crore)

| Particulars | Borrowings from Banks | Liabilities Market Borrowings | Foreign Currency Liabilities | Advances# | Assets Investments | Foreign Currency Assets |
|-----------------------------|--------------------------|-------------------------------------|------------------------------------|------------------|-----------------------|-------------------------------|
| 1 day to 7 days | 18.03 | 1.31 | - | 692.50 | 1,074.47 | - |
| 8 days to 14 days | 3.94 | 0.16 | - | 306.61 | - | - |
| 15 days to 30 / 31 days | 412.04 | 54.06 | 7.42 | 347.16 | - | - |
| Over One month to 2 months | 471.28 | 1,386.46 | 607.44 | 866.52 | - | - |
| Over 2 months puts 3 months | 2,713.08 | 488.34 | - | 1,273.83 | - | - |
| Over 3 months to 6 months | 1,692.12 | 804.10 | - | 2,613.49 | - | - |
| Over 6 months to 1 year | 3,464.32 | 3,462.99 | 213.80 | 5,430.96 | - | - |
| Over 1 year to 3 years | 12,220.21 | 12,213.27 | 427.39 | 7,986.91 | 9.46 | - |
| Over 3 years to 5 years | 6,553.27 | 5,678.92 | 1,116.60 | 7,888.51 | - | - |
| Over 5 years | 1,494.50 | 5,571.95 | - | 38,998.76 | 25.00 | - |
| Total | 29,042.79 | 29,661.56 | 2,372.65 | 66,405.25 | 1,108.93 | - |

#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 Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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

41.7 Asset Liability Management (Continued)

For the year 2023-24

(Rs. in crore)

| Particulars | Borrowings from Banks | Liabilities 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.

41.8 Exposure

41.8.1 Exposure to Real Estate Sector

(Rs. in crore)

| Category | 2024-25 | 2023-24 |
|---|------------------|------------------|
| 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 | 68,581.57 | 53,230.61 |
| (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. | 9,213.85 | 7,067.67 |
| (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 | 77,795.42 | 60,298.28 |

Note : Exposure to Real Estate Sector includes accrued interest and undrawn commitment given to borrowers.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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

41.8 Exposure (Continued)

41.8.2 Exposure to Capital Market

(Rs. in crore)

| Particulars | 2024-25 | 2023-24 |
|---|--------------|---------------|
| (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; | 44.35 | 501.81 |
| (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 | 44.35 | 501.81 |

41.8.3 No Parent Company products were financed during the year (March 31, 2024: 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, 2024: 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 |
|---------|--|---------|-----------------|---------|-----------------|
| | | 2024-25 | 2024-25 | 2023-24 | 2023-24 |
| (i) | Exposure to any single entity in a group engaged in real estate business | 338.17 | 3.99% | - | - |
| (ii) | Exposure to all entities in a group engaged in real estate business | 338.17 | 3.99% | - | - |

41.9 Miscellaneous

41.9.1 The Company has following Registrations effective as on March 31, 2025:

| 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, 2024: Rs Nil).

41.9.3 No loans granted against the collateral gold jewellery by the company (March 31, 2024: Rs Nil).

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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

41.9.4 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 (ceased to be subsidiary w.e.f December 31, 2024 but not strike off yet) |
| | Tata Capital General Partners LLP |
| | Tata Capital Healthcare General Partners LLP |
| | Tata Opportunities General Partners LLP |
| | Tata Securities Limited |
| | Tata Capital Healthcare II General Partners LLP |
| | 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 |
| Retiral Plans of Subsidiary of Holding Company | Tata Securities Limited Employees Gratuity Scheme |
| | Tata Securities Limited Employees 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 - 5th February, 2025, CRISIL - 30th January, 2025, IND - 28th October, 2024 |
| (iii) | Rating Valid up to | ICRA - 5th February, 2026, CRISIL - 30th January, 2026, IND - 28th October, 2025 |
| (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 |
| | (h) Short Term Bank Loans | CRISIL A1+ |
| | (i) NHB Bank Loans | [ICRA]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 | | |
| | 2024-25 | 2023-24 |
| (i) Provision made / (reversed) towards income tax | 513.81 | 391.46 |
| (ii) Provision made / (reversed) towards NPA [Impairment allowance - stage III (net of recoveries)] | (57.40) | (63.53) |
| (iii) Provision made / (reversed) for standard assets [Impairment allowance - stage I & II] | (95.54) | (100.85) |
| (iv) Provision made / (reversed) for trade receivables | 1.84 | 15.91 |
| (v) Provision made / (reversed) for other financial assets | 0.04 | - |
| (vi) Provision made / (reversed) for depreciation on fixed assets | 49.27 | 44.39 |
| (vii) Provision made / (reversed) for gratuity | 8.08 | 2.57 |
| (viii) Provision made / (reversed) for leave encashment | 5.88 | 4.41 |
| (ix) Provision made / (reversed) for long term service benefit | 0.17 | 0.08 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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

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, 2024: Rs Nil).

41.10.4 Concentration of Loans & Advances

(Rs. in crore)

| Particulars | 2024-25 | 2023-24 |
|---|----------|----------|
| Total Loans & Advances to twenty largest borrowers # | 5,214.29 | 4,100.95 |
| Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC | 7.79% | 7.88% |

Includes Loans & Advances and interest accrued thereon.

41.10.5 Concentration of all Exposure (including off-balance sheet exposure)

(Rs. in crore)

| Particulars | 2024-25 | 2023-24 |
|--|----------|----------|
| Total Exposure to twenty largest borrowers / customers # | 6,911.75 | 5,325.93 |
| Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers | 8.88% | 8.83% |

Includes Loans & Advances and interest accrued and undrawn exposure thereon.

41.10.6 Concentration of NPAs

(Rs. in crore)

| Particulars | 2024-25 | 2023-24 |
|--|---------|---------|
| Total Exposure to top ten NPA accounts | 113.92 | 153.44 |

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 |
|-----------------------|---|---|
| | 2024-25 | 2023-24 |
| A. Housing | 0.73% | 0.86% |
| 1. Individuals | 0.64% | 0.68% |
| 2. Builders/Project | 1.21% | 1.88% |
| 3. Corporates* | 0.59% | 0.87% |
| 4. Others (specify) | 0.00% | 0.00% |
| B. Non-Housing | 0.84% | 1.15% |
| 1. Individuals | 1.00% | 1.24% |
| 2. Builders/Project | 0.16% | 1.42% |
| 3. Corporates* | 0.43% | 0.35% |
| 4. Others (specify) | 0.00% | 0.00% |

* includes non-individuals.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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

41.10.8 Movement of NPAs

| (Rs. in crore) | | | |
|--|----------|----------|--|
| Particulars | 2024-25 | 2023-24 | |
| (I) Net NPAs to Net Advances (%) | 0.32% | 0.40% | |
| (II) Movement of NPAs (Gross) | | | |
| a) Opening balance | 493.89 | 585.18 | |
| b) Additions during the year | 231.06 | 207.67 | |
| c) Reductions during the year | (212.42) | (298.96) | |
| d) Closing balance | 512.53 | 493.89 | |
| (III) Movement of Net NPAs | | | |
| a) Opening balance | 207.38 | 236.53 | |
| b) Additions during the year | 114.66 | 88.63 | |
| c) Reductions during the year | (105.81) | (117.78) | |
| d) Closing balance | 216.23 | 207.38 | |
| (IV) Movement of provisions for NPAs (excluding provisions on standard assets) | | | |
| a) Opening balance | 286.51 | 348.65 | |
| b) Additions during the year | 116.40 | 119.04 | |
| c) Reductions during the year | (106.61) | (181.18) | |
| d) Closing balance | 296.30 | 286.51 | |

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, 2025 (March 31, 2024 : Nil).

41.10.10 The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable (March 31, 2024 : 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, 2024 : Nil)

41.10.12 There are no material prior period items which are impacting Company's current year profit and loss (March 31, 2024 : Nil).

41.10.13 Since the Company does not have significant uncertainties pending resolutions as at March 31, 2025, revenue recognition has not been postponed. (March 31, 2024 : Nil).

41.11 Customers Complaints

| Particulars | 2024-25 | 2023-24 |
|---|---------|---------|
| a) No. of complaints pending at the beginning of the year | 112 | 41 |
| b) No. of complaints received during the year | 3,714 | 3,397 |
| c) No. of complaints redressed during the year | 3,775 | 3,326 |
| d) No. of complaints pending at the end of the year | 51 | 112 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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)

41.12 Derivative Instruments Exposures:

Derivative positions open as at March 31, 2025 and March 31, 2024 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, 2025 | | | For the Year ended March 31, 2024 | |
|---|------------|--------------------------------------|------------|--------------|--------------------------------------|--------------|
| | | USD (Mio) | EURO (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 | 25.92 | NA | 221.48 | 27.13 | 226.15 |
| Interest rate swap contract i.e. Notional principal of Swap Agreements (Foreign Currency borrowings*Closing exchange rate) | Buy | NA | NA | NA | NA | NA |
| Cross currency swap contract i.e. Notional principal of Swap Agreements (Foreign Currency borrowings*Closing exchange rate) | Buy | 144.00 | 100.00 | 2,153.11 | 75.00 | 625.10 |
| Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements | Buy | NA | NA | 14.00 | NA | (2.21) |
| Collateral required by the NBFC upon entering into swaps | Buy | NA | NA | NA | NA | NA |
| Concentration of credit risk arising from the swaps | Buy | NA | NA | NA | NA | NA |
| The fair value gain/(loss) of the swap book, net | Buy | NA | NA | 14.00 | NA | (2.21) |
| The fair value loss of the interest rate swap | Buy | NA | NA | NA | NA | NA |
| The fair value gain/(loss) of the Cross currency swap contract | Buy | NA | NA | NA | NA | NA |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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)

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 | |
|---|----------------------|---------|---------------------------|---------|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| (i) Derivatives (Notional Principal Amount) | 2,374.59 | 851.25 | NA | NA |
| (ii) Marked to Market Positions [1] | | | | |
| (a) Assets (+) | 65.15 | 46.78 | 0.31 | 2.72 |
| (b) Liability (-) | (8.54) | (6.57) | - | - |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Housing Loan | | | | | | | | | | |
| Gross Portfolio | 45,707.01 | 36,208.74 | 149.16 | 122.31 | 175.17 | 175.85 | 13.55 | 17.37 | 46,044.89 | 36,524.27 |
| Provision | 157.25 | 216.14 | 62.41 | 49.66 | 131.73 | 130.88 | 13.55 | 17.37 | 364.94 | 414.05 |
| Net Portfolio | 45,549.76 | 35,992.60 | 86.75 | 72.65 | 43.44 | 44.97 | - | - | 45,679.95 | 36,110.22 |
| Non Housing Loan | | | | | | | | | | |
| Gross Portfolio | 20,735.30 | 15,339.45 | 85.49 | 82.66 | 89.16 | 95.70 | - | - | 20,909.95 | 15,517.81 |
| Provision | 88.94 | 118.28 | 26.61 | 26.53 | 62.01 | 62.07 | - | - | 177.56 | 206.88 |
| Net Portfolio | 20,646.36 | 15,221.17 | 58.88 | 56.13 | 27.15 | 33.63 | - | - | 20,732.39 | 15,310.93 |
| Total | | | | | | | | | | |
| Gross Portfolio | 66,442.31 | 51,548.19 | 234.65 | 204.97 | 264.33 | 271.55 | 13.55 | 17.37 | 66,954.84 | 52,042.08 |
| Provision | 246.19 | 334.42 | 89.02 | 76.19 | 193.74 | 192.95 | 13.55 | 17.37 | 542.50 | 620.93 |
| Net Portfolio | 66,196.12 | 51,213.77 | 145.63 | 128.78 | 70.59 | 78.60 | - | - | 66,412.34 | 51,421.15 |

Categories of Doubtful Assets are as follows:

| Category | Doubtful 1 | | Doubtful 2 | | Doubtful 3 | | Total | |
|-------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Housing Loan | | | | | | | | |
| Gross Portfolio | 50.79 | 150.68 | 116.82 | 25.17 | 7.56 | - | 175.17 | 175.85 |
| Provision | 21.41 | 109.60 | 102.76 | 21.28 | 7.56 | - | 131.73 | 130.88 |
| Net Portfolio | 29.38 | 41.08 | 14.06 | 3.89 | - | - | 43.44 | 44.97 |
| Non Housing Loan | | | | | | | | |
| Gross Portfolio | 36.25 | 47.60 | 46.71 | 47.93 | 6.20 | 0.17 | 89.16 | 95.70 |
| Provision | 15.64 | 28.52 | 40.17 | 33.38 | 6.20 | 0.17 | 62.01 | 62.07 |
| Net Portfolio | 20.61 | 19.08 | 6.54 | 14.55 | - | - | 27.15 | 33.63 |
| Total | | | | | | | | |
| Gross Portfolio | 87.04 | 198.28 | 163.53 | 73.10 | 13.76 | 0.17 | 264.33 | 271.55 |
| Provision | 37.05 | 138.12 | 142.93 | 54.66 | 13.76 | 0.17 | 193.74 | 192.95 |
| Net Portfolio | 49.99 | 60.16 | 20.60 | 18.44 | - | - | 70.59 | 78.60 |

41.14 Loans granted by the Company are secured by any or all of the following as applicable, based on their categorisation:

- Equitable / registered mortgage of property.
- Undertaking to create a security.
- Against securities.

41.15 The company has reported Nil fraud aggregating Rs. Nil crore (March 31, 2024: 1 frauds aggregating Rs. 18.14 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 Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| 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 | 24,491.11 | 17,587.89 | - | - |
| - Unsecured | 1,327.59 | 1,377.18 | - | - |
| b) Deferred Credits | - | - | - | - |
| c) Term Loans | 29,485.30 | 22,969.69 | - | - |
| d) Inter-corporate loans and borrowing | - | - | - | - |
| e) Commercial Paper | 3,842.86 | 3,850.08 | - | - |
| f) Other loans | | | | |
| - Working Capital Demand Loan | 1,930.14 | 1,486.12 | - | - |
| - Overdraft | - | 0.02 | - | - |

Assets side:

| Particulars | Amount Outstanding | |
|---|--------------------|-----------|
| | 2024-25 | 2023-24 |
| 2) Break up of loans and advances including bills receivables | | |
| (other than those included in (3) below) | | |
| - Secured | 64,348.31 | 49,871.08 |
| - Unsecured | 2,606.53 | 2,171.00 |
| 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 | - | - |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 | |
|-------------------------------------|--------------------|---------|
| | 2024-25 | 2023-24 |
| 4) Break up of Investments | | |
| Current Investments: | | |
| a) Quoted: | | |
| - Shares: Equity | - | - |
| Preference | - | - |
| - Debentures and Bonds | - | - |
| - Units of Mutual Funds | - | - |
| - Government Securities | 974.51 | 612.60 |
| - Others (Treasury Bills and TREPS) | 99.96 | 349.23 |
| 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 | 9.46 | 7.46 |
| - Government Securities | - | - |
| - Others | - | - |
| b) Unquoted: | | |
| - Shares: Equity | 25.00 | - |
| 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 | | Unsecured | | Total | |
|----------------------------------|------------------|------------------|-----------------|-----------------|------------------|------------------|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| a) Related parties | | | | | | |
| (i) Subsidiaries | - | - | - | - | - | - |
| (ii) Companies in the same group | - | - | - | - | - | - |
| (iii) Other related parties | - | 468.50 | 2.37 | 2.37 | 2.37 | 470.87 |
| b) Other than related parties | 64,348.31 | 49,402.58 | 2,604.16 | 2,168.63 | 66,952.47 | 51,571.21 |
| TOTAL | 64,348.31 | 49,871.08 | 2,606.53 | 2,171.00 | 66,954.84 | 52,042.08 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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) | |
|---------------------------------|--|---------------|--------------------------------|---------------|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| a) Related parties | | | | |
| i) Subsidiaries | - | - | - | - |
| ii) Companies in the same group | - | - | - | - |
| iii) Other related Parties | - | - | - | - |
| b) Other than related parties | 1,108.93 | 969.29 | 1,108.93 | 969.29 |
| TOTAL | 1,108.93 | 969.29 | 1,108.93 | 969.29 |

7) Other Information

| Particulars | 2024-25 | 2023-24 |
|--|---------|---------|
| a) Gross Non-Performing Assets | | |
| 1) Related parties | - | - |
| 2) Other than related parties | 512.53 | 493.89 |
| b) Net Non-Performing Assets | | |
| 1) Related parties | - | - |
| 2) Other than related parties | 216.23 | 207.38 |
| 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 % | 2024-25 | 2023-24 |
|---|---------|---------|---------|
| Criteria - I | | | |
| a) Financial Assets / Total Assets (Net of Intangible Assets) | >50% | 96.07% | 96.99% |
| b) Income from Financial Assets / Gross Income | >50% | 99.81% | 95.84% |
| Criteria - II | | | |
| a) Housing Finance / Total Assets (Net of Intangible Assets) | >=60% | 65.37% | 67.52% |
| b) Housing Finance for Individual / Total Assets (Net of Intangible Assets) | >=50% | 54.25% | 56.80% |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 | 26 | 0% | 50,425.34 | 81% |

* Principal amount outstanding as on March 31, 2025

(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 | 34,729.44 | 58% |

* Principal amount outstanding as on March 31, 2025

(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 | 24,979.98 | 40% |
| 2 | Bank Loans | 29,022.17 | 47% |
| 3 | Commercial paper | 4,000.00 | 6% |
| 4 | External Commercial Borrowing | 2,276.39 | 4% |
| 5 | Inter Corporate Deposit | - | 0% |
| | Total | 60,278.54 | |

(v) Stock Ratios

| Particulars | % |
|---|-----|
| (a) Commercial papers as a % of total public funds | 7% |
| (a) Commercial papers as a % of total liabilities | 6% |
| (a) Commercial papers as a % of total assets | 6% |
| (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 | 21% |
| (c)Other Short-term liabilities as a % of total Liabilities | 20% |
| (c)Other Short-term liabilities as a % of total Assets | 18% |

Footnotes :

- For the purpose of above disclosure, 'Public Funds' i.e. Commercial papers, NCD's and CRPS are shown at Face Value whereas Total assets and total liabilities are shown at Carrying values.
- Total Liabilities refer to Total outside liabilities i.e. Balance sheet total excluding Share Capital and Reserves.
- 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 Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025 | | Three months ended Dec 31, 2024 | | Three months ended Sep 30, 2024 | | Three months ended June 30, 2024 | |
|----------------------------|--|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| | | 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) | 1,071.30 | 1,071.30 | 1,002.34 | 1,002.34 | 1,003.90 | 1,003.90 | 997.73 | 997.73 |
| Cash Outflows | | | | | | | | | |
| 2 | Deposits (for deposit taking companies) | - | - | - | - | - | - | - | - |
| 3 | Unsecured wholesale funding | 1,024.89 | 1,178.62 | 420.65 | 483.75 | 543.91 | 625.50 | 669.23 | 769.62 |
| 4 | Secured wholesale funding | 593.07 | 682.03 | 857.37 | 985.97 | 930.63 | 1,070.22 | 775.37 | 891.68 |
| 5 | Additional requirements, of which | 737.70 | 848.36 | 554.05 | 637.16 | 595.03 | 684.29 | 515.32 | 592.62 |
| (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 | 737.70 | 848.36 | 554.05 | 637.16 | 595.03 | 684.29 | 515.32 | 592.62 |
| 6 | Other contractual funding obligations | 492.25 | 566.09 | 495.07 | 569.33 | 449.68 | 517.13 | 435.84 | 501.22 |
| 7 | Other contingent funding obligations | 707.39 | 813.49 | 707.22 | 813.30 | 570.70 | 656.30 | 739.50 | 850.42 |
| 8 | TOTAL CASH OUTFLOWS | 3,555.29 | 4,088.58 | 3,034.37 | 3,489.52 | 3,089.95 | 3,553.44 | 3,135.26 | 3,605.55 |
| Cash Inflows | | | | | | | | | |
| 9 | Secured lending | - | - | - | - | - | - | - | - |
| 10 | Inflows from fully performing exposures | 1,308.84 | 981.63 | 1,276.51 | 957.38 | 1,172.98 | 879.74 | 1,218.94 | 914.21 |
| 11 | Other cash inflows | 6,487.91 | 4,865.93 | 7,415.40 | 5,561.55 | 6,267.26 | 4,700.44 | 5,542.11 | 4,156.58 |
| 12 | TOTAL CASH INFLOWS | 7,796.75 | 5,847.56 | 8,691.91 | 6,518.94 | 7,440.24 | 5,580.18 | 6,761.05 | 5,070.79 |
| | | Total Adjusted Value | | Total Adjusted Value | | Total Adjusted Value | | Total Adjusted Value | |
| 13 | TOTAL NET CASH OUTFLOWS | | 1,022.15 | | 872.38 | | 888.36 | | 901.39 |
| 14 | TOTAL HQLA MAINTAINED | | 1,071.30 | | 1,002.34 | | 1,003.90 | | 997.73 |
| 15 | LIQUIDITY COVERAGE RATIO (%) | | 104.81% | | 114.90% | | 113.01% | | 110.69% |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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 (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, 2025, TCHFL has disclosed the LCR for the period Q4-FY 25 as a simple average of all days in past 3 months.
- e LCR maintained:** For the quarter ended March 25, the simple average of all days in the past three months was observed at 105% (HQLA- Rs. 1,071 crore) against the requirement of minimum 85% (HQLA - Rs. 869 crore). For the financial year 24-25, 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 24 to March 25. The maximum and minimum required HQLA for regulatory compliance has been Rs. 1,092 crore and Rs. 514 crore respectively for the quarter ended March 25 (Q4-FY25).
- 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 2025, the average HQLA of (Rs. 1,071 crore) comprised of Rs. 124 crore in cash and remaining Rs. 948 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, 2025 the company has fully hedged interest and principal outflows in the foreign currency ECBs. ECBs constitutes no more than 4% of the total borrowings as on March 31, 2025. Hence, derivative exposures are considered NIL.
- k Currency mismatch in LCR:** There is NIL mismatch to be reported in LCR as on March 31, 2025 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, 2025.

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 2025

| 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 | 65,804.83 | 188.36 | 65,616.47 | 343.07 | (154.71) |
| | Stage II | 637.48 | 57.84 | 579.64 | 28.09 | 29.75 |
| Subtotal for Standard | Stage I & II | 66,442.31 | 246.20 | 66,196.11 | 371.16 | (124.96) |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage III | 234.65 | 89.01 | 145.64 | 35.23 | 53.78 |
| Doubtful - up to 1 year | Stage III | 87.04 | 37.05 | 49.99 | 27.43 | 9.62 |
| 1 to 3 years | Stage III | 163.53 | 142.93 | 20.60 | 73.01 | 69.92 |
| More than 3 years | Stage III | 13.76 | 13.76 | - | 13.76 | - |
| Subtotal for doubtful | | 264.33 | 193.74 | 70.59 | 114.20 | 79.54 |
| Loss | Stage III | 13.55 | 13.55 | - | 13.55 | - |
| Subtotal for NPA | | 512.53 | 296.30 | 216.23 | 162.98 | 133.32 |
| 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 | 10,473.04 | 20.03 | 10,453.01 | - | 20.03 |
| | Stage II | 9.95 | 0.41 | - | - | 0.41 |
| | Stage III | - | - | - | - | - |
| Subtotal | | 10,482.99 | 20.44 | 10,453.01 | - | 20.44 |
| Total | Stage I | 76,277.87 | 208.39 | 76,069.48 | 343.07 | (134.68) |
| | Stage II | 647.43 | 58.25 | 579.64 | 28.09 | 30.16 |
| | Stage III | 512.53 | 296.30 | 216.23 | 162.98 | 133.32 |
| | Total | 77,437.83 | 562.94 | 76,865.35 | 534.14 | 28.80 |

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

(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, 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 |

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)

A) Exposure

(i) Exposure to real estate sector

| Category | 2024-25 | 2023-24 |
|---|------------------|------------------|
| i) Direct exposure | 77,795.42 | 60,298.28 |
| a) Residential Mortgages – | 68,581.57 | 53,230.61 |
| 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. | 68,581.57 | 53,230.61 |
| b) Commercial Real Estate – | 9,213.85 | 7,067.67 |
| 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. | 9,213.85 | 7,067.67 |
| 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 | 77,795.42 | 60,298.28 |

Note : Exposure to Real Estate Sector includes accrued interest and undrawn commitment given to borrowers.

(ii) Exposure to capital market

| Particulars | 2024-25 | 2023-24 |
|---|--------------|---------------|
| 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 | 44.35 | 501.81 |
| 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 | 44.35 | 501.81 |

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)**

(iii) Sectoral exposure

| Sectors | 2024-25 | | | 2023-24 | | |
|--|--|---------------|--|--|---------------|--|
| 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 | 9,167.04 | 45.47 | 0.50% | 6,290.29 | 70.43 | 1.12% |
| 3.9. Non-Banking Financial Companies (NBFCs) of which, | 46.81 | - | 0.00% | 777.37 | - | 0.00% |
| 3.9.1. Housing Finance Companies (HFCs) | 46.81 | - | 0.00% | 73.56 | - | 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) | 9,216.22 | 45.47 | 0.49% | 7,070.03 | 70.43 | 1.00% |
| 4. Personal Loans | | | | | | |
| 4.1. Consumer Durables | - | - | 0.00% | - | - | 0.00% |
| 4.2. Housing (Including Priority Sector Housing) | 41,923.43 | 244.29 | 0.58% | 34,116.14 | 207.66 | 0.61% |
| 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* | 13,681.03 | 126.30 | 0.92% | 9,354.16 | 104.60 | 1.12% |
| Total of Personal Loans (4) | 55,604.46 | 370.59 | 0.67% | 43,470.30 | 312.26 | 0.72% |
| 5. Others, if any (please specify)** | 12,974.74 | 96.47 | 0.74% | 9,757.95 | 111.20 | 1.14% |
| Total (1+2+3+4+5) | 77,795.42 | 512.53 | 0.66% | 60,298.28 | 493.89 | 0.82% |

Notes:

^ includes loan to TCL Employee Welfare Trust.

* includes loan against property.

** includes loan to corporate and builders.

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**

| Particulars | 2024-25 | 2023-24 |
|---|---------|---------|
| i) Total amount of intra-group exposures | 340.54 | 505.87 |
| ii) Total amount of top 20 intra-group exposures | 340.54 | 505.87 |
| iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers | 0.44% | 0.84% |

- (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 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)

B) Related Party Disclosure

2024-25

| Nature of transaction | Parent (as per ownership or control) | Subsidiaries | Associates/ Joint ventures | Key Management | Relatives of Key Management Personnel | Others | | | Total | Maximum outstanding during the year |
|--|--------------------------------------|--------------|-------------------------------|----------------|---------------------------------------|---|--|--------|----------|-------------------------------------|
| | | | | | | Associate / Joint Ventures of Holding Company | Significant Influence of KMP of Ultimate Holding Company | Others | | |
| Borrowings# | - | - | - | - | - | - | - | - | - | - |
| Deposits# | - | - | - | - | - | - | - | - | - | - |
| Placement of deposits# | - | - | - | - | - | - | - | - | - | - |
| Advances# | - | - | - | - | - | - | 338.17 | - | 338.17 | 425.00 |
| Investments# | - | - | - | - | - | - | - | - | - | - |
| Purchase of fixed/other assets | 0.28 | - | - | - | - | - | - | - | 0.28 | NA |
| Sale of fixed/other assets | 0.25 | - | - | - | - | - | - | - | 0.25 | NA |
| Interest Paid | - | - | - | - | - | - | - | - | - | NA |
| Interest Received | 0.61 | - | - | - | - | - | - | - | 0.61 | NA |
| Others | - | - | - | - | - | - | - | - | - | NA |
| Others - Loans given* | 1,025.00 | - | - | - | - | - | 425.00 | - | 1,450.00 | NA |
| Others - Loans repaid* | 1,025.00 | - | - | - | - | 465.00 | - | - | 1,490.00 | NA |
| Others - Infusion in Equity Share (inclusive of securities premium)* | 599.96 | - | - | - | - | - | - | - | 599.96 | NA |
| Others | 47.23 | - | - | 10.37 | 0.02 | 21.49 | 108.91 | 580.38 | 768.40 | NA |

The outstanding at the year end and the maximum during the year.

* Transactions during the year.

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)

| 2023-24 | | | | | | Others | | Total | Maximum outstanding during the year |
|---|--------------------------------------|--------------|----------------------------|----------------|---------------------------------------|---|--------|----------|-------------------------------------|
| Nature of transaction | Parent (as per ownership or control) | Subsidiaries | Associates/ Joint ventures | Key Management | Relatives of Key Management Personnel | Associate / Joint Ventures of Holding Company | Others | | |
| Borrowings# | - | - | - | - | - | - | - | - | 507.30 |
| Deposits# | - | - | - | - | - | - | - | - | - |
| Placement of deposits# | - | - | - | - | - | - | - | - | - |
| Advances# | - | - | - | - | - | 468.50 | - | 468.50 | 468.50 |
| Investments# | - | - | - | - | - | - | - | - | - |
| Purchase of fixed/other assets | - | - | - | - | - | - | - | - | NA |
| Sale of fixed/other assets | 0.16 | - | - | - | - | - | - | 0.16 | NA |
| Interest Paid | 11.59 | - | - | - | - | - | - | 11.59 | NA |
| Interest Received | - | - | - | - | - | - | - | - | NA |
| Others | - | - | - | - | - | - | - | - | NA |
| Others - Inter Corporate Deposit received* | 1,355.00 | - | - | - | - | - | - | 1,355.00 | NA |
| Others - 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 |
| Others | 49.98 | - | - | 45.65 | 0.02 | 38.51 | 672.00 | 806.16 | NA |

The outstanding at the year end and the maximum during the year.

* Transactions during the year.

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)

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

| Sr. No | Particulars | 2024-25 | 2023-24 |
|--------|---|---------|---------|
| | Complaints received by the NBFC from its customers | | |
| 1 | Number of complaints pending at beginning of the year | 112 | 41 |
| 2 | Number of complaints received during the year | 3,714 | 3,397 |
| 3 | Number of complaints disposed during the year | 3,775 | 3,326 |
| 3.1 | Of which, number of complaints rejected by the NBFC | - | - |
| 4 | Number of complaints pending at the end of the year | 51 | 112 |
| | 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 |
| | 2024-25 | | | | |
| Complaint_Cancellation of Insurance Policy not done (CC/BR) | 16 | 415 | 80% | 9 | - |
| Complaint against Sales personnel (CC) | 7 | 273 | 16% | 4 | - |
| Complaint regarding collection conduct (CC/BR) | 2 | 233 | 85% | 8 | - |
| PLR hike related dispute | 9 | 190 | 98% | - | - |
| Complaint on Explanation of charges/calculation related | 5 | 185 | -30% | - | - |
| Others | 73 | 2,418 | -1% | 30 | 3 |
| Total | 112 | 3,714 | 9% | 51 | 3 |
| | 2023-24 | | | | |
| Complaint on explanation of charges/ | 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 | 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 | - |

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 Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

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, 2025 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, 2024 (A)# | Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2025 | Of (A) amount written off during the half-year ended March 31, 2025 | Of (A) amount paid by the borrowers during the half-year ended March 31, 2025** | 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, 2025#^ |
|--------------------|--|--|---|---|---|
| Personal Loans | 739.08 | 20.69 | 1.23 | 95.16 | 689.43 |
| Corporate persons* | 21.28 | - | - | 3.31 | 20.12 |
| Of which MSMEs | - | - | - | - | - |
| Others | 27.02 | - | 0.23 | 7.99 | 20.52 |
| Total | 787.38 | 20.69 | 1.46 | 106.46 | 730.07 |

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

includes entire exposure of the borrowers who have availed the resolution framework 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, 2025 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of stressed loans transferred are given below:

| Particulars | To permitted transferees Value |
|---|--------------------------------|
| No of accounts | 1.00 |
| Aggregate principal outstanding of loans transferred (in crore) | 8.13 |
| Weighted average residual tenor of loans transferred (in years) | 0.62 |
| Net book value of loans transferred (at the time of transfer) (in crore) | 4.34 |
| Aggregate consideration (in crore) | 5.00 |
| Additional consideration realized in respect of accounts transferred in earlier years (in crore) | - |
| Excess provisions reversed to the profit and loss account on account of sale of stressed loans (Rs. in crore) | 0.66 |

(ii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.

(iii) Details of loans not in default transferred are given below:

| Particulars | Value |
|---|--------|
| Aggregate amount of loans transferred (in crore) | 822.77 |
| Weighted average residual maturity (in years) | 13.43 |
| Weighted average holding period by originator (in years) | 1.35 |
| Retention of beneficial economic interest by the originator | 10% |
| Tangible security coverage | 100% |
| Rating-wise distribution of rated loans | NA |

The loans transferred are not rated as these are to non-corporate borrowers.

(iv) Details of loans not in default acquired through assignment are given below:

| Particulars | Value |
|---|--------|
| Aggregate amount of loans acquired (in crore) | 140.11 |
| Weighted average residual maturity (in years) | 18.08 |
| Weighted average holding period by originator (in years) | 1.67 |
| Retention of beneficial economic interest by the originator | 10% |
| Tangible security coverage | 100% |
| Rating-wise distribution of rated loans | NA |

The loans acquired are not rated as these are to non-corporate borrowers.

(v) 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 | 19.01% | 18.80% | 1% | Not Applicable |
| Tier I CRAR | Capital funds – Tier I | Total risk weighted assets | 16.81% | 15.82% | 6% | |
| Tier II CRAR | Capital funds – Tier II | Total risk weighted assets | 2.20% | 2.98% | -26% | |
| Liquidity Coverage Ratio. | Total HQLA (Maintained) | Total Net Cash Outflows | 104.81% | 94.74% | 11% | |

47. Details of transactions with companies struck off under section 248 of the Companies Act, 2013 :

(Rs. in crore)

Tata Capital Housing Finance Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

| Sr. No. | Name of Struck off Company | Nature of transactions | As at March 31, 2025 | As at March 31, 2024 | Relationship with the struck off company |
|---------|--|------------------------|----------------------|----------------------|--|
| 1 | Arman Agro Udyog Private Limited | Loan | 0.02 | 0.04 | Borrower |
| 2 | Peoplepro Trainers and Consultants Pvt Ltd | Loan | 0.20 | 0.21 | Borrower |
| 3 | Sinclair Inns and Resorts Private Limit | Loan | 0.26 | 0.27 | Borrower |
| 4 | Capital Infussion India Private Limited | Trade Payable* | 0.00 | 0.00 | Vendor |
| 5 | India Finsol Private Limited | Trade Payable* | 0.00 | 0.00 | Vendor |
| 6 | K & S Financial Services Private Limited | Trade Payable* | 0.00 | 0.00 | Vendor |

* less than Rs. 50,000/-

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:
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
 - 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.
 - The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - The Company has not entered into any scheme of arrangement.
 - No satisfaction of charges are pending to be filed with ROC.
 - 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 Limited

Notes forming part of the Financial Statements (Continued)

for the year ended March 31, 2025

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 Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No: 105215W/W100057

For G D Apte & Co
Chartered Accountants
Firm Registration No: 100515W

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

Sandeep D. Welling
Partner
Membership No: 044576
Mumbai

C.M. Dixit
Partner
Membership No: 017532
Mumbai

Rajiv Sabharwal
Chairman
(DIN No. : 00057333)
Mumbai

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

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

Mumbai
May 09, 2025

Mahadeo Raikar
Chief Financial Officer
Mumbai

Sanna Gupta
Company Secretary
Mumbai



TATA CAPITAL HOUSING FINANCE LIMITED

Registered Office: 11th Floor, Tower A, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
CIN: U67190MH2008PLC187552

Tel: (022) 6606 9000 Fax: (022) 6656 2699 Website: www.tatacapital.com

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TATA CAPITAL HOUSING FINANCE LIMITED will be held, at a shorter notice, on Friday, June 27, 2025 at 11.00 a.m. through Video Conferencing ("VC") via Microsoft Teams, to transact the following business:

Ordinary Business:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025, together with the Reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Rajiv Sabharwal (DIN: 00057333), Director, who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3) Approval for Increase in the borrowing limits of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that in supersession of the Resolution passed at the Annual General Meeting of the Company held on June 27, 2024 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder, as amended from time to time, the approval of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company or any Committee of the Board (hereinafter referred to as the "Board") for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company, its free reserves, that is to say, reserves not set apart for any specific purpose, and the Securities Premium, provided that the total outstanding amount so borrowed shall not at any time exceed the sum of Rs. 92,000 crore (Rupees Ninety-two Thousand Crore only)."

"RESOLVED FURTHER that the Board, be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or

otherwise, howsoever, as it may think fit and to do all such acts, deeds and things as may be necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required.”

4) Approval for Creation of Charges on the assets of the Company

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“**RESOLVED** that in supersession of the Resolution passed at the Annual General Meeting of the Company held on June 27, 2024 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules made thereunder, as amended from time to time, approval of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company or any Committee of the Board (hereinafter referred to as the “Board”) for creation of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of the financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other body corporates (hereinafter referred to as the “Lending Agencies”) and Trustees for the holders of debentures / bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, rupee denominated bonds and other instruments of an outstanding aggregate value not exceeding Rs. 92,000 crore (Rupees Ninety-two Thousand Crore only) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowings.”

“**RESOLVED FURTHER** that the Board, be and is hereby severally authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.”

5) Approval for private placement of Non-Convertible Debentures

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED** that pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the Securities and

Exchange Board of India ("SEBI") (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, other applicable SEBI regulations, circulars and guidelines, the directions issued by the National Housing Bank ("NHB") / Reserve Bank of India ("RBI"), and subject to other applicable laws, rules, regulations, directions and guidelines, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee constituted / which may be constituted by the Board of Directors or any other person(s) for the time being authorized by the Board of Directors to exercise powers conferred on the Board of Directors by this Resolution) to offer / invite / issue / allot to eligible persons, Non-Convertible Debentures ("NCDs") including but not limited to Subordinated / Perpetual NCDs, whether secured or unsecured up to an amount of Rs. 25,000 crore (Rupees Twenty-Five Thousand crore), on a private placement basis, in one or more tranches, on such terms and conditions as the Board may deem fit and depending on the prevailing market conditions, during the period of one year from the date of passing this Resolution, within the overall borrowing limits of the Company, as approved by the Members from time to time."

"RESOLVED FURTHER that the Board of Directors of the Company (including any Committee thereof), be and are hereby severally authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above Resolution, including determining the terms and conditions of the NCDs."

6) Approval of Material Related Party Transactions with Tata Consultancy Services Limited

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that in accordance with the provisions of the Regulations 62K, 2(1)(zc) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time, relevant Circular(s), the applicable provisions of the Companies Act, 2013, read with Rules made thereunder and the Framework for Related Party Transactions adopted by the Company, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company ("Board"), which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to continue with the existing contract(s)/arrangement(s)/transaction(s) and/or enter into and/or execute new contract(s)/ arrangement(s)/ transaction(s), (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), the details of which are mentioned in the explanatory statement, with Tata Consultancy Services Limited ("TCS"), being a subsidiary company of Tata Sons Private Limited (Ultimate holding Company) and accordingly, a related party of the Company under Regulation 2(1)(zb) of the SEBI LODR Regulations, on such terms and conditions as may be agreed between the Company and TCS for an aggregate value upto Rs. 5,150 crore during FY 2025-26, for borrowing

through various means such as Term Loans, Inter-Corporate Deposit, Non-Convertible Debentures etc., availing Information Technology ("IT") related services, purchase of hardware / software and other financial services subject to such contract(s)/arrangement(s)/ transaction(s) being carried out at arm's length and in the ordinary course of business of the Company."

"RESOLVED FURTHER that the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

"RESOLVED FURTHER that the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Key Managerial Personnel or any other Officer(s) as Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s)."

"RESOLVED FURTHER that all actions taken by the Board, or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved and confirmed in all respects."

By Order of the Board of Directors
For **Tata Capital Housing Finance Limited**

Sd/-

Sanna Gupta
Company Secretary

Mumbai, June 17, 2025

Registered Office:
11th Floor, Tower A,
Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai - 400 013

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act"), setting out the material facts relating to the business stated under Item Nos. 3, 4, 5 and 6, is annexed hereto. Additional information, pursuant to Secretarial Standard – 2 i.e. Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Mr. Rajiv Sabharwal, the Director seeking re-appointment at the Annual General Meeting ("AGM") is furnished as a part of this Notice.
2. The Ministry of Corporate Affairs ("MCA") has, vide its General Circular Nos. 20/2020 dated May 5, 2020 read with General Circular No. 02/2022 dated May 5, 2022, General Circular No. 10/2022 dated December 28, 2022, General Circular No. 09/2023 dated September 25, 2023 and General Circular No. 09/2024 dated September 19, 2024 (collectively referred to as "MCA Circulars"), permitted the holding of AGM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The deemed venue of the AGM will be the Registered Office of the Company.
3. In compliance with the provisions of the Act and the MCA Circulars, the AGM of the Company is being held through VC via Microsoft Teams.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Accordingly, pursuant to the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and the route map of the AGM are not annexed to this Notice.
5. Corporate Members intending to appoint their authorised representatives to attend the AGM are required to send a certified copy (PDF Format) of its Board or Governing body Resolution/Authorization, etc. to the Company at the email id tchfsecretarial@tatacapital.com.
6. The Notice is being sent to all the Members whose names appeared in the Register of Members as on the close of business hours on Friday, June 13, 2025.
7. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report for the FY 2024-25, is being sent only through electronic mode to the Members whose email addresses are registered with the Company/ Depositories and the same is available on the website of the Company www.tatacapital.com.
8. Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs").
9. The Members are requested to click on the link sent to their registered email id for participating in the AGM. The facility for joining the AGM through VC will open 15 minutes before the scheduled time of the commencement of the AGM and will be kept open till the expiry of 15 minutes after the scheduled time of AGM.

10. The Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. Pursuant to Section 101 of the Companies Act, 2013 consent for convening meeting at a shorter notice has been obtained from the Members of the Company.
12. The relevant Registers and all other documents referred to in this Notice will be available for inspection by the Members without any fee, at the Registered Office of the Company during normal business hours on any working day (except Saturday and Sunday) and also during the Meeting. The Members can send a request to the Company at tchflsecretarial@tatacapital.com to inspect the same.
13. In case a Poll on any item is demanded by the Members at the AGM, the Members shall cast their votes only by sending e-mails through their registered e-mail addresses to the designated e-mail id tchflsecretarial@tatacapital.com.



EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act") and the Rules framed thereunder, sets out all material facts relating to the businesses mentioned under Item Nos. 3, 4, 5 and 6 of the accompanying Notice dated June 17, 2025.

Item Nos. 3 and 4

As per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act"), the Board of Directors of a Company cannot, except with the consent of the Members of the Company in a general meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital of the Company, its free reserves, that is reserves not set apart for any specific purpose, and the security premium. The Members, at the Annual General Meeting of the Company held on June 27, 2024, had accorded their consent to the Board of Directors for borrowing upto an outstanding amount of Rs. 75,000 crore.

The closing debt position of the Company as on March 31, 2025 was Rs. 61,077 crore. To meet the additional working capital and long-term funding requirements, as also to provide for the issue of any debt, debt related instruments in the Indian and/or international market, it is necessary to increase the present borrowing limits of the Company from Rs. 75,000 crore to an amount of Rs. 92,000 crore.

Below states the regulatory limit of borrowing calculated as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI HFC Master Directions"):

| Particulars | March 2025 |
|---|-------------------|
| Net Owned Funds ("NOF") (Rs. In crore) | 8,485.84 |
| Multiple of NOF above (Para 27.2 of RBI HFC Master Directions) | 12.00 |
| Regulatory Borrowing Limit (Rs. In crore) | 1,01,830.08 |

The said borrowings may be secured by way of charge / mortgage / hypothecation of the Company's assets in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate, etc. As the documents to be executed between the Security holders / Trustees for the holders of the said Securities and the Company may contain the power to take over the management of the Company in certain events, it is necessary for the Company to pass a special resolution under Section 180(1)(a) of the Act, consenting to the creation of the said mortgage or charge or hypothecation for amount not exceeding Rs. 92,000 crore.

The approval of the Members is, therefore, being sought by way of a special resolution, pursuant to Section 180(1)(a) and 180(1)(c) of the Act, to increase the outstanding limit from Rs. 75,000 crore to an amount of Rs. 92,000 crore.

The Board recommend the Special Resolutions at Item Nos. 3 and 4 of the accompanying Notice for approval of the Members of the Company.

Since these Resolutions pertain to borrowing of monies and creation of charges that could, *inter alia*, be availed from/created in favour of Tata Capital Limited ("TCL"), the holding company, Mr. Rajiv Sabharwal, Director of the Company is deemed to be interested in the above resolution, since he is the Managing Director & CEO of TCL.

It may be noted that Mr. Sujit Kumar Varma and Mr. Nagaraj Ijari, Directors of the Company are also Directors of TCL, but they do not hold, either individually or along with the other Directors of the Company and their respective relatives, 2% or more of the paid-up equity share capital of TCL.

None of the relatives of the aforementioned Directors or no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the passing of the Resolution mentioned at Item Nos. 3 and 4.

Item No. 5

The Company from time to time raises funds by way of issue of Non-Convertible Debentures ("NCDs") on a private placement basis. As per the provisions of Section 42 of the Companies Act, 2013 ("Act") read with Rules framed thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, a Company offering or making an invitation to subscribe to NCDs on a private placement basis, is required to obtain prior approval of the Members by way of a Special Resolution, which can be obtained once a year for all the offers and invitations for such NCDs during the year.

Accordingly, the approval of the Members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any, of the Act and the Rules framed thereunder to offer / invite / issue / allot up to such number of NCDs including but not limited to Subordinated / Perpetual NCDs, whether secured or unsecured, on a private placement basis, in one or more tranches aggregating to Rs. 25,000 crore (Rupees Twenty-Five Thousand crore), during a period of one year from the date of passing resolution set out at item No. 5 of this Notice, within the overall borrowing limits of the Company, as approved by the Members from time to time. Further, it is proposed to grant authority to the Board of Directors (hereinafter referred to as the "Board" the term shall be deemed to include any committee constituted / which may be constituted by the Board of Directors or any other person(s) for the time being authorized by the Board of Directors to exercise powers conferred on the Board of Directors) to delegate or determine the terms of issue of NCDs.

The Board recommend the Special Resolution at Item No. 5 of the accompanying Notice, for the approval of the Members of the Company.

Since this Resolution pertains to issue of NCDs on a private placement basis, during the year, that could, inter-alia, be made to Tata Capital Limited ("TCL"), the holding Company, Mr. Rajiv Sabharwal, Director of the Company is deemed to be interested in the above resolution, since he is the Managing Director & CEO of TCL.

It may be noted that Mr. Sujit Kumar Varma and Mr. Nagaraj Ijari, Directors of the Company are also Director of TCL, but they do not hold, either individually or along with the other Directors of the Company and their respective relatives, 2% or more of the paid-up equity share capital of TCL.

None of the relatives of the aforementioned Directors or no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the passing of the Resolution mentioned at Item No. 5.

Item No. 6

As per the provisions of Regulation 62K of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time, any transaction with a related party shall be considered material, if the transaction(s) entered into/ to be entered into individually or taken together with the previous transaction(s) during a financial year exceeds Rs. 1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and shall require prior No-Objection Certificate from the Debenture Trustee who shall in turn obtain No-Objection from the debenture holders (for debentures issued on or after April 1, 2025) who are not related with the Company and hold atleast more than fifty per cent. of the debentures in value, on the basis of voting including e-voting. After obtaining the approval of the Debenture holders, the prior approval of shareholders by means of an ordinary resolution shall be obtained, whether related or otherwise. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

Tata Sons Private Limited ("TSPL") is a holding company of Tata Capital Limited ("TCL") holding 92.86% stake in TCL as on March 31, 2025. TCL along with its nominees holds 100% shareholding in the Company. TSPL also holds 71.74% stake in Tata Consultancy Services Limited ("TCS") as on March 31, 2025. TCS, being a subsidiary of TSPL, the ultimate holding company of TCHFL, is considered as a related party of the Company as per the Companies Act, 2013 and SEBI LODR Regulations, as amended from time to time.

The Company as a part of its borrowing program raises funds through various instruments such as Term Loans, Inter-Corporate Deposit, Non-Convertible Debentures ("NCDs") etc. On few occasions, Tata Group companies have also participated in the NCD issuance of the Company. The Company has in the past entered into transactions with TCS namely, availing Information Technology ("IT") related services and purchase of hardware / software, etc.

It is proposed to enter into / continue to enter into aforesaid related party transactions with TCS viz. borrowing through various means such as Term Loans, Inter-Corporate Deposits, NCDs, availing IT related services, purchase of hardware /

software and other financial services for FY 2025-26 for an aggregate value up to Rs. 5,150 crore, based on the potential for issuance of NCDs and other services.

The issuance of NCDs of the Company on private placement basis happens through Electronic Bidding Platform of the Stock Exchanges as per the prescribed SEBI norms and the rates are usually uniform across all bidders. The borrowings by way of Term Loans, Inter-Corporate Deposits etc., are availed by the Company on the basis of prevailing rates for similar type of loan from banks / financial institutions at that point of time.

The Company would be undertaking these transactions in furtherance of its business activities which will help in diversifying its sources of funds and also for its operational activities.

The aggregate value of the above transactions is estimated to be up to Rs. 5,150 crore i.e. approximately 73.9% of annual consolidated turnover of the Company for the financial year 2024-25.

The Management has provided the Audit Committee with the relevant details, as required under law, of various proposed related party transactions including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into material related party transactions with TCS for an aggregate value of upto Rs. 5,150 crore for FY 2025-26. The Committee has noted that the said transactions will be on an arm's length basis and in the ordinary course of business of the Company.

Basis the consideration and approval of the Audit Committee and the Board, the Board recommends the Ordinary Resolution at Item No. 6 of the accompanying Notice, for the approval of the Members of the Company.

Further, in compliance with the Regulation 62K(5) of the SEBI LODR Regulations, a No-objection Certificate for undertaking the proposed Material Related Party Transaction has been obtained on May 30, 2025 from IDBI Trusteeship Services Limited, the Debenture Trustee of the Company.

None of the Director or Key Managerial Personnel of the Company or their relatives, other than to the extent of their shareholding in the TCS, if any, are concerned or interested in the passing of the Resolution mentioned at Item No. 6.

**BRIEF RESUME OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THIS
ANNUAL GENERAL MEETING
(AS ON JUNE 17, 2025)**

| Particulars | Mr. Rajiv Sabharwal (DIN: 00057333) |
|--|--|
| Date of Birth and Age | Date of Birth: September 28, 1965 Age: 59 years |
| Date of Appointment on Board* and terms and conditions of appointment | January 11, 2018 Mr. Sabharwal is the Chairman and Non-Executive Director of the Company. |
| A brief profile including Qualification and Experience | Bachelor of Technology – Mechanical Engineering (IIT, Delhi), Post Graduate Diploma in Management (IIM, Lucknow). Over 33 years of experience in the banking and financial services industry. Currently, Mr. Sabharwal is the Managing Director & CEO of Tata Capital Limited, an Investment and Credit Company and a subsidiary of Tata Sons Private Limited. He was a Partner in True North Managers LLP, which was mainly involved in building and managing businesses with a primary focus in the financial service sector. He has served as an Executive Director on the Board of ICICI Bank and was responsible for several businesses including retail banking, business banking, rural banking, financial inclusion business and digital banking technology. Mr. Sabharwal also had successful stints with True North Managers LLP, Sequoia Capital, Godrej Group, SRF Finance, GE Capital and Times Bank. |
| Number of Meetings of the Board attended during FY 2024-25 | 11 (out of 11) |
| Other Directorships / Designated Partner held in other Companies / LLP | Chairman: <ul style="list-style-type: none"> • Tata Securities Limited • Tata Asset Management Private Limited Managing Director & CEO: <ul style="list-style-type: none"> • Tata Capital Limited Director: <ul style="list-style-type: none"> • Tata Capital Pte. Limited • Tata Capital Advisors Pte. Limited • Finance Industry Development Council |
| Memberships / Chairmanships of Committees of other Board | Tata Capital Limited: <ul style="list-style-type: none"> • Risk Management Committee (Member) • Corporate Social Responsibility Committee (Member) • Stakeholders Relationship Committee (Member) • Information Technology Strategy Committee (Member) |

| | |
|--|---|
| | <ul style="list-style-type: none"> • Investment Credit Committee (Member) • Special Committee for Monitoring and Follow up of cases of Frauds (Member) • Initial Public Offering Committee (Member) • Customer Service Committee (Chairman) • Review Committee for Identification of Wilful Defaulters (Chairman) <p>Tata Asset Management Private Limited:</p> <ul style="list-style-type: none"> • Nomination and Remuneration Committee (Member) • Risk Management Committee (Member) |
| Shareholding in the Company | Nil |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | None |
| Last drawn Remuneration | Nil |
| Remuneration sought to be paid | Nil |

**The date on which Director was first appointed*