

TATA CAPITAL HOUSING FINANCE LIMITED
Annual Report 2016-17

BOARD'S REPORT

To the Members,

The Board has pleasure in presenting the Ninth Annual Report and the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2017.

1. BACKGROUND

Tata Capital Housing Finance Limited ("Company" or "TCHFL"), is a wholly owned subsidiary of Tata Capital Limited ("TCL") and is registered with the National Housing Bank ("NHB") to carry on housing finance activities. The Company offers a range of Housing Loans and Loans against Property to various segments of society such as salaried individuals, self-employed individuals, self-employed professionals, corporates, etc. and has been focusing on business opportunities available within the Tata ecosystem.

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

2. INDUSTRY AND ECONOMIC SCENARIO

The year proved that analysts and markets often get it completely wrong. The key surprises globally were Brexit, results of the US elections and impact of the Demonetisation in the largest democracy in the world. It is heartening to note that even in the weak global backdrop, our economy remains a visible bright spot. The macro economic conditions of India are amongst the best they have been in recent times.

This year the incumbent Government pushed ahead with its reform agenda, backed by key wins in the state elections. The outcome of the state elections pushed the equity markets to an all time high in March 2017 and the Rupee witnessed considerable relative strengthening in the current fiscal. The top three reforms during the current fiscal were Demonetisation, Goods and Services Tax and operationalisation of the Monetary Policy Committee.

The third quarter economic growth measured in terms of GDP growth was a positive surprise, when contrasted with estimates based on high frequency indicators, which had clearly pointed to subdued economic activity due to Demonetisation. The above average monsoon after a span of two years has further aided some recovery in the agriculture or agriculture dependent sectors.

During the year, consumer price inflation declined to a three-year low on account of lower vegetable and pulses prices but core consumer inflation remained sticky. The new Governor of the Reserve Bank of India ("RBI") cut rates by 25 bps in his first policy but has since held rates given that the inflation pressures are likely to be exerted by a reviving commodity cycle and global risks to the Indian economy. On the fiscal front, our country's position has improved, helped mainly by controlled spending and higher GDP to the tax ratio. The low crude prices and consequently lower subsidies and higher cesses played an important part in the fiscal strength demonstrated by the Government.

On the interest rate front globally, the Federal Reserve Bank raised rates for the first time in December 2016 and indicated that they could further raise rates upto 3 times in the calendar year 2017. Closer home, the 10-year Government Securities rates declined by approximately 125 bps. The declining interest rates in India were helped by easing liquidity which the RBI mopped up in the course of the year through the Market Stabilisation Scheme in the latter part of the financial year. The outlook on interest rates is mixed as the RBI will need to balance growth objectives, especially post Demonetisation with Inflation targeting. FY 2017-18 may provide some pockets for rate reduction but the key determinants will be the monsoon and uptick in commodity and crude prices driven more largely by artificial supply constraints than the demand side.

The asset quality and growth of the financial services sector saw significant deterioration in the current financial year. The Non Performing Assets ("NPA") of the Banking sector touched approximately 9.2% by September 2016. Overall credit growth declined to single digits, with a divergence observed between the public sector and private sector in terms of credit growth. The lack of credit growth can be attributed partially to lack of capital expenditure by industry but more so to a shift in well rated corporate borrowing through Commercial Papers and Non-Convertible Debentures. The Retail Loans both home and non-home continued to record robust growth.

As we enter the new financial year, the economy is on the cusp of a major transformation, with several policy initiatives set to be implemented shortly. Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to drive growth. We have a cautiously optimistic outlook for the next financial year and shall closely track the impact of various Government policies, natural phenomena like the monsoon and impact of key global events on two key aspects of our business i.e. interest rates and credit quality.

The Housing Finance market in India is growing fast over the last 25 years and is served by multiple institutions that cater to people in diverse geographies and across income spreads. Mortgage lending has significantly contributed to the growth in housing construction and housing consumption activities.

Mortgage penetration in India, despite a rising trend, is still quite low not only relative to advanced economies but even relative to its peers like Malaysia, Korea, Thailand and China. Mortgage to GDP ratio in India is currently 9%. This implies a huge growth opportunity for the sector as also for the Company. As per estimates, the total outstanding mortgages in India will increase eight fold with Mortgage to GDP ratio increasing to 20%, by FY 2020.

The Union Budget for FY 2017-18 maintained its focus on the agenda 'Housing for All' by 2022 with 39% higher allocations vis-à-vis FY 2016-17 under the Pradhan Mantri Awas Yojana (PMAY). Further, the Government has accorded the 'infrastructure' status to affordable housing projects, which is likely to encourage the participation of a wider investor community and improve access to funding avenues like insurance and pension funds. The Credit Linked Subsidy Scheme and Middle Income Group Scheme is likely to expand the eligible borrower base and also improve affordability of the borrowers owing to lower equated monthly instalments (EMI) and debt burden ratios. All these supporting factors, coupled with the current low to moderate penetration levels are likely to help growth in the affordable housing segment.

Housing Finance Companies have the advantage of domain expertise, regulatory advantages (No Cash Reserve Ratio or Statutory Liquidity Ratio), NHB refinancing support and low cost income ratio model and appear to be well placed to take advantage and succeed in this changing environment.

3. FINANCIAL RESULTS

The performance of the Company for the Financial Year ended March 31, 2017 is summarized below:

(₹ in crore)

Particulars	FY 2016-17	FY 2015-16
Total Income	1,723	1,265
Total Expenditure	1,450	1,092
Profit Before Tax	273	173
Provision for Tax (net of deferred tax)	95	60
Profit After Tax	178	113
Balance brought forward from the previous year	101	66
Adjustment of Deferred Tax Liability on Special Reserve u/s 36(1)(viii) of the Income tax Act, 1961	—	—
Amount available for appropriation	279	179
Appropriations		
Interim Dividend on Compulsorily Convertible Cumulative Preference Shares	66	46
Dividend Distribution Tax on interim dividend	14	9
Proposed dividend on Compulsorily Convertible Cumulative Preference Shares	—	—
Dividend Distribution Tax	—	—
Transfer to Special Reserve	52	23
Balance carried to Balance Sheet	147	101

During FY 2016-17, the Company disbursed Mortgage Loans amounting to ₹ 8,236 crore (FY 2015-16: ₹ 6,532 crore), representing an increase of over 26%. This included Housing Loans of ₹ 4,783 crore in FY 2016-17 (FY 2015-16: ₹ 3,936 crore). The Company's loan portfolio stood at ₹ 16,926 crore as on March 31, 2017 (₹ 13,005 crore as on March 31, 2016), representing an increase of 30%. The Cost to Income ratio decreased to 41% in FY 2016-17 as compared to 46% in FY 2015-16. Gross NPA and Net NPA were 0.91% and 0.46%, respectively, as on March 31, 2017 (0.72% and 0.46%, respectively, as on March 31, 2016).

The Company's Gross Income increased to ₹ 1,723 crore in FY 2016-17 from ₹ 1,265 crore in FY 2015-16, representing an increase of 36%. Interest expenses increased by 32% to ₹ 1,137 crore in FY 2016-17 from ₹ 863 crore, in FY 2015-16.

Total Income (Net Interest Margin plus other revenue) of the Company increased by 45%, from ₹ 398 crore in FY 2015-16 to ₹ 579 crore in FY 2016-17. Net Interest Margin as a percentage of average assets stood at 3.4% for FY 2016-17. Total Income included Investment and Fee Income of

₹ 1 crore and ₹ 73 crore, respectively, for FY 2016-17.

The Company's Profit Before Tax from Home Loan segment increased from ₹ 58.19 crore in FY 2015-16 to ₹ 133.07 crore in FY 2016-17, the Home Equity segment increased from ₹ 51.12 crore in FY 2015-16 to ₹ 64.02 crore in FY 2016-17 and the Builder segment increased from ₹ 50.82 crore in FY 2015-16 to ₹ 89 crore in FY 2016-17.

Operating Cost increased by 33% from ₹ 150 crore in FY 2015-16 to ₹ 199 crore in FY 2016-17. Manpower expenses for FY 2016-17 were ₹ 104 crore as against ₹ 74 crore in FY 2015-16, an increase of 42%. Cumulative provisioning on the asset book as on March 31, 2017 was ₹ 167 crore, of which, standard asset provisioning amounted to ₹ 90 crore. The provision for taxation during the year was ₹ 95 crore.

The Net Profit After Tax for the year increased by 58%, from ₹ 113 crore in FY 2015-16 to ₹ 178 crore in FY 2016-17.

An amount of ₹ 52 crore is proposed to be transferred to the Special Reserve Fund for FY 2016-17, pursuant to Section 29C of the National Housing Bank Act, 1987 and the balance of ₹ 147 crore is proposed to be carried to the Balance Sheet.

4. SHARE CAPITAL

During FY 2016-17, the Authorised Share Capital of the Company increased from ₹ 2,500 crore to ₹ 4,500 crore.

The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2017 was ₹ 10,77,33,33,320 consisting of 25,33,33,332 Equity Shares of ₹ 10 each and 82,40,00,000 Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of ₹ 10 each.

During the year under review, the Company issued and allotted to TCL, 9%, 16,50,00,000 CCCPS of ₹ 10 each, at par, aggregating ₹ 165 crore on a 'Rights basis'.

5. DIVIDEND

At the Meeting of the Board of Directors of the Company held on March 22, 2017, the Directors declared an Interim Dividend of ₹ 66.13 crore on the CCCPS @ 9% i.e. ₹ 0.90 per CCCPS for FY 2016-17, as under:

- On 65,90,00,000 CCCPS of ₹ 10 each, aggregating ₹ 59.31 crore, to be paid for the period April 1, 2016 to March 31, 2017; and
- On 16,50,00,000 CCCPS of ₹ 10 each, aggregating ₹ 6.82 crore, to be paid on a pro-rata basis, from the respective dates of allotment to March 31, 2017.

The dividend distribution tax on the above dividend payments was ₹ 13.46 crore (FY 2015-16: ₹ 9.37 crore).

With a view to conserving the resources of the Company and for building up its reserves and after considering the business plans of the Company for FY 2017-18, the Board of Directors do not recommend payment of dividend on Equity Shares for the year ended March 31, 2017.

6. FINANCE

During FY 2016-17, the Company met its funding requirements through a combination of short term debt (comprising Commercial Paper and Bank Loans) and long term debt (comprising Non-Convertible Debentures ("NCD"), Subordinated Debt and Bank Loans). During the year under review, the Company issued on a private placement basis, Secured Redeemable NCDs of an aggregate Face Value of ₹ 1,949.40 crore and Unsecured Redeemable Subordinated NCDs, as Tier II Capital, of an aggregate Face Value of ₹ 200 crore and received funding of ₹ 1,937.47 crore from NHB. The Company securitized some of its receivables aggregating ₹ 638.03 crore. The aggregate debt outstanding as at March 31, 2017 was ₹ 15,208 crore (of which, ₹ 6,550 crore was payable within one year). The Debt Equity ratio of the Company as at March 31, 2017 was 11.32 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 Company received the following ratings:

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

8. RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. The Risk Management process is governed by the Comprehensive Enterprise Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring as an ongoing process that is supported by a robust risk reporting framework. Risk Management Framework of the Company covers Credit Risk, Market Risk, Operational Risk, Fraud Risk and other risks. The Risk Management Practices of Tata Capital are compliant with ISO 31000:2009, which is the International Standard for Risk Management, that lays down Principles, Guidelines and Framework for Risk Management in an organisation.

The Risk Management Committee of the Board assists the Board in its oversight of various risks mentioned above. The Risk Management Committee reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyses risk exposures related to specific issues and provides oversight of risk across the organisation.

The Credit Risk management structure includes separate credit policies which define customer assessment criteria, prudential limits, and Delegation of Authority metrics (DoA), etc. and cover risk assessment for new product offerings. Concentration Risk is managed by analysing counter-party, industry sector, geographical region, single borrower and borrower group. Structured Monitoring and Reporting framework is in place for account specific and portfolio reviews. Periodic scenario analysis is conducted and a Risk Mitigation Plan based on the analysis, has been implemented.

Management of Liquidity (Asset Liability and Interest Rate) and Market Risk is carried out using quantitative techniques such as sensitivity and stress testing. The Asset Liability Committee reviews liquidity risk and the interest rate risk profile of the organisation on a regular basis.

The Company has a Board approved Operational Risk Management framework. Ongoing monitoring of Key Risk Indicators ("KRI") is done and corrective actions are implemented on KRI exceptions. A Senior Management oversight committee, viz. the Operational Risk Management Committee, meets periodically to review the operational risk profile of the organisation.

Risks associated with frauds are mitigated through a Fraud Risk Management framework. A Fraud Risk Management Committee comprising Senior Management representatives reviews matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

9. 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 is commensurate with the size, nature and operations of the Company.

10. INTERNAL FINANCIAL CONTROLS

The Management had appointed an external consultant and formed a Cross Functional Team ("CFT") comprising Operating Managers, Internal Audit and Risk to document and evaluate the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Entity Level Control framework document based on COSO 2013 framework has been documented. The documentation of process maps, key controls, standard operating procedures and risk registers has been completed for all businesses and functions under the supervision of the CFT. Further, during FY 2016-17, Management testing has been conducted on a sample basis for all key processes and remedial action has been taken or agreed upon with a finite closure date where control weaknesses were identified. The Internal Audit team has also conducted a review of the Internal Financial Controls and remedial action has been taken or agreed upon with a finite closure date where control weaknesses were identified. There are no material unaddressed Internal Financial Controls related observations outstanding as at March 31, 2017. Based on the above, the Board believes that adequate Internal Financial Controls exist.

11. INFORMATION TECHNOLOGY SUPPORT

Information Technology ("IT") after having achieved stability in the core systems and is close to total

automation of all the business processes. TCHFL's core lending system is now being migrated to an industry standard application. TCHFL has entered into the digital space with several new products. The focus is now on enhancing the digital footprint. The digital strategy is based on the 'nexus of forces' covering social, mobile, analytics and the cloud and internet using the 'bi-modal' delivery approach. The emphasis is on continual improvement and upgradation of systems and underlying processes.

The Company has completed an assessment of its IT capability maturity with a high score. There is a constant endeavour to move up the IT maturity curve (including benchmarking against internationally accepted IT Capability Maturity Framework) and deliver value to businesses and customers. TCHFL has identified several IT projects for the coming year that would give TCHFL a clear advantage and would benefit the stakeholders. TCHFL is well on its way on the 'digitalisation' journey, where in it will deploy the latest technology covering the internet, cloud, analytics, social media and mobility areas. Mobility applications for Retail Loans have been deployed across multiple operating systems. 'TataCapitalHomeLoans' - a mobile app for housing finance prospects and customers has been deployed which enables customers to view their existing account details and also enables prospects to view properties.

The Company is now moving into the leadership stage in its technology journey. The innovation driven projects on the IT road map and the digital strategy initiative will enable the Company to take the leadership position with the support of its technology partners and the business units representing a collaborative framework.

12. HUMAN RESOURCES

The Company recognises people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. There were 942 permanent employees on the rolls of Company as on March 31, 2017.

Tata Capital's mission on creating a high performance culture has been further strengthened through areas like building a capability model (identification of critical competencies), nurturing talent through interventions such as mentoring, competency based training programs and cross functional projects.

Talent Management (Apex) is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within the organisation. Focus on behavioural and leadership traits through Learning and Development ("L&D") interventions and job rotations are planned for the employees who constitute the Talent Pool.

Tata Capital's second Cultural Survey, based on the ten identified attributes and conducted by the Gallup Organisation, in August 2015, has given it a very healthy and positive score of 4.25 on a scale of 5.

Tata Capital's focus on Employee Engagement has resulted in its overall Employee Engagement Scores (Q12) climbing steadily from 3.52 in 2009 to 4.14 in 2016, in surveys, conducted by the Gallup Organisation.

The Company's L&D initiatives are focused on enhancing the functional and behavioural competencies of its employees through L&D interventions, such as Executive Development Programs, e-learning and various classroom based training programs. In order to encourage e-learning, several new modules such as New Employee Orientation e-learning module, Prevention of Sexual Harassment Policy, Tata Code of Conduct and other functional e-learning modules have been launched.

Tata Capital also achieved key milestones in FY 2016-17, whereby some of the key HR processes were digitised, supporting the fast pace of our growing manpower and thus achieving an objective of improved employee experience, better employee insight and moving towards a paperless environment.

Tata Capital is committed to maintain the highest standards of health, safety and security for its employees and business associates and to operate in a healthy and safe environment. To meet the same, Tata Capital has developed and implemented an Occupational Health & Safety ("OH&S") Management System manual.

The OH&S Management System in Tata Capital, is within the framework of Tata Safety & Health Management System and OHSAS 18001:2007 standard. This document is a comprehensive manual detailing our safety processes, procedures and reports.

The manual describes the OH&S Management System, delineates authorities, inter relationships and responsibilities of the personnel performing within the system. The document is intended to create an empowered workforce by guiding Tata Capital's employees and all stakeholders on various requirements of the standard that must be met and maintained, in order to ensure occupational health and safety stewardship.

13. CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

The Tata Group's ethos is deeply ingrained in the philosophy of societal development and is especially focused upon the engagement and upliftment of the disadvantaged sections of the society. The Company is committed

to a policy of inclusive and sustainable growth for the marginalised communities. The Company shares the Group's belief that our society can only truly progress, if every individual can be included and empowered.

To guide us in this journey, the Company has a well-defined Corporate Social Responsibility ("CSR") policy which outlines four thrust areas of development, viz. Livelihood and Employability, Health, Education and Environment as adopted by the CSR Committee of the Board and the same is available on the Company's website, www.tatacapital.com. As per the provisions of Section 135 of the Companies Act, 2013 ("Act"), the Company has constituted a CSR Committee comprising Ms. Anuradha E. Thakur (Chairperson), Mr. Shailesh Rajadhyaksha and Mr. R. Vaithianathan as Members.

During FY 2016-17, the CSR budget of the Company of ₹ 2.86 crore (being 2 percent of the average net profit of the Company, in the three immediately preceding financial years, calculated as per Section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014) was spent towards projects and programmes covered under Schedule VII to the Act. Basis the conceptualisation of the projects under the thrust areas, Tata Capital appraises and empanels reputed NGOs that help implement projects and programmes to bring the desired positive and measurable results for the target beneficiaries. The Annual Report on CSR activities is annexed herewith as Annexure 'A'.

Tata Capital has adopted the Tata Group's Affirmative Action ("AA") Programme since 2008. The AA Programme addresses the 5Es - Essentials, Education, Employability, Employment and Entrepreneurship for the Scheduled Caste ("SC") and Scheduled Tribe ("ST") communities. In the annual AA assessment of Tata Capital's AA strategy and projects conducted by the Tata Business Excellence Group ("TBExG"), Tata Capital moved up by two bands from 451-475 in FY 2015-16 to 501-525 in FY 2016-17. Tata Capital was recognised for taking a responsible business approach, amongst other community driven projects, by giving subsidised loans to businesses owned and operated by SC / ST community members in partnership with Dalit Indian Chamber of Commerce and Industry.

14. COMPLIANCE

The Company is registered with the NHB as a Non-Deposit accepting Housing Finance Company. The Company has complied with and continues to comply with all applicable provisions of the Act, the National Housing Bank Act, 1987, NHB Directions, 2010 and other applicable rules/regulations/guidelines, issued from time to time.

During the year, there were no frauds committed by the Company and no material frauds committed on the Company by its officers or employees. Further, the Company has complied with its reporting requirements, including to NHB.

Further, during FY 2016-17, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

The Company has deployed "ComplianceCheck" ("Application"), an online platform to report and monitor compliances. The Application has features such as generation of compliance task alerts to the Performer, escalation mechanism to Reviewer and Business/Functional Heads and Compliance Officer, generation of compliance reports and updating the compliance tasks based on regulatory developments. Compliance Status Reports are submitted, on a regular basis, to the Managing Director and are placed before the Board on a half-yearly basis by the Company Secretary.

The Capital Adequacy Ratio ("CAR") of the Company was 16.01% as on March 31, 2017 against the CAR of 12.00%, prescribed by the NHB.

Mr. S Balakrishna Kamath, Company Secretary and Chief Financial Officer, is also the Compliance Officer of the Company.

15. REGULATORY ACTION

There are no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

16. 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.

17. DETAILS OF LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company since the Company is a Housing Finance Company.

18. DIRECTORS

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Praveen P. Kadle is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and is eligible, for re-appointment. The Members of the Company may refer to the accompanying Notice of the AGM of the Company, for a brief resume of Mr. Kadle. Pursuant to the 'Fit and Proper' Policy adopted by the Company under the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Company has received the 'Fit and Proper' declarations from Mr. Kadle for his renewal of appointment as a Director of the Company.

The Company has received declarations from the Independent Directors, viz. Mr. Janki Ballabh and Ms. Anuradha E. Thakur, stating that they meet the criteria of independence as provided in Section 149(6) of the Act.

The Nomination and Remuneration Committee ("NRC") and the Board of Directors had, at their respective meetings held on April 28, 2017, approved the re-appointment of Mr. R. Vaithianathan as the Managing Director and Key Managerial Person of the Company, subject to the approval of the Members of the Company, with effect from June 1, 2017. In accordance with the Governance Guidelines on Board Effectiveness issued by Tata Sons Limited and adopted by the Company, Mr. Vaithianathan's term as the Managing Director would be upto May 21, 2018 i.e. upon his attaining the age of 65 years. The Members of the Company may refer to the accompanying Notice of the AGM of the Company.

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

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance and of the individual Directors (including the Chairman) as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the NRC. The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be. The criteria for evaluating the performance of the Board as a whole, covered various aspects of the Board's functioning such as fulfillment of key responsibilities, structure of the Board and its composition, establishment and delineation of the responsibilities of the Board Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, etc. The criteria for evaluation of individual Directors covered parameters such as attendance and contribution at meetings, guidance to Management, etc. The criteria for evaluation of the Board Committees covered areas related to degree of fulfillment of key responsibilities, adequacy of Board Committee composition, effectiveness of meetings, Committee dynamics, quality of relationship of the Committee with the Board and the Management, etc. The criteria for evaluation of the Board Committees covered areas related to degree of fulfillment of key responsibilities, adequacy of Board Committee composition, effectiveness of meetings, Committee dynamics, quality of relationship of the Committee with the Board and the Management, etc.

Further, pursuant to the Guidance Note on Board Evaluation ("Guidance Note"), issued by the Securities and Exchange Board of India ("SEBI"), additional criteria had been introduced and also, those companies which were not covered under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") were encouraged to follow the additional criteria. The Board of the Company, followed the said additional criteria recommended under the Guidance Note.

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 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 of the Company comprises Mr. Janki Ballabh, Independent Director (Chairman), Ms. Anuradha E. Thakur, Independent Director and Mr. Praveen P. Kadle, Non-Executive Director, as Members. The NRC develops the competency requirements of the Board based on the industry and the strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence of all Directors before recommending them to the Board. Besides the above, the NRC ensures that the new Directors are familiarised with the operations of the Company and endeavours to provide relevant training to the Directors.

In accordance with the provisions of Section 178 of the Act, 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. The Remuneration Policy for Directors, Key Managerial Personnel 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, Key Managerial Personnel and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company. The Policy on Board Diversity and Director Attributes as also the Remuneration Policy of the Company are attached as Annexures 'B' and 'C', respectively.

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 Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, issued by NHB.

21. KEY MANAGERIAL PERSONNEL

Mr. R. Vaithianathan, Managing Director and Mr. S Balakrishna Kamath, Chief Financial Officer and Company Secretary, are the Key Managerial Personnel of the Company.

22. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2016-17.

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

- a) in the preparation of the annual accounts, the applicable accounting standards and guidance provided by The Institute of Chartered Accountants of India had been followed and that there are no material departures thereof;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and cash flows of the Company for the year;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the annual accounts on a going concern basis;
- e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were 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.

23. CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, Government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting the 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 maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading Housing Finance Company in India, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to Tata companies.

The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence, the Balanced Scorecard methodology 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 the Governance Guidelines on Board Effectiveness, a Code of Conduct for Prevention of Insider Trading, a Code of Corporate Disclosure Practices, a Vigil Mechanism, a Fair Practices

Code, a Policy against Sexual Harassment in 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, Guidelines on Corporate Governance, an Occupational Health and Safety Management System and an Anti-Bribery and Anti-Corruption ("ABAC") Policy .

a. Board of Directors

The Board of Directors along with the Committees of the Board provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company.

The Board of Directors of the Company has an optimum combination of Managing, Non-Executive and Independent Directors. The size of the Board is commensurate with the size and business of the Company.

During FY 2016-17, seven Meetings of the Board of Directors were held: May 02, 2016; July 21, 2016; August 23, 2016; October 24, 2016; January 25, 2017; February 17, 2017 and March 22, 2017. The details of attendance of the Directors at Board Meetings held during FY 2016-17 and at the last AGM are given below:

Name of Director	Director Identification Number	Category	Board Meetings		Whether present at previous AGM held on May 23, 2016
			Held	Attended	
Mr. Janki Ballabh	00011206	Independent Director	7	7	Yes
Ms. Anuradha E. Thakur	06702919	Independent Director	7	7	No
Mr. Praveen P. Kadle	00016814	Non-Executive Director	7	7	Yes
Mr. Shailesh H. Rajadhyaksha	00020465	Non-Executive Director	7	6	Yes
Mr. Govind Sankaranarayanan	01951880	Non-Executive Director	7	7	Yes
Mr. R. Vaithianathan	05267804	Managing Director	7	7	No

Mr. Janki Ballabh, Chairman of the Audit Committee and the NRC had attended the last AGM of the Company.

b. Remuneration to the Directors

The Company paid Sitting fees for attending Board Meetings and Meetings of Committees of the Board and will pay Commission for FY 2016-17, within the maximum prescribed limits, to the Non-Executive Directors and Independent Directors (as recommended by the NRC and approved by the Board at their meetings held on April 28, 2017). The details of the same are, as under:

Name of Director	Sitting Fees paid for attending Board and Committee Meetings during FY 2016-17 (₹)	Commission to be paid for FY 2016-17
Mr. Janki Ballabh	7,20,000	10,00,000
Ms. Anuradha E. Thakur	6,60,000	10,00,000
Mr. Shailesh H. Rajadhyaksha	6,30,000	10,00,000
Mr. Govind Sankaranarayanan	2,60,000	—

Mr. R. Vaithianathan had been appointed as the Managing Director of the Company for a period of 5 years with effect from June 1, 2012. Based on the recommendation of the Members of the NRC, the Directors approved a Commission of ₹ 60,00,000 for FY 2016-17, to Mr. Vaithianathan. With this, the total remuneration of Mr. Vaithianathan for FY 2016-17, was ₹ 2.05 crore.

None of the Non-Executive Directors and the Independent Directors had any pecuniary relationships or transactions with the Company during the year under review.

c. Committees of the Board

The Board has constituted Committees with specific terms of reference / scope to focus effectively on issues

and ensure expedient resolution of diverse matters. These are the Audit Committee, Asset Liability Committee ("ALCO"), Risk Management Committee ("RMC"), Nomination and Remuneration Committee ("NRC") and the Corporate Social Responsibility ("CSR") Committee. The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board / respective Committees at their next meetings. The minutes of the meetings of all Committees of the Board are circulated to the Board of Directors, for their noting.

i. Audit Committee

The Audit Committee comprises Mr. Janki Ballabh, Independent Director, (Chairman), Ms. Anuradha E. Thakur, Independent Director and Mr. Shailesh H Rajadhyaksha, Non-Executive Director, as Members. The composition of the Audit Committee is in line with the provisions of Section 177 of the Act. All the Members have the ability to read and understand financial statements and have relevant finance and/or audit experience.

The Board has adopted an Audit Committee Charter which defines the composition of the Audit Committee, its authority, role, responsibilities and powers and the Charter is reviewed from time to time. Given below, *inter alia*, is a gist of the responsibilities of the Audit Committee:

- Recommend the appointment and removal of the Auditors and their remuneration, nature and scope of audit
- Ensure adequacy of internal controls and compliances and recommend remedial measures
- Review adequacy of the Internal Audit function
- Review and monitor the Auditors' independence and performance and effectiveness of the audit process
- Oversee financial reporting process and disclosure of financial information
- Examine the financial statements and the Auditors' report thereon
- Evaluate internal financial controls and the risk management systems
- Act as a link between the Statutory Auditors, Internal Auditors and the Board of Directors
- Review accounting policies
- Monitor compliance with the TCOC
- Approve any transactions of the Company with related parties or any subsequent modifications, thereof
- Scrutinise inter-corporate loans and investments
- Evaluate the valuation of undertakings or assets of the Company, if necessary
- Monitoring the end use of funds raised through public offers and related matters
- Review findings of internal investigations / frauds / irregularities, etc.
- Carry out additional functions as contained in the Listing Agreement or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee
- Carry out the responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

During FY 2016-17, six Meetings of the Audit Committee were held on the following dates: May 02, 2016; July 21, 2016; September 28, 2016; October 24, 2016; January 25, 2017 and March 22, 2017. The composition of the Audit Committee and the attendance of the Members of the Audit Committee at its Meetings held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Janki Ballabh, Chairman	Independent Director	6	6
Ms. Anuradha E. Thakur	Independent Director	6	6
Mr. Shailesh H. Rajadhyaksha	Non – Executive Director	6	5

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

Besides the Members of the Audit Committee, meetings of the Audit Committee are usually attended by the Chairman of the Board, the Managing Director, Directors, Statutory Auditors, Head - Internal Audit, Head – Risk, Chief Financial Officer and Company Secretary. The Internal Audit function is headed by the Head – Internal Audit of the Company, who reports to the Chairman of the Audit Committee, to ensure independence of operations.

ii. Asset Liability Committee (“ALCO”)

During FY 2016–17, four Meetings of the ALCO were held on the following dates: June 24, 2016; September 28, 2016; November 23, 2016 and March 27, 2017. The composition of the ALCO and the attendance of the Members of the ALCO at its Meetings held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Janki Ballabh, Chairman	Independent Director	4	4
Mr. Praveen P. Kadle	Non – Executive Director	4	4
Mr. Shailesh H. Rajadhyaksha	Non – Executive Director	4	4
Mr. Govind Sankaranarayanan	Non – Executive Director	4	3
Mr. R. Vaithianathan	Managing Director	4	4

iii. Risk Management Committee (“RMC”)

During FY 2016–17, four Meetings of the RMC were held on the following dates: June 24, 2016; September 28, 2016; November 23, 2016 and March 27, 2017. The composition of the RMC and the attendance of the Members of the RMC at its Meetings held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Janki Ballabh, Chairman	Independent Director	4	4
Ms. Anuradha E. Thakur	Independent Director	4	4
Mr. Praveen P. Kadle	Non – Executive Director	4	4
Mr. Shailesh H. Rajadhyaksha	Non – Executive Director	4	4
Mr. Govind Sankaranarayanan	Non – Executive Director	4	3
Mr. R. Vaithianathan	Managing Director	4	4

iv. Nomination and Remuneration Committee (“NRC”)

During FY 2016–17, two Meetings of the NRC were held on the following dates: April 25, 2016 and May 02, 2016. The composition of the NRC and the attendance of the Members of the NRC at its Meetings held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Janki Ballabh, Chairman	Independent Director	2	2
Ms. Anuradha E. Thakur	Independent Director	2	2
Mr. Praveen P. Kadle	Non – Executive Director	2	2

v. Corporate Social Responsibility (“CSR”) Committee

During FY 2016–17, two Meetings of the CSR Committee were held on the following dates: October 17, 2016 and March 27, 2017. The composition of the CSR Committee and the attendance of the Members of the CSR Committee at its Meetings held during FY 2016-17 is, given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Ms. Anuradha E. Thakur, Chairman	Independent Director	2	2
Mr. Shailesh H. Rajadhyaksha	Non – Executive Director	2	2
Mr. R. Vaithianathan	Managing Director	2	2

d. Means of Communication

The ‘Investors’ section on the Company’s website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports,

etc. The debenture holders can also send in their queries / complaints at the designated email address: compliance.ncd@tatacapital.com.

e. General Information for Members and Debenture holders

The half yearly Financial Results of the Company are submitted to the Stock Exchanges in accordance with the LODR Regulations and are published in a leading English daily newspaper and also communicated to the Debenture holders every six months through a half-yearly communiqué. Official news releases, including the half-yearly results, are also posted on the Company's website, www.tatacapitalhfl.com.

The Company does not have any unclaimed Non-Convertible Debentures nor any unpaid interest/redemption proceeds due thereon.

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs ("MCA") is U67190MH2008PLC187552. The NCDs issued by the Company on a private placement basis are listed on the Wholesale Debt Market segment of the National Stock Exchange of India Limited.

Details of Debenture Trustees and the Registrar and Transfer Agents for the Debentures are given below:

Debenture Trustees
Vistra ITCL (India) Limited (formerly known as IL & FS Trust Company Limited) The IL&FS Financial Centre, Plot C - 22, G-Block, Bandra Kurla Complex, Bandra(E), Mumbai - 400051 Web: www.itclindia.com Tel: +91 22 2659 3082, Fax: +91 22 2653 3297 E-mail: sonal.gokhale@vistra.com
IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001 Web: 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
TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400011 Tel: +91 66568484, Fax: +91 22 66568494 E-mail: nnair@tsrdarashaw.com

During the year, the Company appointed TSR Darashaw Limited ("TSR") as the RTA for the privately placed debentures issued by the Company in place of Sharepro Services (I) Private Limited ("Sharepro"), consequent upon the issue of an Order by SEBI dated March 22, 2016, restraining the management of Sharepro from buying, selling or dealing in the securities market or associating themselves with securities market, either directly or indirectly, in any manner, till further directions.

f. Other Information

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

The Company has adopted the TCOC for its employees, including the Managing Director. In addition, the Company has adopted a Code of Conduct for its NEDs. The Codes have been posted on the website.

24. VIGIL MECHANISM

The Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns or grievances. The said mechanism provides for adequate safeguards against victimisation of persons who use it, and, *inter alia*, encompasses, the Whistle Blower Policy, the Fraud Risk Management Process, the Ethics mechanism under the TCOC, as also, the ABAC Policy, which the company adopted during the year. Mr. Janki Ballabh is the Designated Director and Mr. S. Balakrishna Kamath is the Compliance Officer, for the purpose of the ABAC Policy. It also provides for direct access to the Chairman of the Audit

Committee and the Chief Ethics Counsellor. Information regarding the mechanism, including the contact details for reporting concerns are communicated to relevant stakeholders. The Vigil Mechanism, Whistle Blower Policy and TCOC have been put up on the Company's website.

25. 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' ("POSH") Policy, that is in line with the statutory requirement, along with a structured reporting and redressal mechanism is in place. The POSH Policy is displayed on the Company's Intranet and is also communicated to employees through internal e-mail communications. An Apex POSH Committee based in Mumbai and 11 Regional POSH Committees (each having a woman as Presiding Officer, and an external woman Member) are in place. During the year, as required under the the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Tata Capital's Apex POSH Committee has been reconstituted. Three training sessions – by subject matter experts – were conducted for POSH Committee Members. The Presiding Officer of the Apex POSH Committee also conducted two training sessions for POSH Committee Members. Further, Members of the POSH Committees have conducted training and awareness sessions across the organisation, to sensitise employees to the needs and concerns of women employees and understanding of the POSH Policy. Posters on the POSH Policy giving contact details of POSH Committee Members are displayed at the Company's branch offices across the country. There is also a dedicated e-mail id (posh@tatacapital.com) for employees to communicate in strict confidence, directly with the Members of the POSH Committee.

During FY 2016-17, the Company received no complaints under the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'.

26. STATUTORY AUDITORS

At the last AGM of the Company, Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai ("DHS") (ICAI Firm Registration No. 117366W/W - 100018), the Statutory Auditors, were appointed for a term of one year until the ensuing Ninth AGM.

In view of the mandatory requirement for rotation of auditors upon completion of ten years of association with a company, in terms of Section 139 of the Act, DHS would retire as the Auditors of TCL, the holding company, at the conclusion of TCL's ensuing Twenty Sixth AGM. TCL proposes to appoint B S R & Co. LLP ("BSR"), Chartered Accountants (ICAI Firm Registration Number: 101248W/W-100022), as the new Statutory Auditors of TCL and has also, recommended their appointment as Statutory Auditors, in all its Indian subsidiary companies.

Accordingly, the Company has received a Special Notice from its Member viz. TCL, recommending the appointment of BSR as the new Statutory Auditors of the Company.

BSR are proposed to be appointed for a term of five consecutive years commencing from the conclusion of the Ninth AGM till the conclusion of the Fourteenth AGM of the Company. BSR have expressed their willingness to act as the Auditors of the Company, and have further confirmed that, if appointed, the said appointment would be in conformity with the provisions of Section 139 read with Section 141 of the Act along with the Rules made thereunder.

The Board recommends the appointment of BSR as Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of the Ninth AGM up to the conclusion of the Fourteenth AGM of the Company to be held in 2022, subject to the approval of the Members of the Company at the ensuing AGM and ratification of their appointment at every AGM, if required under the Act.

27. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act and the Guidelines issued by the NHB. The Financial Statements have been prepared on accrual basis under the historical cost convention. The Accounting Policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year except for change in the Accounting Policy for share issue expenses as more fully described in Note No. 2(xi) of the Financial Statements.

28. EXPLANATION ON STATUTORY AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by DHS, Chartered

Accountants, in their Report dated April 28, 2017, on the Financial Statements of the Company for FY 2016-17.

29. 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 the FY 2016-17. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed as Annexure 'D'.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Parikh & Associates in their Secretarial Audit Report dated April 28, 2017, on the Secretarial and other related records of the Company for FY 2016-17.

30. 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, 2017 and July 26, 2017, being the date of this report.

31. PARTICULARS OF RELATED PARTY TRANSACTIONS

The Company has adopted a Policy and a Framework on Related Party Transactions for the purpose of identification and monitoring of such transactions. The said Policy is attached as Annexure 'E'.

A Statement containing details of material contracts or arrangements or transactions with Related Parties on an arm's length basis with respect to transactions as required under Section 188 (1) of the Act, in the prescribed Form No. AOC-2, is attached as Annexure 'F'. Further, details of Related Party Transactions as required to be disclosed by Accounting Standard – 18 on "Related Party Disclosures" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

During the year, the Company has not entered into any transactions with Related Parties which are not in its ordinary course of business or not on an arm's length basis and which require disclosure in this Report in terms of the provisions of Section 188(1) of the Act.

32. 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.

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

Tata Capital has installed a solar panel at its Thane office which produces close to 750 Watts of energy and which self illuminates and provides power to the garden and security lights on the campus from dusk to dawn. The garden lights at the Thane office have been retrofitted with LED bulbs that consume less electricity as compared to conventional incandescent or CFL bulbs.

iii. Capital investment on energy conservation equipments:

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

B. Technology absorption:

i. The efforts made towards technology absorption;

ii. The benefits derived like product improvement, cost reduction, product development or import substitution;

iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

(a) The details of technology imported;

(b) The year of import;

(c) Whether the technology been fully absorbed;

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

iv. The expenditure incurred on Research and Development.

Given the nature of the activities of the Company, the above would not be 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. 0.45 crore.

33. 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, 2017, is attached as 'Annexure G'.

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, 2017, are provided in a separate annexure forming part of this Report. In terms of the first proviso to Section 136 of the Act, the Report and the Accounts are being sent to the Members, excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary, at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

34. EXTRACT OF THE ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92 (3) of the Act and the Companies (Management and Administration) Rules, 2014, in the prescribed Form No. MGT- 9, is attached as Annexure 'H'.

35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is attached as Annexure 'I'.

36. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Mumbai
July 26, 2017

Praveen P Kadle
Chairman

Annexure A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES**1. Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs:**

Vision: To ensure sustainability by doing what is right, through the adoption of sustainable business practices, employee policies and technologies.

Purpose: To protect the interests of all the stakeholders of the Company and contribute to society at large, by making a measurable and positive difference through the four causes the Company supports viz. Livelihood & Employability, Health, Education and Environment.

Sectors and Issues: To focus on education, employability, entrepreneurship, environment, disaster relief and Tata Group efforts.

For details of the CSR Policy along with projects and programs, kindly refer to <http://www.tatacapital.com>

2. CSR Committee

A Company that qualifies under the CSR Rules is required to form a CSR Committee of the Board. The CSR Committee of the Board comprises:

- Ms. Anuradha E. Thakur, Independent Director (Chairperson)
- Mr. Shailesh H. Rajadhyaksha
- Mr. R. Vaithianathan

3. Average Net Profit of the Company for last three Financial Years:

(₹ in lakh)

Financial Year	Net Profit
FY 2013 -14	9,443
FY 2014 - 15	12,356
FY 2015 - 16	21,101
Average Net Profit	14,303

Note: The above net profit has been calculated in accordance with the provisions of Section 198 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

4. CSR expenditure (2% of Average Net Profit as indicated in Point No. 3)

The CSR expenditure for FY 2016-17 aggregated ₹ 286 lakh

5. Details of CSR spend during FY 2016-17:

- a. Total amount to be spent: ₹ 286 lakh
- b. Amount unspent, if any: Nil

c. Manner in which the amount was spent during FY 2016-17 is detailed in the table below:

(₹ in lakh)

Sr. No.	CSR Projects or Activity Identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) Specify the State and District where the projects or programs were undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or Programs sub heads:		Cumulative expenditure upto the reporting period	Amount Spent	
					Direct Expenditure on projects or programs	Over-heads		Direct	Implementing Agency
1	Primary education and nutrition support	Promoting Education	Local area: Mumbai and Maharashtra	7.00	7.00	–	7.00	–	Mumbai Mobile Creches
2	Skill Development	Enhancing skills and Promoting Education	Other: PAN India	0.97	0.97	–	0.97	–	Swabhimaan Banking Academy
3	Cancer Treatment and residential support for cancer patients Other health care support for patients and hearing impaired individuals	Promoting healthcare	Other: PAN India	93.99	93.99	–	93.99	–	• Xavier's Resource Centre for the Visually Challenged • St. Jude India Childcare Centres • Cancer Patients Aids Association • Tata Medical Centre Trust • Indian Cancer Society • Courage India Cancer Foundation • Prashanti Cancer Care Mission • Ahilyabai Ramani Pratishthan • Bhajandas Bajaj Foundation
4	Promoting arts and culture	Promoting arts and culture	Other: PAN India	25.00	25.00	–	25.00	–	Samvaad Foundation
5	Entrepreneurship trainings	Livelihood enhancement projects	Local area: Nashik, Srirampur, Jawahar, Maharashtra	22.81	22.81	–	22.81	–	• Udyogwardhini Shikshan Sanstha • Nirmal Rural Multipurpose Institution
6	Habitat Protection	Ensuring environmental sustainability	Other: Rajasthan	30.00	26.66	3.34	30.00	–	World Wide Fund for Nature, India
7	JalAadhar, Integrated Watershed Development Program	Ensuring environmental sustainability	Local area: Parner, Ahmednagar, Maharashtra	51.28	51.28	–	51.28	–	BAIF Institute for Sustainable Livelihoods and Development (BISLD)
8	The Green Switch – Solar Micro-grids for tribal hamlets	Ensuring environmental sustainability	Local area: Jawhar, Palghar, Maharashtra	22.95	22.95	–	22.95	–	• Pragati Pratishthan NGO • Gram Oorja Solutions Private Limited
9	Sustainable Housing	Setting up homes for women	Local area: Dahanu, Maharashtra	32.00	32.00	–	32.00	–	Habitat for Humanity India
TOTAL				286.00	282.66	3.34	286.00		

6. In case the Company has failed to spend the 2% of the Average Net Profit of the last three Financial Years or any part thereof, reasons for not spending the amount:

Not Applicable, the prescribed amount has been spent.

We hereby confirm that the implementation and monitoring of the CSR Policy, has been in compliance with the CSR objectives and CSR Policy adopted by the Company.

Sd/-

Anuradha E. Thakur
Chairperson, CSR Committee
(Independent Director)

Sd/-

R. Vaithianathan
Member, CSR Committee
(Managing Director)

Sd/-

Shailesh H. Rajadhyaksha
Member, CSR Committee
(Non-Executive Director)

Annexure B

POLICY ON BOARD DIVERSITY AND DIRECTOR ATTRIBUTES**1. PURPOSE**

In terms of Section 178 of the Companies Act, 2013 ("Act") and the Governance Guidelines on Board Effectiveness issued by Tata Sons Limited and adopted by the Board of Directors, the Nomination and Remuneration Committee ("NRC") of the Board is, *inter alia*, required to formulate a Policy on Board Diversity and lay down the criteria for determining qualifications, positive attributes and independence of a director.

Diversity in the composition of the Board of Directors has become essential in view of the expansion of business, greater social responsibility, increasing emphasis on Corporate Governance, need for addressing concerns of diverse stakeholders and the necessity for managing risks in the business effectively. A Board composed of appropriately qualified and skilled people, with a broad range of experience relevant to the business, is important for effective corporate governance and sustained commercial success of a company.

In view of the above, Tata Capital Housing Finance Limited ("TCHFL" or "Company") has framed this Policy on Board Diversity and Director Attributes ("Policy") that encourages diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Policy sets out the approach to diversity in the Board of Directors of the Company so as to ensure that the Board has an appropriate blend of functional and industry expertise.

This Policy has been adopted by the Board of Directors of the Company, based on the recommendations of the NRC.

2. OBJECTIVES OF THE POLICY

The Objectives of the Policy include:

- i. Board to drive diversity and have an appropriate blend of functional and industry expertise;
- ii. While recommending the appointment of a director to, *inter alia*, consider the manner in which the function and domain expertise of the individual contributes to the overall skill domain mix of the Board;
- iii. To help the Company build a better Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;
- iv. To achieve an optimum and balanced Board, with a wide range of attributes;
- v. To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations; and
- vi. To have an optimum mix of Executive, Non-Executive and Independent Directors, including Women Directors.

3. POLICY STATEMENT

To meet the above Objectives:

- i. The Board of TCHFL will ensure that a transparent Board nomination process is in place that encourages diversity of thought, experience, skills, knowledge, perspective, age, nationality, gender, cultural and educational background;
- ii. It will be ensured that the Board has an appropriate blend of functional and industry expertise and skills;
- iii. The consideration and selection of candidates for appointment to the Board will be based on merit

which shall include a review of any candidate's integrity, experience, educational background, industry or related experience and more general experience;

- iv. Candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience and having the ability to devote sufficient time to the affairs of the Company, should be considered for appointment to the Board; and
- v. While recommending the appointment of a Director, the NRC will consider the criteria as laid down under the Act and applicable Regulations/Guidelines issued by Statutory and Regulatory Authorities, as also those issued by Tata Sons Limited, from time to time, and the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

4. MEASURABLE OBJECTIVES

The NRC will largely rely on the regulatory provisions of the Act, and the Regulations/ Guidelines issued by the National Housing Bank as also the Guidelines circulated by Tata Sons Limited and review the measurable objectives for achieving diversity against these provisions and recommend the same to the Board for adoption. At any given point of time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

5. MONITORING AND REPORTING

The NRC will review the Policy periodically, which will include an assessment of the effectiveness of the Policy. The NRC will discuss any revision that may be required and recommend the same to the Board for approval.

Annexure C

Remuneration Policy

1. COMPENSATION PHILOSOPHY

Tata Capital Housing Finance Limited ("Company") has adopted a Remuneration Policy based on a defined formal compensation philosophy of Tata Capital Limited, the holding company. In order to build a high performance culture, aligned to the Company's Vision and Goals, the Compensation Philosophy aims at providing a significant differential to superior performers and also segregating increments and performance payouts, based on the actual performance of various business verticals.

The aforementioned Compensation Philosophy helps the Company to manage long term fixed cost, keep up with market compensation and attract the right talent to help drive its growth plans.

The performance of the Company and its Business Units / Functions is measured against annual budgets / targets, set as per the Balanced Score Card (BSC). Performance of individuals is measured against Key Result Areas (KRAs) set at beginning of year and after considering any revision of target during the year. The Annual Performance Rating would be considered for calculating the Performance Pay. Rating would be on a 5 point scale.

Consistent with the principle of differential influence that an employee may have on the overall performance of the Company, different weights are assigned for the Company's performance, the performance of Business Units / Functions and the performance of individuals. Thus, employees in entry level / junior management have greater weightage for individual performance while employees in senior leadership roles have maximum weightage for Company and Business Unit Performance.

2. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

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

This Remuneration Policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act"). In case of any inconsistency between the provisions of law and this Remuneration Policy, the provisions of law shall prevail and the Company shall abide by the applicable law. In case there are any changes in the law, the Company shall comply with the applicable amended provisions. While formulating this Remuneration Policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act which are, as under:

- "(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;*
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and*
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals."*

The key principles governing this Remuneration Policy are, as follows:

2.1 Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- (i) Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid Sitting Fees (for attending the meetings of the Board and of Committees of the Board of which they may be Members) and Commission within regulatory limits.
- (ii) Within the parameters prescribed by law, the payment of Sitting Fees and Commission will be recommended by the NRC for approval of the Board.
- (iii) Overall remuneration (Sitting Fees and Commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration, the challenges faced by the Company and its future growth imperatives).
- (iv) Overall remuneration should be reflective of the size of the Company, complexity of the sector / industry / Company's operations and the Company's capacity to pay the remuneration.

- (v) Overall remuneration practices should be consistent with recognized best practices.
- (vi) Quantum of Sitting Fees may be subject to review on a periodic basis, as required.
- (vii) The aggregate Commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters, as may be decided by the Board.
- (viii) The NRC will recommend to the Board, the quantum of Commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent at Board and Committee Meetings, individual contribution at the Meetings and contributions made by directors, other than at Board and Committee Meetings.
- (ix) In addition to the Sitting Fees and Commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his / her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board / Board Committee Meetings, General Meetings, Court convened Meetings, Meetings with Shareholders / Creditors / Management, site visits, induction and training (arranged by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his / her duties as a director.

2.2 Remuneration for Managing Director (“MD”) / Executive Directors (“ED”) / KMP / rest of the employees ^(Note 1)

- (i) The extent of overall remuneration to the MD / ED / KMPs / rest of the employees should be sufficient to attract and retain talented and qualified individuals suitable for their roles.

Hence, remuneration should be:

- market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent);
 - driven by the role played by the individual;
 - reflective of the size of the company, complexity of the sector / industry / Company's operations and the Company's capacity to pay;
 - consistent with recognized best practices; and
 - aligned to any regulatory requirements.
- (ii) In terms of remuneration mix or composition,
 - the remuneration mix for the MD / EDs should be as per the contract approved by the Shareholders. In case of any change which is beyond the remuneration approved by the Shareholders, the same would require the approval of the Shareholders.
 - basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - in addition to the basic / fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
 - the Company provides retirement benefits, as applicable.
 - in addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the Company may provide MD / EDs such remuneration by way of Commission, calculated with reference to the Net Profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD / EDs would be based on the performance of the MD / EDs as evaluated by the Board or the NRC and approved by the Board.

OR

- In addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the Company may provide to its MD / EDs, such remuneration by way of an annual incentive

remuneration / performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:

- Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time,
 - Industry benchmarks of remuneration,
 - Performance of the individual.
- The Company will provide the rest of the employees, a performance linked incentive pay. The performance linked pay would be driven by the outcome of the performance appraisal process and the performance of the Company.

2.3 Remuneration payable to Director for services rendered in other capacity

No remuneration will be payable to the Directors for services rendered by such Director in any other capacity unless:

- a) The services rendered are of a professional nature;
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession; and
- c) Approval of the Central Government has been received, if required, for paying the same.

2.4 Loans to employees

The Company may grant loans to its employees on such terms and conditions as may be determined by the Board or any Committee of the Board, from time to time, in accordance with applicable laws.

2.5 Policy implementation

The NRC is responsible for recommending the Remuneration Policy to the Board. The Board is responsible for approving and overseeing implementation of the Remuneration Policy.

Note 1 *Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.*

Annexure D

FORM No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

(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, 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 31st March, 2017, 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 31st March, 2017 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; (Not applicable to the Company during the audit period).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
 - (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, 2009 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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, 2009; (Not applicable to the Company during the audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

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

- All the Rules, Regulations, Circulars, Directions and Guidelines prescribed under the National Housing Bank Act, 1987 and The Housing Finance Companies (NHB) Directions, 2010, for Housing Finance Companies.
- Credit Information Companies (Regulation) Act, 2005 and Rules.
- The Prevention of Money-Laundering Act, 2002 and The Prevention of Money Laundering (Maintenance of Records, etc) Rules, 2005.
- The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- Guidelines with respect to SEBI KYC registration agency (KRA) Regulations, 2011.
- SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

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 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. There were no changes in the composition of the Board of Directors that took place during the period under review.

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, 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. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the Minutes of the Meetings;

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, Standards, Guidelines etc.:

- A. During the year, the Company had issued and redeemed the following Non-Convertible Debentures:
 - (i) Issued 19,494 Secured Redeemable Non-Convertible Debentures for an aggregate amount of ₹ 1,949.40 crore.
 - (ii) Issued 2,000 Unsecured Redeemable Non-Convertible Debentures for an aggregate amount of ₹ 200 crore
 - (iii) Redeemed 8,512 Secured Redeemable Non-Convertible Debentures for an aggregate amount of ₹ 851.20 crore
- B. The Company had issued and allotted 16,50,00,000 Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each aggregating ₹ 165 crore, on a rights basis.

**For Parikh & Associates
Company Secretaries**

Jigyasa Ved
Partner

Mumbai
April 28, 2017

FCS No: 6488 CP No: 6018

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

‘Annexure A’

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. Wherever 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**

Mumbai
April 28, 2017

Jigyasa Ved
Partner
FCS No: 6488 CP No: 6018

Annexure E

POLICY ON RELATED PARTY TRANSACTIONS**1. Executive Summary**

This Policy is being framed with the objective of ensuring compliance with the provisions pertaining to Related Party Transactions in the Companies Act, 2013 ("Act").

Related Party Transactions referred to throughout this Policy shall mean contracts / arrangements / transactions with a Related Party (as defined under the Act). Accordingly, Related Party Transactions may be entered into by the Company only in accordance with this Policy as amended from time to time.

The Policy covers following Sections:-

Objective:- Lays down the intent and requirement for drafting this Policy.

Scope:- To give an overview of the legal provisions applicable to Related Party Transactions and lay down the processes for identifying Related Parties and the Related Party Transaction approval.

Definition:- Specifies the key definitions stated in the Act.

Key Principles:-

- (a) Identification, Review of Related Party Transactions
- (b) Broad Parameters to Assess: Ordinary Course of Business
- (c) Broad Parameters to Assess: Arm's Length
- (d) Materiality Thresholds for Related Party Transactions

Going forward, the Audit Committee would review and recommend amendments to the Policy, as and when required, subject to the approval of the Board.

2. Objective

Section 188 of the Act and the Rules made thereunder require the approval of the Board and the Shareholders of a company for certain transactions entered into by a company with its Related Parties.

Related Party Transactions can present potential or actual conflicts of interest and may raise questions whether such transactions are in the best interest of the Company and its Shareholders. Therefore, this Policy has been adopted by the Company's Board of Directors, to ensure high standards of Corporate Governance while dealing with Related Parties and sets forth the procedures under which the Related Party Transactions must be reviewed, approved or ratified and reported.

This Policy has been drafted with an objective of ensuring compliance with the provisions pertaining to Related Party Transactions under the Act.

3. Scope

Accordingly, this Policy has been adopted to:

- (a) give an overview of the legal provisions applicable to Related Party Transactions;
- (b) lay down the process for identifying Related Parties;
- (c) identify factors for determining whether a transaction with a Related Party is:
 - on an Arm's Length basis
 - in the Ordinary Course of Business
- (d) for approval / noting of Related Party Transactions.

Note 1:- This Policy is for the purpose of identifying Related Party Transactions and the relevant approval methodology for compliance with the Act and the Rules framed thereunder.

Note 2:- Provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

4. **Definition**

All capitalised terms used in this Policy document but not defined herein shall have the meaning ascribed to such term in the Act and the Rules framed thereunder, as amended from time to time.

5. **Identification and Monitoring of Related Parties**

The Secretarial Team shall update the Reference List on the basis of intimations received from the Directors / KMPs or changes in corporate or investment structure, as informed from time to time.

The names / details of all Related Parties identified shall be consolidated, as a Reference List and this Reference List shall be updated on a regular basis by the Secretarial Team.

This Reference List and subsequent updates, as prepared by the Secretarial Team, shall be progressively shared by the Controllership Team with all Business Heads (Division Heads or higher) / Functional Heads, for compliance at their end.

All Related Party Transactions for the period shall be reported to the Company Secretary who shall place the same for approval / noting / ratification by the Audit Committee, in accordance with this Policy.

To review a Related Party Transaction, the Board / Audit Committee will be provided with all the relevant information pertaining to the Related Party Transaction, including the name of the related party, the nature of the relationship, nature of the transaction, whether the transaction is in the 'Ordinary Course of Business', whether the transaction is at 'Arm's Length' and any other matter, as may be required.

The process and controls with respect to identification monitoring of Related Parties and execution of Related Party Transactions would be vis-à-vis an appropriate Framework, as approved by the Board, Audit Committee and Management, instituted for compliance with this Policy.

For assessing whether the transaction is in the Ordinary Course of Business and Arm's Length, Clause 6 of this Policy shall be referred to.

6. **Key Principles**

A. Broad Parameters to assess - Ordinary Course of Business

The phrase Ordinary Course of Business is not defined under the Act or Rules made thereunder. The Company shall adopt a reasonable approach / methodology to demonstrate 'Ordinary Course of Business' which shall, *inter alia*, include the Nature of the transaction, the frequency / regularity / length of time the company is engaged such transaction, such transaction / action is consistent with the past practices and was taken in the ordinary course of the normal day-to-day operations of such company, common commercial practice i.e. customarily taken, in the ordinary course of the normal day-to-day operations of other companies that is in the same / similar line of business.

The Company shall adopt an appropriate framework to assess whether transactions with related parties are done in the ordinary course of business and Company adopts generally accepted practices and principles in determining whether the transaction is in the 'Ordinary Course of Business'.

B. Broad Parameters to assess – Arm's Length

For transactions between two related parties to be considered to be at Arm's Length Pricing, the transaction should be conducted between the two parties as if the parties were unrelated, so that there is no conflict of interest i.e. Arm's Length Pricing is the condition or the fact that the two related parties transact as independent (un-related) parties and on an equal footing from one or more of the following aspects viz. nature of goods / services, risk assumed, assets / resources employed, key terms / covenants.

In the absence of any guidelines on Arm's Length Pricing in the Act, the Company shall adopt reasonable approach / methodology to demonstrate Arm's Length Pricing for the specified Related Party Transactions identified, which shall, *inter alia*, include, the nature of the transaction, description of functions to be performed, risks to be assumed and assets to be employed, key terms / special terms in the arrangement forming part of a composite transaction;

The Company shall adopt an appropriate framework to assess whether transactions with related parties are done at an Arm's Length and Company adopts generally accepted practices and principles in determining whether the transaction is at "Arm's Length".

C. Materiality Thresholds for Related Party Transactions

- (a) The transactions with related parties in the ordinary course of business and at arm's length within the monetary threshold ("**de minimis threshold**") as approved by the Audit Committee / Board, from time to time, will be placed before the Audit Committee for noting, on a half yearly basis.
- (b) The Board has stipulated that transactions with related parties in the ordinary course of business and at arm's length that cross the *de minimis* threshold would require prior approval of the Audit Committee.
- (c) The Company follows Materiality Thresholds for Related Party Transactions as per the Companies Act, 2013 and the applicable Rules framed thereunder for transactions with related parties which are not in the ordinary course of business and/or not at arm's length basis.

The Company shall institute appropriate framework to provide for approvals / noting of all Related Party Transactions to be in compliance with this Policy.

7. Disclosure

The Policy shall be published on the Company's website <http://www.tatacapital.com>.

ANNEXURE F

Form No. AOC-2

Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- Details of contracts or arrangements or transactions not at arm's length basis - Not Applicable
- Details of material contracts or arrangement or transactions at arm's length basis:

(₹ in lakh)

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/transactions	Amount	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1.	Tata Capital Limited	Holding Company	a) Issue of Compulsorily Convertible Preference Shares ("CCCPS")	16,500	9 years	Compulsorily Convertible into Equity Shares after completion of 9 years from the date of allotment or voluntary conversion at the option of the CCCPS holder. Rate of Dividend being 9% p.a. on a cumulative basis.	–
			b) Inter Corporate Deposits accepted during the year	337,357	Tenor upto 1 year	Cost of Funds below Bank Borrowing rate.	–
			c) Inter Corporate Deposits repaid during the year	348,577	Tenor upto 1 year	Cost of Funds below Bank Borrowing rate.	–
			d) Dividend paid during the year – Compulsorily Convertible Preference Shares	6,613	Not Applicable	Dividend paid for FY 2016-17, at the rate of 9% p.a.	–
			e) Inter Corporate Deposits Outstanding Payable	10,000	Tenor upto 1 year	Cost of Funds below Bank Borrowing rate.	–

Note: 1. Appropriate approvals have been taken for Related Party Transactions.

2. Materiality Thresholds for Reporting Related Party Transactions in the ordinary course of business and on an arm's length basis:

- Sale, purchase or supply of any goods or materials directly or through appointment of agents: exceeding 2.5% of Turnover or ₹ 25 crore, whichever is lower.
- Buying, selling or disposing of property of any kind directly or through appointment of agents: exceeding 2.5% of Networth or ₹ 25 crore, whichever is lower.
- Leasing of any kind of property: exceeding 2.5% of Networth or 5% of Turnover or ₹ 25 crore, whichever is lower.
- Availing or rendering of any services directly or through appointment of agents: exceeding 5% of Turnover or ₹ 25 crore, whichever is lower.
- Appointment to any office or place of profit in the company, its subsidiary/associate company: Monthly remuneration exceeding ₹ 1,25,000.
- Remuneration for underwriting subscription of any securities in or derivatives thereof: exceeding 0.5% of Networth.

For and on behalf of the Board of Directors

Mumbai
July 26, 2017

Praveen P. Kadle
Chairman

ANNEXURE G

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 2016-17 is, as under:

Name of Director(s)	Ratio to Median
Mr. Janki Ballabh	1.12:1
Ms. Anuradha E. Thakur	1.02:1
Mr. Shailesh H. Rajadhyaksha	0.98:1
Mr. Govind Sankaranarayanan	0.40:1
Mr. R. Vaithianathan	30.17:1

Mr. Praveen P. Kadle, Director, does 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 remuneration of Directors in FY 2016-17, is as under:

Name of Director(s)	% Increase in Remuneration
Mr. Janki Ballabh	(11.11%)
Ms. Anuradha E. Thakur*	(4.35%)
Mr. Shailesh H. Rajadhyaksha	(12.50%)
Mr. Govind Sankaranarayanan	(13.33%)
Mr. R. Vaithianathan	13.50%

Mr. Praveen P. Kadle, Director, does not draw any remuneration from the Company. In view of the same, the percentage increase in his remuneration, has not been computed.

The percentage increase in remuneration of Mr. S. Balakrishna Kamath, Chief Financial Officer and Company Secretary, for FY 2016-17 was 23.94% as compared to FY 2015-16.

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

There is a increase in the median remuneration of employees in FY 2016-17 by 9.29% as compared to FY 2015-16.

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

The permanent employees on the rolls of Company as on March 31, 2017, were 942.

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 2016-17 is 13.24% and the percentage increase in the overall managerial remuneration is 10.50%.

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.

ANNEXURE H

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: U67190MH2008PLC187552
- ii) Registration Date (Date of Incorporation): October 15, 2008
- iii) Name of the Company: Tata Capital Housing Finance Limited
- iv) a) Category: Company limited by shares
b) Sub-Category of the Company: Indian Non-Government Company
- v) Address of the Registered office and contact details:
One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai – 400001, Maharashtra, India.
Contact details:
Direct Number: 022 6182 8282
E-mail id: balakrishna.kamath@tatacapital.com
- vi) Whether listed company: yes. As per Section 2(52) of the Companies Act, 2013, the Company is considered as a listed company as its Debentures are listed on the National Stock Exchange (India) Limited.
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

Sr.No.	For Non – Convertible Debentures issued on a Private Placement basis	
1.	Name:	Sharepro Services (India) Private Limited
	Address:	13 AB, Samhita Warehousing Complex, behind Sakinaka Telephone Exchange, Kurla Andheri Road, Sakinaka, Mumbai - 400 072
	Phone No.:	022-67720300, 022-67720400
	Fax:	022-28508927
	Website:	www.shareproservices.com
2.	Name:	TSR Darashaw Limited
	Address:	6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400011
	Phone No.:	022-66568484
	Fax:	022-66568494
	Contact person	Ms. Nandini Nair
	Website:	nnair@tsrdarashaw.com

During the year, the Company appointed TSR Darashaw Limited ("TSR") as the RTA for the privately placed debentures issued by the Company in place of Sharepro Services (I) Private Limited ("Sharepro"), consequent upon the issue of an Order by SEBI dated March 22, 2016, restraining the management of Sharepro from buying, selling or dealing in the securities market or associating themselves with securities market, either directly or indirectly, in any manner, till further directions.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Home Loan	64920	65
2	Home Equity	64920	21
3	Builder Loan	64920	14

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Tata Capital Limited One Forbes, Dr. V.B. Gandhi Marg, Fort, Mumbai - 400 001	U65990MH1991PLC060670	Holding Company	100%	Section 2(46)

IV. A. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity Capital)
(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	25,33,33,332	25,33,33,332	100	-	25,33,33,332	25,33,33,332	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	25,33,33,332	25,33,33,332	100	-	25,33,33,332	25,33,33,332	100	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	25,33,33,332	25,33,33,332	100	-	25,33,33,332	25,33,33,332	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	25,33,33,332	25,33,33,332	100	-	25,33,33,332	25,33,33,332	100	-

(ii) Shareholding of Promoters (Equity Share Capital):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tata Capital Limited	25,33,33,332	100	-	25,33,33,332	100	-	-
	Total	25,33,33,332	100	-	25,33,33,332	100	-	-

(iii) Change in Promoters' Shareholding (Equity Share Capital) (please specify, if there is no change):

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	25,33,33,332	100	25,33,33,332	100
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
3.	At the end of the year (or on the date of separation, if separated during the year)	25,33,33,332	100	25,33,33,332	100

There has been no change in the shareholding of the promoters during the year.

(iv) Shareholding Pattern (Equity Share Capital) of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	—	—	—	—
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	—	—	—	—
3.	At the End of the year (or on the date of separation, if separated during the year)	—	—	—	—

The entire Equity Share Capital of the Company is held by the Promoters of the Company.

(v) Shareholding (Equity Share Capital) of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	—	—	—	—
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.):	—	—	—	—
3.	At the End of the year	—	—	—	—

The Directors and Key Managerial Personnel do not hold any Equity Shares of the Company.

B. SHARE HOLDING PATTERN (Preference Share Capital Breakup as percentage of Total Preference Capital)

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	—	—	—	—	—	—	—	—	—
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt (s)	—	—	—	—	—	—	—	—	—

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	–	65,90,00,000	65,90,00,000	100	–	82,40,00,000	82,40,00,000	100	25.04
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	–	65,90,00,000	65,90,00,000	100	–	82,40,00,000	82,40,00,000	100	25.04
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	–	65,90,00,000	65,90,00,000	100	–	82,40,00,000	82,40,00,000	100	25.04
B. Public Shareholding									
3. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
4. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	65,90,00,000	65,90,00,000	100	–	82,40,00,000	82,40,00,000	100	25.04

(ii) Shareholding (Preference Share Capital) of Promoters:

Sr. No.	Shareholder's Name	Type of Shares	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
			No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tata Capital Limited	Compulsorily Convertible Cumulative Preference Shares	65,90,00,000	100	–	82,40,00,000	100	–	25.04
Total			65,90,00,000	100	–	82,40,00,000	100	–	25.04

(iii) Change in Promoters' Shareholding (Preference Share Capital) (please specify, if there is no change):

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2016 to 31.3.2017)	
		No. of Shares at the beginning (1.4.2016)/end of the year (31.3.2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Tata Capital Limited	65,90,00,000	100	April 1, 2016	–	–	65,90,00,000	100
				June 30, 2016	3,00,00,000	Allotment on a Rights basis	68,90,00,000	100
				September 30, 2016	3,50,00,000	Allotment on a Rights basis	72,40,00,000	100
				November 22, 2016	10,00,00,000	Allotment on a Rights basis	82,40,00,000	100

Notes:

- During FY 2016-17, the Company had only issued Compulsorily Convertible Cumulative Preference Shares and no Equity Shares were raised.
- All the allotments were made to Tata Capital Limited, the holding company on a 'Rights basis'.

(iv) Shareholding Pattern (Preference Share Capital) of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): For each of the Top 10 Shareholders:

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	–	–	–	–
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	–	–	–	–
3.	At the End of the year (or on the date of separation, if separated during the year)	–	–	–	–

The entire Preference Share Capital of the Company is held by the Promoters of the Company.

(v) Shareholding (Preference Share Capital) of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	—	—	—	—
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	—	—	—	—
3.	At the End of the year	—	—	—	—

The Directors and Key Managerial Personnel do not hold any Preference Shares of the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in lakh)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,13,696.21	3,46,813.20	—	11,60,509.41
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	24,876.06	2,308.84	—	27,184.90
Total (i+ii+iii)	8,13,944.97	3,46,836.29	—	11,60,781.26
Change in Indebtedness during the financial year				
• Addition	6,15,685.98	15,73,311.20	—	21,88,997.18
• Reduction	(3,47,083.03)	(9,48,567.76)	—	(17,91,112.97)
Net Change	2,68,602.95	1,29,281.26	—	3,97,884.21
Indebtedness at the end of the financial year				
i) Principal Amount	10,50,077.25	4,70,700.35	—	15,20,777.60
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	27,990.12	3,482.30	—	31,472.42
Total (i+ii+iii)	10,78,067.37	4,74,182.65	—	15,52,250.02

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. R Vaithianathan	—
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	174.28	174.28
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	18.85	18.85
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission - as % of profit - others, specify...	—	—
5.	Others, please specify	—	—
	Total (A)	193.13	193.13
	Ceiling as per the Act		1,712

B. Remuneration to other directors :

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mr. Janki Ballabh	Ms. Anuradha E Thakur	
	• Fee for attending board / committee meetings	7.2	6.60	13.80
	• Commission	—	—	—
	• Others, please specify	—	—	—
	Total (1)	7.2	6.60	13.80
2	Other Non-Executive Directors	Mr. Govind Sankaranarayanan	Mr. Shailesh H Rajadhyaksha	
	• Fee for attending board / committee meetings	2.60	6.30	8.90
	• Commission	—	—	—
	• Others, please specify	—	—	—
	Total (2)	2.60	6.30	8.90
	Total (B) = (1+2)			22.7
	Total Managerial Remuneration			215.83
	Overall Ceiling as per the Act			3,766

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CEO	CFO & Company Secretary : Mr. S Balakrishna Kamath	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	51.20	51.20
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	–	5.40	5.40
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission - as % of profit - others, specify...	–	–	–
5.	Others, please specify	–	–	–
	Total	–	56.60	56.60

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
B. DIRECTORS					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

ANNEXURE I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry structure and developments

Please refer to Para 2 of the Board's Report.

2. Opportunities and Threats

The Housing Finance sector in India is large with significant growth potential and has consistently created value for its shareholders. The Housing Finance sector has a double digit credit market share and has consistently gained market share from banks over the last 10 years. The growth in the sector appears sustainable as India has a low Mortgage penetration. Further, many structural factors are supportive of growth in Housing Finance Companies growth namely favourable demographics, increasing urbanization, Government of India's focus on "Housing for All by 2020", infrastructure status accorded to Affordable Housing and favorable regulatory environment. The Real Estate (Regulation and Development) Act would help in protecting the interest of the consumer and promoting the growth of real estate sector in an environment of trust, confidence, credible transactions and efficient time bound execution of the projects. In order for the sector to sustain its advantages, companies in the sector need to grow in a prudent manner while focusing on financial innovation, analytics, digital and adequate risk management systems and procedures.

The growth in institutional housing finance in the past was largely Skewed towards higher and middle income segments, based on the supply side factors. This led to accumulation of housing shortage in the lower and economically weaker segments. However, with the introduction of Pradhan Mantri Awas Yojna, Credit Linked Subsidy Scheme for Economically Weaker Sections and Low Income Group and Schemes for the Middle Income Group, the demand in the affordable housing segment will increase.

The National Housing Bank ("NHB") constantly issues new regulations and / or modifies existing regulations so as to balance the multiple objectives of financial stability, consumer and depositor protection and Concerns regarding regulatory arbitrage.

A balance in the mix of the portfolio and leveraging the cross-sell potential will enable the Company to emerge as a preferred partner for housing finance needs of the customer. We believe our digital assets across the social media, mobile and the web provide reach, operating efficiency and improved customer experience will be an opportunity for us to capitalize on in the coming years.

Asset quality deterioration may not only wipe out the profits out of the Company but may eat into its Net Worth. The Company, therefore, needs to ensure that it maintains minimal delinquency levels through adequate levels of provisioning. It will be critical to retain talent at the right cost for effectively building a high performance organization with an engaged and young workforce.

Adequate funding, at the right cost and tenure will be critical to achieve business growth.

Newer regulatory updates pose a constant challenge for smooth operations of the Company. The Company needs to be equipped to quickly adapt to the constant changes in regulations and in the competitive landscape. With new housing finance companies, small banks, and fintech companies entering the market place, the Company needs to maintain its competitive edge through constant adaptation and by creating strategies to protect its niche areas.

3. Segment-wise or product-wise performance of the Company

Please refer to Para 3 of the Board's Report.

4. Outlook

The Outlook of the Company for the year ahead is to stabilize its asset quality across the portfolio. The Company will focus on scaling its Affordable and Rural portfolio and increase its presence in the Tata eco system. The Company will open new branches to increase its presence and reach. The Company would change its product mix and improve penetration in high yielding segments. The Company would use analytics to prioritize collections and improving collection efficiency. The Company, as a whole, will focus on balanced measured growth, asset quality, cross selling opportunities, digital and analytics.

5. Risks and Concerns

Please refer to Para 8 of the Board's Report.

6. Internal control systems and their adequacy

Please refer to Para 9 of the Board's Report.

7. Discussion on financial performance with respect to operational performance

Please refer to Para 3 of the Board's Report.

8. Material developments in Human Resources / Industrial Relations front, including number of people employed

Please refer to Para 12 of the Board's Report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TATA CAPITAL HOUSING FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA CAPITAL HOUSING FINANCE LIMITED** (the "Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2017, for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditors' Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, April 28, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Tata Capital Housing Finance Limited (the “Company”) as of March 31, 2017 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. 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 the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, April 28, 2017

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’
section of our report of even date)**

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.
- (iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) The Company has not granted any loans, made investments or provided guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause 3(iv) of the Order is not applicable.
- (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.
- (vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Service Tax, Provident Fund, Employees’ State Insurance, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Service Tax, Provident Fund, Employees’ State Insurance, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax and Service Tax as on March 31, 2017 on account of disputes.
- (viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institution and dues to debenture holders. The Company has not taken any loan from government.
- (ix) To the best of our knowledge and according to the information and explanations given to us, the money raised by way of the term loans and debentures have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- (xiii) To the best of our knowledge and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

G. K. Subramaniam

Partner

(Membership No. 109839)

Mumbai, April 28, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Lakh)

PARTICULARS	Note No.	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	3	1,07,733	91,233
(b) Reserves and Surplus	4	27,713	17,882
		1,35,446	1,09,115
2. Non-current liabilities			
(a) Long-term borrowings	5	8,65,745	7,86,688
(b) Other long-term liabilities	6	92	3,738
(c) Long-term provisions	7	8,425	6,112
		8,74,262	7,96,538
3. Current liabilities			
(a) Short-term borrowings	8	3,57,918	2,56,753
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises	9(a)	–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,069	3,969
(c) Other current liabilities	10	3,37,728	1,45,386
(d) Short-term provisions	11	2,410	2,076
		7,03,125	4,08,184
TOTAL		17,12,833	13,13,837
II. ASSETS			
1. Non-Current assets			
(a) Property, plant and equipment	12		
(i) Tangible assets		1,396	1,176
(ii) Capital work-in-progress		138	59
(iii) Intangible assets under development		326	124
(b) Non-current Investments	13	245	–
(c) Deferred tax assets (net)	14	1,754	1,686
(d) Long-term loans and advances - financing activity	15	15,79,304	12,11,356
(e) Long-term loans and advances - others	16	377	461
(f) Other non-current assets	17	4,369	3,888
		15,87,909	12,18,750
2. Current assets			
(a) Trade receivables	18	5	115
(b) Cash and bank balances	19	8,303	3,131
(c) Short-term loans and advances - financing activity	15	1,13,286	89,106
(d) Short-term loans and advances - others	20	454	347
(e) Other current assets	21	2,876	2,388
		1,24,924	95,087
TOTAL		17,12,833	13,13,837
See accompanying notes forming a part of the financial statements	1-36		

In terms of our report attached

For and on behalf of the Board of Directors

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

G. K. Subramaniam
Partner

Mumbai,
Date : April 28, 2017

Praveen P. Kadle
(Chairman)

G. Sankaranarayanan
(Director)

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

Janki Ballabh
(Director)

S. H. Rajadhyaksha
(Director)

Anuradha E. Thakur
(Director)

R. Vaithianathan
(Managing Director)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakh)

PARTICULARS	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
I Revenue from operations	22	1,70,696	1,25,330
II Investment income	23	95	173
III Other income	24	1,516	1,042
IV Total Revenue (I + II + III)		1,72,307	1,26,545
V Expenses :			
Finance costs	25	1,13,743	86,263
Employee benefits expenses	26	10,431	7,359
Other operating expenses	27	19,924	14,976
Amortisation of expenses	21(a)	615	468
Depreciation	12	272	176
Total Expenses		1,44,985	1,09,242
VI Profit before tax (IV - V)		27,322	17,303
VII Tax expense:			
(1) Current tax		9,573	6,597
(2) Deferred tax		(68)	(555)
		9,505	6,042
VIII Profit after tax (VI - VII)		17,817	11,261
IX Earnings per equity share:			
(1) Basic (in ₹)		3.89	2.26
(2) Diluted (in ₹)		3.89	2.26
Face value of share (in ₹)		10	10
See accompanying notes forming a part of the financial statements	1-36		

In terms of our report attached

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

G. K. Subramaniam
Partner

 Mumbai,
Date : April 28, 2017

For and on behalf of the Board of Directors

Praveen P. Kadle
(Chairman)

G. Sankaranarayanan
(Director)

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

Janki Ballabh
(Director)

S. H. Rajadhyaksha
(Director)

Anuradha E. Thakur
(Director)

R. Vaithianathan
(Managing Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakh)

	PARTICULARS	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
1	NET CASH FLOW (USED IN) / FROM OPERATING ACTIVITIES			
	Profit before taxes		27,322	17,303
	Adjustments for :			
	Amortisation of share / debenture issue expenses		642	468
	Profit on sale of mutual fund investments (current investments non-trade)		(95)	(173)
	Discounting charges on commercial paper		22,047	10,752
	Depreciation		272	176
	Provision for employee benefits		200	100
	Provision against standard assets		2,539	2,110
	Provision for doubtful debts		4,501	1,942
	Interest income		(1,63,356)	(1,20,111)
	Interest expenses		91,696	75,511
	Operating Profit / (Loss) before working capital changes and adjustment for interest received and interest paid		(14,232)	(11,922)
	Adjustments for :			
	(Increase) in loans and advances - financing activity		(393,762)	(3,91,130)
	(Increase) in loans and advances - others		(730)	(826)
	Increase in current liabilities and provisions		4,937	1,021
	Cash used in operations before adjustment for interest received and interest paid		(4,03,787)	(4,02,857)
	Interest received		1,60,857	1,18,417
	Interest paid		(1,06,554)	(72,646)
	Cash used in operations		(3,49,484)	(3,57,086)
	Taxes paid		(9,429)	(6,062)
	NET CASH USED IN OPERATING ACTIVITIES		(3,58,913)	(3,63,148)
2	NET CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES			
	Proceeds from sale of fixed assets		15	5
	Purchase of fixed assets (including capital advances)		(783)	(845)
	Purchase of mutual fund units		(4,03,945)	(5,45,400)
	Redemption of mutual fund units		4,03,795	5,45,573
	NET CASH FLOW USED IN INVESTING ACTIVITIES		(918)	(667)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakh)

	PARTICULARS	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
3	NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES			
	Issue of preference share capital		16,473	24,500
	Share issue expenses		(17)	(26)
	Dividend paid (including dividend distribution tax)		(7,959)	(9,054)
	Proceeds from long-term borrowings		5,99,687	4,82,770
	Repayment of long-term borrowings		(3,40,584)	(2,55,401)
	Debenture issue / loan processing expenses		(861)	(394)
	Net proceeds from short- term borrowings		98,264	1,22,088
	NET CASH FLOW FROM FINANCING ACTIVITIES		3,65,003	3,64,483
	NET INCREASE IN CASH AND CASH EQUIVALENTS		5,172	668
	CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR (Refer note no. 19 below)		3,131	2,463
	CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (Refer note no. 19 below)		8,303	3,131
	See accompanying notes forming a part of the financial statements	1-36		

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants**G. K. Subramaniam**
PartnerMumbai,
Date : April 28, 2017

For and on behalf of the Board of Directors

Praveen P. Kadle
(Chairman)**G. Sankaranarayanan**
(Director)**S. Balakrishna Kamath**
(Chief Financial Officer & Company Secretary)**Janki Ballabh**
(Director)**S. H. Rajadhyaksha**
(Director)**Anuradha E. Thakur**
(Director)**R. Vaithianathan**
(Managing Director)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

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

2 SIGNIFICANT ACCOUNTING POLICIES

i BASIS FOR PREPARATION OF ACCOUNTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 (the "Act"), as applicable, the National Housing Bank Act, 1987 and the Housing finance companies, (NHB) Directions, 2010. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for share issue expenses as more fully described in Note No 2(xi) and change in accounting policy for dividend (including dividend distribution tax) as more fully described in Note 2(xviii).

ii USE OF ESTIMATES

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

iii REVENUE RECOGNITION

Interest income on loans

Income on loan transactions is accounted for by using the internal rate of return method. Consequently, a constant rate of return on net outstanding amount is accrued over the period of the contract, except that no income is recognised on non-performing assets as per the prudential norms for income recognition issued by the NHB for Housing Finance Companies (the HFC's). Interest income on such assets is recognised on receipt basis.

Repayment of housing loans is generally by way of Equated Monthly Installments (EMIs) comprising principal and interest. Generally EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month. Interest on loans is computed on a monthly rest basis.

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

Income from Current and Long-term Investments

Income from sale of units of mutual funds is accounted when the units of mutual funds are actually sold.

Income from dividend on shares of corporate bodies and units of mutual funds is accounted on accrual basis when the Company's right to receive dividend is established.

iv PROVISION ON NON PERFORMING / STANDARD LOANS AND DOUBTFUL DEBTS

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

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

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

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

v SECURITISATION / ASSIGNMENT

Securitised/ Assigned assets are derecognised, if and only if, the Company loses control of the contractual rights that comprise the corresponding pools or mortgages transferred. Transfers of pools of mortgages under the current programs involve transfer of proportionate shares in the pools of mortgages. Such transfers result in de-recognition only of that proportion of the mortgages as meet the de-recognition criteria. The portion retained by the Company continues to be accounted for as loans as described above.

As stated in the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India, on de-recognition, the difference between the book value of the securitised/ assigned asset and consideration received is recognised as gain arising on securitization/ assignment in the Statement of Profit and Loss over the balance maturity period of the pool transferred. Losses, if any, arising from such transactions, are recognised immediately in the Statement of Profit and Loss.

vi INVESTMENTS

Investments are classified into non-current and current investments.

a. Non-current investments

Non-current investments are investments intended to be held for a period of more than a year. Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

b. Current investments

Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost and market value, determined on an individual investment basis.

vii PROPERTY, PLANT AND EQUIPMENT

a. Tangible:

Tangible property, plant and equipment are stated at cost of acquisition including any cost attributable for bringing asset to its working condition, which comprises of purchase consideration and other directly attributable costs of bringing the assets to their working condition for their intended use less accumulated depreciation.

b. Intangible:

Acquired intangible assets other than Goodwill are measured at cost less amortisation.

Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the year in which such costs are incurred.

c. Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

d. Intangible assets under development:

Expenditure on development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use

viii DEPRECIATION

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Buildings, Plant & Machinery, Computer Equipment and Vehicles, where the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

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

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life	As per Schedule II
Building	25 Years	30 Years
Office Equipment	5 Years	5 Years
Vehicles	4 Years	6 Years
Plant & Machinery	10 Years	15 Years
Furniture & Fixtures	10 Years	10 Years
Leasehold improvements	Lease Period	Lease Period
Computer Equipment	4 Years	3 Years

ix TAXATION

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a year different from when they were recognised in the financial statements.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing

evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

x SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the year in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

xi SHARE ISSUE EXPENSES

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

xii DEFERRED REVENUE EXPENDITURE

Debenture issue expenses and Loan processing charges incurred on debentures / loans taken is amortised over the tenure of debentures / loan or over a period of 36 months whichever is earlier.

Loan sourcing cost is amortised over a period of 84 / 60 / 18 months for Home loan, Home equity and Builder loan respectively.

xiii PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has present obligations, as result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation. Contingent liabilities are not recognised but disclosed in the financial statements. A Contingent asset is neither recognised nor disclosed in the financial statements.

xiv CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xv EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

xvi EMPLOYEE BENEFITS

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

Defined-contribution plans

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

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

Defined-benefit plans

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

xvii 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', the segment information is not provided.

xviii DIVIDEND (INCLUDING DIVIDEND DISTRIBUTION TAX)

Interim dividend declared to equity and / or preference shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final proposed dividend declared to equity and / or preference shareholders, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

3. SHARE CAPITAL

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
AUTHORISED		
2,500,000,000 (As at March 31, 2016: 1,400,000,000) Equity shares of ₹ 10 each	2,50,000	1,40,000
2,000,000,000 (As at March 31, 2016: 1,100,000,000) Compulsorily Convertible Cumulative Preference shares of ₹ 10 each	2,00,000	1,10,000
	4,50,000	2,50,000
ISSUED, SUBSCRIBED & PAID UP		
253,333,332 (as at March 31, 2016: 253,333,332) Equity shares of ₹ 10 each fully paid up	25,333	25,333
824,000,000 (as at March 31, 2016: 659,000,000) 9% Compulsorily Convertible Cumulative Preference shares of ₹ 10 each fully paid up	82,400	65,900
Total	1,07,733	91,233

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

3.1 Reconciliation of number of shares outstanding

PARTICULARS	No. of shares	₹ in Lakh
Equity Shares, Face Value Rs. 10 fully paid up		
- Opening as on April 01, 2015	25,33,33,332	25,333
- Additions during the previous year	—	—
- Closing as on March 31, 2016	25,33,33,332	25,333
- Additions during the year	—	—
- Closing as on March 31, 2017	25,33,33,332	25,333
9% Compulsorily Convertible Cumulative Preference shares, Face Value of Rs.10 fully paid up		
- Opening as on April 01, 2015	41,40,00,000	41,400
- Additions during the previous year	24,50,00,000	24,500
- Closing as on March 31, 2016	65,90,00,000	65,900
- Additions during the year	16,50,00,000	16,500
- Closing as on March 31, 2017	82,40,00,000	82,400
Share Capital		
- Opening as on April 01, 2015	66,73,33,332	66,733
- Additions during the previous year	24,50,00,000	24,500
- Closing as on March 31, 2016	91,23,33,332	91,233
- Additions during the year	16,50,00,000	16,500
- Closing as on March 31, 2017	1,07,73,33,332	1,07,733

3.2 Rights, preferences and restrictions attached to shares

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

Preference Shares: The Company has issued 824,000,000, 9% Compulsorily Convertible Cumulative Preference Shares (CCCPS) of face value ₹ 10/- each, convertible after 9 years from the date of issue. However, CCCPS holders have an option to convert into equity share at an earlier date. The CCCPS holders have a right to receive dividend, prior to the Equity Shareholders. The dividend proposed by the Board of

Directors on the CCCPS is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders are eligible to receive the remaining assets of the Company before distribution to the Equity Shareholders, in proportion to their shareholding.

Tranche wise due date details for Compulsorily Convertible Cumulative Preference Shares ("CCCPS")
(₹ in Lakh)

Allotment Date	Conversion Date	No. of Shares	Amount
12-Nov-12	12-Nov-21	260	2,600
3-Dec-12	3-Dec-21	240	2,400
4-Jan-13	4-Jan-22	300	3,000
28-Mar-13	28-Mar-22	250	2,500
4-Jun-13	4-Jun-22	100	1,000
28-Jun-13	28-Jun-22	100	1,000
30-Jul-13	30-Jul-22	200	2,000
8-Aug-13	8-Aug-22	200	2,000
20-Sep-13	20-Sep-22	200	2,000
2-Dec-13	2-Dec-22	200	2,000
6-Feb-14	6-Feb-23	290	2,900
26-Mar-14	26-Mar-23	200	2,000
29-May-14	29-May-23	300	3,000
30-Jun-14	30-Jun-23	200	2,000
28-Aug-14	28-Aug-23	150	1,500
29-Sep-14	29-Sep-23	100	1,000
28-Nov-14	28-Nov-23	100	1,000
28-Nov-14	28-Nov-23	250	2,500
30-Jan-15	30-Jan-24	300	3,000
31-Mar-15	31-Mar-24	200	2,000
30-Apr-15	30-Apr-24	100	1,000
25-May-15	25-May-24	780	7,800
30-Nov-15	30-Nov-24	570	5,700
23-Mar-16	23-Mar-25	1,000	10,000
30-Jun-16	30-Jun-25	300	3,000
30-Sep-16	30-Sep-25	350	3,500
22-Nov-16	22-Nov-25	1,000	10,000
Total		8,240	82,400

3.3 The CCCPS holders may, at any time prior to the aforesaid period of conversion, requesting the conversion of all or any part of its holding into Equity Shares.

3.4 **Investment by Tata Capital Limited (Holding Company)**

Name of Company	Particulars of Issue	No. of Shares
Tata Capital Limited (Holding Company) <u>Equity Shares</u> <u>Compulsory Convertible Cumulative Preference Shares</u>	Opening Balance as on April 1, 2015	25,33,33,332
	Closing Balance as on March 31, 2016	25,33,33,332
	Closing Balance as on March 31, 2017	25,33,33,332
	Opening Balance as on April 1, 2015	41,40,00,000
	Addition during the FY: 15-16 - Rights Issue	24,50,00,000
	Closing Balance as on March 31, 2016	65,90,00,000
	Addition during the FY: 16-17 - Rights Issue	16,50,00,000
	Closing Balance as on March 31, 2017	82,40,00,000

4. RESERVES AND SURPLUS

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Securities Premium Account		
Opening Balance	2,267	2,267
Less : Share issue expenses written-off (Refer Note No. 34)	27	—
Closing Balance	2,240	2,267
(b) Statutory Reserve Account (As per Section 29C of National Housing Bank Act, 1987)		
Opening Balance	5,535	3,282
Add: Transfer from surplus in the Statement of Profit and Loss (Refer Note No. 4.1 & 4.2 below)	5,200	2,253
Closing Balance	10,735	5,535
(c) Surplus in Statement of Profit and Loss		
Opening Balance	10,080	6,611
Add : Profit for the year	17,817	11,261
Amount available for Appropriations	27,897	17,872
Less : Appropriations		
– Transfer to Special Reserve Account (Refer Note No. 4.1 & 4.2 below)	5,200	2,253
– Interim Dividend on Preference Shares (Refer Note No. 4.3 below)	6,613	4,602
– Dividend distribution tax on Interim Dividend (Refer Note No. 4.3 below)	1,346	937
Closing Balance	14,738	10,080
Total	27,713	17,882

4.1 As required by Section 29C of National Housing Bank Act 1987, and Section 36 (1) (viii) of the Income Tax Act, 1961, the Company has transferred an amount of ₹ 5,200 Lakh (previous year ₹ 2,253 Lakh) to Special Reserve.

In accordance with the National Housing Bank circular no. NHB(ND)/ DRS/ Pol.Circular.61/ 2013-14 dated April 7, 2014 following disclosure is made.

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year		
a) Statutory Reserve as per Section 29C of National Housing Bank Act, 1987	175	147
b) Amount of Special Reserve u/s 36 (1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of NHB Act, 1987	5,360	3,135
Total (A)	5,535	3,282
Addition / Appropriation / withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	—	28
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	5,200	2,225
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)	5,200	2,253
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	175	175
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	10,560	5,360
Total (A+B)	10,735	5,535

- 4.2 The Company has transferred an amount of ₹ 5,200 Lakh (Previous year ₹ 2,225 Lakh) to Special Reserve Account in terms of section 36(1)(viii) of the Income Tax Act, 1961, which has also been considered as a transfer of profit to a reserve fund for the purpose of compliance with section 29 C (i) of the National Housing Bank Act 1987 (The Company is required to transfer at least 20% of net profits every year to a reserve).
- 4.3 For the year ended March 31, 2017, the Company has declared (on March 22, 2017) and paid (on March 23, 2017) interim dividend on Compulsorily Convertible Cumulative Preference Shares aggregating ₹ 6,613 lakh (Previous Year: ₹ 4,602 lakh) and dividend distribution tax thereon of ₹ 1,346 lakh (Previous Year: ₹ 937 lakh).

5. LONG TERM BORROWINGS

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Debentures		
Secured		
(i) Privately Placed Non-Convertible Debentures (Refer Note No. 5.1 below)	3,17,920	3,10,320
Unsecured		
(i) Non-Convertible Subordinated Debentures (Refer Note No. 5.2 below)	64,870	44,870
(b) Term loans		
Secured		
(i) From Banks (Refer Note No. 5.3 below)	1,19,806	1,76,944
(ii) From National Housing Bank (Refer Note No. 5.4 below)	3,13,149	1,59,554
Unsecured		
(i) From Banks (Refer Note No. 5.3 (b) below)	50,000	95,000
Total	8,65,745	7,86,688

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

Particulars of Privately placed Secured Non-Convertible Debentures ("NCD's") outstanding as on March 31, 2017.

(₹ in Lakh)

Description of Secured Redeemable Non-Convertible Debentures (NCD)	Issue Date	Redemption Date	No. of NCDs	As at March 31, 2017	No. of NCDs	As at March 31, 2016
TCHFL - Series J - FY 2016-17	30-Jun-16	30-Jun-26	100	1,000	—	—
TCHFL - Series AU - FY 2015-16 - Option I	30-Mar-16	30-Mar-26	150	1,500	150	1,500
TCHFL - Series AM - FY 2015-16 - Option I	06-Nov-15	06-Nov-25	350	3,500	350	3,500
TCHFL - Series AG - FY 2015-16	08-Oct-15	08-Oct-25	75	750	75	750
TCHFL - Series AE - FY 2015-16	31-Aug-15	29-Aug-25	200	2,000	200	2,000
TCHFL - Series O - FY 2015-16	16-Jun-15	16-Jun-25	200	2,000	200	2,000
TCHFL - Series V - FY 2014-15	23-Jan-15	23-Jan-25	1,500	15,000	1,500	15,000
TCHFL - Series R - FY 2014-15	09-Dec-14	09-Dec-24	2,000	20,000	2,000	20,000
TCHFL - Series AP - FY 2015-16 - Option II	12-Jan-16	12-Jan-24	150	1,500	150	1,500
TCHFL - Series E - FY 2016-17	04-May-16	04-May-23	200	2,000	—	—
TCHFL - Series U - FY 2012-13	12-Mar-13	10-Mar-23	100	1,000	100	1,000
TCHFL - Series R - FY 2012-13	18-Jan-13	18-Jan-23	150	1,500	150	1,500
TCHFL - Series AP - FY 2015-16 - Option I	12-Jan-16	12-Jan-23	150	1,500	150	1,500
TCHFL - Series Q - FY 2012-13	24-Dec-12	28-Dec-22	100	1,000	100	1,000
TCHFL - Series X - FY 2015-16	29-Jul-15	29-Jul-22	750	7,500	750	7,500
TCHFL - Series G - FY 2012-13	15-May-12	18-May-22	100	1,000	100	1,000

(₹ in Lakh)

Description of Secured Redeemable Non-Convertible Debentures (NCD)	Issue Date	Redemption Date	No. of NCDs	As at March 31, 2017	No. of NCDs	As at March 31, 2016
TCHFL - Series W - FY 2016-17	28-Dec-16	28-Dec-21	4,080	40,800	—	—
TCHFL - Series I - FY 2016-17	15-Sep-16	15-Sep-21	100	1,000	—	—
TCHFL - Series K - FY 2016-17	05-Jul-16	05-Jul-21	200	2,000	—	—
TCHFL - Series A - FY 2016-17	12-Apr-16	12-Apr-21	1,200	12,000	—	—
TCHFL - Series AS - FY 2015-16	22-Jan-16	22-Jan-21	200	2,000	200	2,000
TCHFL - Series AM - FY 2015-16 - Option II	06-Nov-15	06-Nov-20	50	500	50	500
TCHFL - Series AI - FY 2015-16	16-Oct-15	16-Oct-20	500	5,000	500	5,000
TCHFL - Series AH - FY 2015-16	14-Oct-15	14-Oct-20	200	2,000	200	2,000
TCHFL - Series AB - FY 2015-16	20-Aug-15	20-Aug-20	100	1,000	100	1,000
TCHFL - Series AA - FY 2015-16	17-Aug-15	17-Aug-20	1,000	10,000	1,000	10,000
TCHFL - Series Z - FY 2015-16	07-Aug-15	07-Aug-20	300	3,000	300	3,000
TCHFL - Series T - FY 2015-16 - Option I	09-Jul-15	09-Jul-20	100	1,000	100	1,000
TCHFL - Series Y - FY 2016-17	17-Mar-17	17-Mar-20	3,000	30,000	—	—
TCHFL - Series Z - FY 2014-15	12-Feb-15	12-Feb-20	100	1,000	100	1,000
TCHFL - Series X - FY 2016-17	10-Feb-17	07-Feb-20	514	5,140	—	—
TCHFL - Series G - FY 2016-17 - Option II	10-Jun-16	23-Dec-19	130	1,300	—	—
TCHFL - Series G - FY 2014-15	22-Oct-14	22-Oct-19	550	5,500	550	5,500
TCHFL - Series K - FY 2012-13	28-Sep-12	03-Oct-19	100	1,000	100	1,000
TCHFL - Series R - FY 2016-17	30-Aug-16	30-Aug-19	250	2,500	—	—
TCHFL - Series D - FY 2014-15 - Option II	22-Aug-14	22-Aug-19	100	1,000	100	1,000
TCHFL - Series P - FY 2016-17	08-Aug-16	08-Aug-19	250	2,500	—	—
TCHFL - Series N - FY 2016-17	29-Jul-16	29-Jul-19	100	1,000	—	—
TCHFL - Series B - FY 2014-15 - Option II	22-Jul-14	21-Jul-19	100	1,000	100	1,000
TCHFL - Series M - FY 2016-17	14-Jul-16	12-Jul-19	100	1,000	—	—
TCHFL - Series G - FY 2016-17 - Option I	10-Jun-16	24-Jun-19	20	200	—	—
TCHFL - Series H - FY 2016-17	14-Jun-16	14-Jun-19	50	500	—	—
TCHFL - Series A - FY 2014-15 - Option II	13-Jun-14	13-Jun-19	100	1,000	100	1,000
TCHFL - Series AT - FY 2015-16	02-Mar-16	16-May-19	220	2,200	220	2,200
TCHFL - Series AU - FY 2015-16 - Option II	30-Mar-16	18-Apr-19	100	1,000	100	1,000
TCHFL - Series B - FY 2016-17	18-Apr-16	18-Apr-19	150	1,500	—	—
TCHFL - Series N - FY 2013-14	20-Jan-14	18-Jan-19	50	500	50	500
TCHFL - Series AQ - FY 2015-16	18-Jan-16	18-Jan-19	1,000	10,000	1,000	10,000
TCHFL - Series AR - FY 2015-16	20-Jan-16	18-Jan-19	100	1,000	100	1,000
TCHFL - Series P - FY 2015-16 - Option III	24-Jun-15	07-Jan-19	50	500	50	500
TCHFL - Series G - FY 2011-12	11-Nov-11	18-Nov-18	100	1,000	100	1,000
TCHFL - Series V - FY 2016-17	17-Nov-16	16-Nov-18	250	2,500	—	—
TCHFL - Series AL - FY 2015-16	02-Nov-15	02-Nov-18	120	1,200	120	1,200
TCHFL - Series AK - FY 2015-16	26-Oct-15	26-Oct-18	130	1,300	130	1,300
TCHFL - Series S - FY 2016-17	31-Aug-16	31-Aug-18	250	2,500	—	—
TCHFL - Series AC - FY 2015-16 - Option I	24-Aug-15	24-Aug-18	50	500	50	500
TCHFL - Series Y - FY 2015-16 - Option I	31-Jul-15	21-Aug-18	217	2,170	217	2,170
TCHFL - Series AC - FY 2015-16 - Option II	24-Aug-15	20-Aug-18	350	3,500	350	3,500
TCHFL - Series AD - FY 2015-16	26-Aug-15	16-Aug-18	158	1,580	158	1,580
TCHFL - Series Q - FY 2016-17	18-Aug-16	16-Aug-18	1,300	13,000	—	—
TCHFL - Series O - FY 2016-17	02-Aug-16	02-Aug-18	1,000	10,000	—	—
TCHFL - Series V - FY 2015-16	16-Jul-15	26-Jul-18	440	4,400	440	4,400

(₹ in Lakh)

Description of Secured Redeemable Non-Convertible Debentures (NCD)	Issue Date	Redemption Date	No. of NCDs	As at March 31, 2017	No. of NCDs	As at March 31, 2016
TCHFL - Series Y - FY 2015-16 - Option II	31-Jul-15	23-Jul-18	260	2,600	260	2,600
TCHFL - Series W - FY 2015-16	24-Jul-15	19-Jul-18	200	2,000	200	2,000
TCHFL - Series K - FY 2015-16 - Option IV	01-Jun-15	20-Jun-18	250	2,500	250	2,500
TCHFL - Series P - FY 2015-16 - Option II	24-Jun-15	19-Jun-18	200	2,000	200	2,000
TCHFL - Series P - FY 2015-16 - Option I	24-Jun-15	18-Jun-18	115	1,150	115	1,150
TCHFL - Series N - FY 2015-16 - Option I	12-Jun-15	12-Jun-18	471	4,710	471	4,710
TCHFL - Series L - FY 2015-16	04-Jun-15	04-Jun-18	100	1,000	100	1,000
TCHFL - Series K - FY 2015-16 - Option I	01-Jun-15	01-Jun-18	2,600	26,000	2,600	26,000
TCHFL - Series K - FY 2015-16 - Option III	01-Jun-15	29-May-18	350	3,500	350	3,500
TCHFL - Series F - FY 2016-17	11-May-16	11-May-18	150	1,500	–	–
TCHFL - Series F - FY 2015-16	27-Apr-15	27-Apr-18	210	2,100	210	2,100
TCHFL - Series C - FY 2013-14	23-Apr-13	23-Apr-18	100	1,000	100	1,000
TCHFL - Series AE - FY 2014-15	26-Mar-15	10-Apr-18	340	3,400	340	3,400
TCHFL - Series A - FY 2015-16 - Option III	10-Apr-15	10-Apr-18	552	5,520	552	5,520
TCHFL - Series C - FY 2015-16 - Option III	17-Apr-15	10-Apr-18	90	900	90	900
TCHFL - Series U - FY 2016-17	10-Oct-16	28-Mar-18	4,000	40,000	–	–
TCHFL - Series C - FY 2016-17	22-Apr-16	20-Mar-18	950	9,500	–	–
TCHFL - Series D - FY 2016-17	29-Apr-16	20-Mar-18	600	6,000	–	–
TCHFL - Series I - FY 2016-17	15-Jun-16	15-Mar-18	250	2,500	–	–
TCHFL - Series AD - FY 2014-15 - Option II	16-Mar-15	12-Mar-18	50	500	50	500
TCHFL - Series AC - FY 2014-15 - Option II	10-Mar-15	09-Mar-18	600	6,000	600	6,000
TCHFL - Series W - FY 2014-15 - Option I	27-Jan-15	14-Feb-18	80	800	80	800
TCHFL - Series AA - FY 2014-15 - Option I	16-Feb-15	12-Feb-18	75	750	75	750
TCHFL - Series Y - FY 2014-15	04-Feb-15	02-Feb-18	150	1,500	150	1,500
TCHFL - Series U - FY 2014-15	20-Jan-15	24-Jan-18	190	1,900	190	1,900
TCHFL - Series T - FY 2014-15	14-Jan-15	10-Jan-18	162	1,620	162	1,620
TCHFL - Series L - FY 2016-17	07-Jul-16	08-Jan-18	300	3,000	–	–
TCHFL - Series K - FY 2015-16 - Option II	01-Jun-15	02-Jan-18	114	1,140	114	1,140
TCHFL - Series AO - FY 2015-16	23-Dec-15	22-Dec-17	200	2,000	200	2,000
TCHFL - Series AN - FY 2015-16	07-Dec-15	07-Dec-17	150	1,500	150	1,500
TCHFL - Series M - FY 2014-15 - Option II	14-Nov-14	24-Nov-17	150	1,500	150	1,500
TCHFL - Series O - FY 2014-15	20-Nov-14	22-Nov-17	180	1,800	180	1,800
TCHFL - Series N - FY 2014-15	18-Nov-14	21-Nov-17	70	700	70	700
TCHFL - Series J - FY 2014-15 - Option II	07-Nov-14	13-Nov-17	120	1,200	120	1,200
TCHFL - Series K - FY 2014-15	11-Nov-14	01-Nov-17	100	1,000	100	1,000
TCHFL - Series AJ - FY 2015-16	21-Oct-15	20-Oct-17	100	1,000	100	1,000
TCHFL - Series D - FY 2014-15 - Option I	22-Aug-14	22-Aug-17	600	6,000	600	6,000
TCHFL - Series C - FY 2014-15 - Option II	07-Aug-14	01-Aug-17	200	2,000	200	2,000
TCHFL - Series B - FY 2014-15 - Option I	22-Jul-14	21-Jul-17	100	1,000	100	1,000
TCHFL - Series U - FY 2015-16	14-Jul-15	14-Jul-17	500	5,000	500	5,000
TCHFL - Series S - FY 2015-16 - Option II	07-Jul-15	07-Jul-17	50	500	50	500
TCHFL - Series R - FY 2015-16	03-Jul-15	28-Jun-17	130	1,300	130	1,300
TCHFL - Series Q - FY 2015-16 - Option II	30-Jun-15	26-Jun-17	180	1,800	180	1,800
TCHFL - Series S - FY 2015-16 - Option I	07-Jul-15	23-Jun-17	250	2,500	250	2,500
TCHFL - Series J - FY 2015-16 - Option II	28-May-15	20-Jun-17	219	2,190	219	2,190
TCHFL - Series Q - FY 2015-16 - Option I	30-Jun-15	20-Jun-17	180	1,800	180	1,800

(₹ in Lakh)

Description of Secured Redeemable Non-Convertible Debentures (NCD)	Issue Date	Redemption Date	No. of NCDs	As at March 31, 2017	No. of NCDs	As at March 31, 2016
TCHFL - Series A - FY 2014-15 - Option III	13-Jun-14	13-Jun-17	250	2,500	250	2,500
TCHFL - Series N - FY 2015-16 - Option II	12-Jun-15	07-Jun-17	240	2,400	240	2,400
TCHFL - Series E - FY 2015-16 - Option III	23-Apr-15	01-Jun-17	600	6,000	600	6,000
TCHFL - Series I - FY 2015-16 - Option I	13-May-15	24-May-17	220	2,200	220	2,200
TCHFL - Series G - FY 2015-16 - Option III	06-May-15	04-May-17	167	1,670	167	1,670
TCHFL - Series A - FY 2014-15 - Option I	13-Jun-14	02-May-17	600	6,000	600	6,000
TCHFL - Series H - FY 2015-16	08-May-15	02-May-17	400	4,000	400	4,000
TCHFL - Series C - FY 2015-16 - Option II	17-Apr-15	27-Apr-17	870	8,700	870	8,700
TCHFL - Series I - FY 2015-16 - Option II	13-May-15	27-Apr-17	90	900	90	900
TCHFL - Series J - FY 2015-16 - Option I	28-May-15	27-Apr-17	150	1,500	150	1,500
TCHFL - Series A - FY 2015-16 - Option V	10-Apr-15	26-Apr-17	700	7,000	700	7,000
TCHFL - Series A - FY 2015-16 - Option VI	10-Apr-15	25-Apr-17	1,135	11,350	1,135	11,350
TCHFL - Series E - FY 2015-16 - Option II	23-Apr-15	25-Apr-17	236	2,360	236	2,360
TCHFL - Series G - FY 2015-16 - Option I	06-May-15	25-Apr-17	51	510	51	510
TCHFL - Series A - FY 2015-16 - Option II	10-Apr-15	24-Apr-17	180	1,800	180	1,800
TCHFL - Series D - FY 2015-16 - Option II	21-Apr-15	21-Apr-17	160	1,600	160	1,600
TCHFL - Series A - FY 2015-16 - Option IV	10-Apr-15	20-Apr-17	545	5,450	545	5,450
TCHFL - Series A - FY 2015-16 - Option I	10-Apr-15	19-Apr-17	50	500	50	500
TCHFL - Series G - FY 2015-16 - Option II	06-May-15	18-Apr-17	88	880	88	880
TCHFL - Series AD - FY 2014-15 - Option I	16-Mar-15	17-Apr-17	90	900	90	900
TCHFL - Series B - FY 2015-16	15-Apr-15	13-Apr-17	117	1,170	117	1,170
TCHFL - Series AB - FY 2014-15	05-Mar-15	10-Apr-17	100	1,000	100	1,000
TCHFL - Series C - FY 2015-16 - Option I	17-Apr-15	04-Apr-17	45	450	45	450
TCHFL - Series D - FY 2015-16 - Option I	21-Apr-15	03-Apr-17	180	1,800	180	1,800
TCHFL - Series E - FY 2015-16 - Option I	23-Apr-15	03-Apr-17	470	4,700	470	4,700
TCHFL - Series M - FY 2015-16	09-Jun-15	28-Mar-17	-	-	250	2,500
TCHFL - Series AC - FY 2014-15 - Option I	10-Mar-15	10-Mar-17	-	-	1,850	18,500
TCHFL - Series AA - FY 2014-15 - Option II	16-Feb-15	27-Feb-17	-	-	40	400
TCHFL - Series J - FY 2015-16 - Option V	28-May-15	24-Feb-17	-	-	270	2,700
TCHFL - Series W - FY 2014-15 - Option II	27-Jan-15	24-Jan-17	-	-	44	440
TCHFL - Series J - FY 2015-16 - Option III	28-May-15	23-Jan-17	-	-	75	750
TCHFL - Series L - FY 2013-14	10-Jan-14	10-Jan-17	-	-	250	2,500
TCHFL - Series E - FY 2014-15	23-Sep-14	23-Dec-16	-	-	400	4,000
TCHFL - Series S - FY 2014-15 - Option I	16-Dec-14	15-Dec-16	-	-	118	1,180
TCHFL - Series S - FY 2014-15 - Option II	16-Dec-14	06-Dec-16	-	-	101	1,010
TCHFL - Series K - FY 2013-14	02-Dec-13	02-Dec-16	-	-	200	2,000
TCHFL - Series Q - FY 2014-15 - Option I	04-Dec-14	02-Dec-16	-	-	139	1,390
TCHFL - Series Q - FY 2014-15 - Option II	04-Dec-14	29-Nov-16	-	-	274	2,740
TCHFL - Series J - FY 2015-16 - Option IV	28-May-15	24-Nov-16	-	-	250	2,500
TCHFL - Series J - FY 2013-14	07-Nov-13	07-Nov-16	-	-	50	500
TCHFL - Series J - FY 2014-15 - Option I	07-Nov-14	07-Nov-16	-	-	60	600
TCHFL - Series I - FY 2014-15 - Option II	03-Nov-14	03-Nov-16	-	-	70	700
TCHFL - Series H - FY 2014-15	31-Oct-14	31-Oct-16	-	-	182	1,820
TCHFL - Series F - FY 2014-15 - Option II	20-Oct-14	10-Oct-16	-	-	188	1,880
TCHFL - Series AF - FY 2015-16	03-Sep-15	27-Sep-16	-	-	65	650

(₹ in Lakh)

Description of Secured Redeemable Non-Convertible Debentures (NCD)	Issue Date	Redemption Date	No. of NCDs	As at March 31, 2017	No. of NCDs	As at March 31, 2016
TCHFL - Series H - FY 2013-14	10-Sep-13	09-Sep-16	–	–	300	3,000
TCHFL - Series C - FY 2014-15 - Option III	07-Aug-14	02-Aug-16	–	–	200	2,000
TCHFL - Series C - FY 2014-15 - Option I	07-Aug-14	01-Aug-16	–	–	1,000	10,000
TCHFL - Series C - FY 2014-15 - Option IV	07-Aug-14	01-Aug-16	–	–	70	700
TCHFL - Series I - FY 2013-14	25-Oct-13	28-Jun-16	–	–	180	1,800
TCHFL - Series E - FY 2013-14	16-May-13	16-May-16	–	–	100	1,000
TCHFL - Series T - FY 2012-13	12-Mar-13	10-May-16	–	–	20	200
TCHFL - Series A - FY 2013-14	09-Apr-13	10-May-16	–	–	30	300
TCHFL - Series S - FY 2012-13	05-Feb-13	28-Apr-16	–	–	626	6,260
TCHFL - Series P - FY 2014-15	02-Dec-14	15-Apr-16	–	–	1,000	10,000
Total				5,05,260		3,94,340
Of which Current maturities have been classified under other Current Liabilities (Note No.10)				(1,87,340)		(84,020)
Long term borrowings				3,17,920		3,10,320

(₹ In Lakh)

Description of Secured Redeemable Non Convertible Debentures (ZCB)	Issue Date	Redemption Date	No. of NCDs	As at March 31,2017	No. of NCDs	As at March 31,2016
TCHFL - Series T - FY 2015-16	09-Jul-15	20-Sep-16	–	–	110	1,100
Total				–		1,100
Of which Current maturities have been classified under other Current Liabilities (Note No.10)				–		(1,100)
Long term borrowings				–		–

Note: Coupon rate of “NCDs” outstanding as on March 31, 2017 varies from 7.59% to 10.25% (Previous year 8.40% to 10.70%).

5.2 Particulars of Unsecured Redeemable Non Convertible Subordinated Debentures (Tier II Bonds) outstanding as on March 31,2017

(₹ in Lakh)

Description of NCD	Issue Date	Redemption Date	No. of NCDs	As at March 31,2017	No. of NCDs	As at March 31,2016
TCHFL Tier II Bonds 'A' FY-2016-17	04-Aug-16	04-Aug-26	2,000	20,000	–	–
TCHFL Tier II Bonds 'H' FY-2015-16	15-Mar-16	13-Mar-26	200	2,000	200	2,000
TCHFL Tier II Bonds 'G' FY-2015-16	17-Dec-15	17-Dec-25	250	2,500	250	2,500
TCHFL Tier II Bonds 'F' FY-2015-16	15-Dec-15	15-Dec-25	250	2,500	250	2,500
TCHFL Tier II Bonds 'E' FY-2015-16	04-Nov-15	04-Nov-25	300	3,000	300	3,000
TCHFL Tier II Bonds 'D' FY-2015-16	21-Sep-15	19-Sep-25	150	1,500	150	1,500
TCHFL Tier II Bonds 'C' FY-2015-16	16-Sep-15	16-Sep-25	100	1,000	100	1,000
TCHFL Tier II Bonds 'B' FY-2015-16	22-Jul-15	22-Jul-25	350	3,500	350	3,500
TCHFL Tier II Bonds 'A' FY-2015-16	28-Apr-15	28-Apr-25	400	4,000	400	4,000

(₹ in Lakh)

Description of NCD	Issue Date	Redemption Date	No. of NCDs	As at March 31, 2017	No. of NCDs	As at March 31, 2016
TCHFL Tier II Bonds 'A' FY-2014-15	26-Sep-14	26-Sep-24	480	4,800	480	4,800
TCHFL Tier II Bonds 'E' FY-2013-14	18-Mar-14	18-Mar-24	4	40	4	40
TCHFL Tier II Bonds 'D' FY-2013-14	10-Jan-14	10-Jan-24	77	770	77	770
TCHFL Tier II Bonds 'C' FY-2013-14	20-May-13	19-May-23	10	100	10	100
TCHFL Tier II Bonds 'B' FY-2013-14	23-Apr-13	23-Apr-23	21	210	21	210
TCHFL Tier II Bonds 'A' FY-2013-14	15-Apr-13	15-Apr-23	250	2,500	250	2,500
TCHFL Tier II Bonds 'E' FY-2012-13	28-Mar-13	28-Mar-23	150	1,500	150	1,500
TCHFL Tier II Bonds 'D' FY-2012-13	22-Aug-12	22-Aug-22	330	3,300	330	3,300
TCHFL Tier II Bonds 'C' FY-2012-13	30-May-12	30-May-22	300	3,000	300	3,000
TCHFL Tier II Bonds 'B' FY-2012-13	30-May-12	30-May-22	3	30	3	30
TCHFL Tier II Bonds 'A' FY-2012-13	10-May-12	10-May-22	10	100	10	100
TCHFL Tier II Bonds 'F' FY-2011-12	12-Mar-12	12-Mar-22	102	1,020	102	1,020
TCHFL Tier II Bonds 'E' FY-2011-12	25-Jan-12	25-Jan-22	135	1,350	135	1,350
TCHFL Tier II Bonds 'D' FY-2011-12	04-Nov-11	04-Nov-21	101	1,010	101	1,010
TCHFL Tier II Bonds 'C' FY-2011-12	28-Oct-11	28-Oct-21	11	110	11	110
TCHFL Tier II Bonds 'B' FY-2011-12	29-Sep-11	29-Sep-21	253	2,530	253	2,530
TCHFL Tier II Bonds 'A' FY-2011-12	29-Jul-11	29-Jul-21	250	2,500	250	2,500
Total				64,870		44,870

Note : Coupon rate of above outstanding as on March 31, 2017 varies from 8.92% to 10.25% (Previous year 8.99% to 10.25%).

- 5.3** (a) Loans and advances from banks are secured by pari passu charge on the current assets of the Company.
- (b) Loans and advances from bank are repayable at maturity ranging between 3 years to 5 years from the date of loan taken. Rate of Interest payable on Term Loans varies between 8.05% to 9.15% (Previous year 9.30% to 10.00%).
- 5.4** Loan from National Housing Bank is secured by way of hypothecation of book debt and is repayable in 28/60 quarterly installments. Rate of Interest payable on Term loan varies between 6.12% to 9.25% (Previous year 6.12% to 9.50%).

6. OTHER LONG-TERM LIABILITIES

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Interest accrued but not due on borrowings	92	3,738
Total	92	3,738

7. LONG-TERM PROVISIONS

(₹ In Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits	43	93
(b) Contingent provision against standard assets (Refer Note No. 33 & 15.1 below)	8,382	6,019
Total	8,425	6,112

8. SHORT-TERM BORROWINGS

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Loans repayable on demand		
Secured		
From Banks		
(i) Cash Credit (Refer Note No. 5.3 (a) above)	10,087	42,309
(ii) Working capital demand loan (Refer Note No. 5.3 (a) above)	7,000	7,500
Unsecured		
From Banks		
(i) Bank overdraft	30,140	35,535
(b) Loans and advances from Related Parties		
Unsecured		
(i) Inter-Corporate Deposits (Refer Note No. 30 below)	10,000	21,220
(c) Other loans and advances		
Unsecured		
(i) Commercial Paper (Refer Note No. 8.1 below)	3,00,691	1,50,189
[Net of unamortised discount of ₹ 4,009 Lakh (as at March 31, 2016 ₹ 2,311 Lakhs)]		
Total	3,57,918	2,56,753

8.1 Discount on Commercial Paper varies between 6.68% to 8.62% (Previous year 8.45% to 9.68%).

9. TRADE PAYABLES

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Others		
(i) Accrued employee benefit expenses	1,009	661
(ii) Accrued expenses	3,036	3,072
(iii) Payable to related parties	235	1
(iv) Payable to dealers / vendors	576	155
(v) Others	213	80
Total	5,069	3,969

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

9(a) Total outstanding dues of micro enterprises and small enterprises

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Amounts outstanding but not due as at year end	—	—
(b) Amounts due but unpaid as at year end	—	—
(c) Amounts paid after appointed date during the year	—	—
(d) Amount of interest accrued and unpaid as at year end	—	—
(e) The amount of further interest due and payable even in the succeeding year	—	—
Total	—	—

10. OTHER CURRENT LIABILITIES

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Current maturities of long-term debt		
(i) Debentures		
Secured		
– Privately Placed Non-Convertible Debentures (Refer Note No. 5.1 above)	1,87,340	84,020
– Zero coupon Debenture (Refer Note No. 5.1 above)	–	1,100
(ii) Term Loan		
Secured		
– From Banks (Refer Note No. 5.3 above)	59,639	11,389
– From National Housing Bank (Refer Note No. 5.4 above)	35,136	20,560
Unsecured		
– From Banks (Refer Note No. 5.3 (b) above)	15,000	–
(b) Interest accrued but not due on borrowings	31,381	23,447
(c) Income received in advance	4,458	4,090
(d) Other payables		
(i) Statutory dues	217	528
(ii) Payable for capital expenditure	10	13
(iii) Advances from customers	148	64
(iv) Amounts payable - Assigned Loan (Refer Note No. 15.4 below)	3,916	–
(v) Payable to customers	223	–
(vi) Others	260	175
Total	3,37,728	1,45,386

11. SHORT-TERM PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits	221	128
(b) Contingent provision against Standard Assets (Refer Note No. 33 & 15.1 below)	618	442
(c) Provision for Income tax [Net of Advance Tax ₹ 8,002 Lakh, (as on March 2016 ₹ 5,090 Lakh)]	1,571	1,506
Total	2,410	2,076

12. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Gross Block				Accumulated depreciation				Net Carrying Value
	Opening balance as at April 1, 2016	Additions / Adjustments	Deletions	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	Depreciation/Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2017	As at March 31, 2017
TANGIBLE ASSETS									
Building	582 (313)	— (269)	— —	582 (582)	37 (15)	23 (22)	— —	60 (37)	522 (545)
Office Equipment	158 (94)	106 (65)	3 (1)	261 (158)	61 (34)	46 (27)	1 (0)	106 (61)	155 (97)
Vehicles	81 (72)	34 (24)	32 (15)	83 (81)	40 (36)	18 (18)	28 (14)	30 (40)	53 (41)
Plant & Machinery	71 (41)	27 (31)	4 (1)	94 (71)	13 (6)	10 (7)	2 (0)	21 (13)	73 (58)
Furniture & Fixtures	115 (74)	49 (42)	6 (1)	158 (115)	45 (26)	31 (19)	5 (0)	71 (45)	87 (70)
Leasehold Improvements	342 (200)	156 (144)	25 (2)	473 (342)	110 (56)	80 (55)	19 (1)	171 (110)	302 (232)
Computer Equipment	161 —	135 (161)	— —	296 (161)	28 —	64 (28)	— —	92 (28)	204 (133)
Tangible Asset - Total	1,510 (794)	507 (736)	70 (20)	1,947 (1,510)	334 (173)	272 (176)	55 (15)	551 (334)	1,396 (1,176)
Capital Work In Progress									138 (59)
Intangible assets under development									326 (124)
Total									1,860 (1,359)

Note: Figures in bracket relate to previous year

13. NON-CURRENT INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
Investment in Others		
Quoted :		
Investment in Mutual Fund	245	—
Total	245	—
Book value of Quoted investments	245	—
Market value of Quoted investments	251	—

13.1 Scrip-wise details of Investments:

(₹ in Lakh)

Particulars	Face value Per Unit	No. of Units	As at March 31, 2017	No. of Units	As at March 31, 2016
Investment in Others Quoted :					
Investment in Mutual Fund					
Tata Money Market Fund	1,000	9,848	245	—	—
Total			245		—

13.2 Investments

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
Value of Investments		
(i) Gross value of Investments	245	—
(a) In India	245	—
(b) Outside India	—	—
(ii) Provisions for Depreciation	—	—
(a) In India	—	—
(b) Outside India	—	—
(iii) Net value of Investments	245	—
(a) In India	245	—
(b) Outside India	—	—
Movement of provisions held towards depreciation on investments		
(i) Opening balance	—	—
(ii) Add: Provisions made during the year	—	—
(iii) Less: Write-off / Written-bank of excess provisions during the year	—	—
(iv) Closing balance	—	—

14. DEFERRED TAX ASSETS

(₹ In Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Asset (net)	1,754	1,686

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

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Assets :-		
(a) Employee benefits	75	44
(b) Provision for non-performing asset	2,166	1,216
(c) Provision for standard assets	3,115	2,236
(d) Disallowance u/s 40(a)	22	21
(e) Timing difference in respect of depreciation on fixed assets	31	24
Deferred Tax Liability :-		
(a) Special Reserve u/s 36(1) (viii)	(3,655)	(1,855)
Net Deferred Tax Assets	1,754	1,686

15. LOANS AND ADVANCES - FINANCING ACTIVITY-SECURED UNLESS OTHERWISE STATED (₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
NON-CURRENT		
(a) Housing Loans		
(i) Considered good	12,94,975	9,82,832
(ii) Considered doubtful	5,340	2,745
	13,00,315	9,85,577
Less: Provision for Doubtful loans (Refer Note No 15.1 below)	5,340	2,745
	12,94,975	9,82,832
(b) Non Housing Loans		
(i) Considered good	2,78,742	2,28,524
(ii) Considered doubtful	1,871	707
(iii) Retained interest under assignment transactions (Refer Note No 15.4 below)	5,587	—
	2,86,200	2,29,231
Less: Provision for Doubtful loans (Refer Note No 15.1 below)	1,871	707
	2,84,329	2,28,524
Total	15,79,304	12,11,356
CURRENT		
(a) Housing Loans		
(i) Considered good	88,821	72,789
(ii) Considered doubtful	446	61
	89,267	72,850
Less: Provision for Doubtful loans (Refer Note No 15.1 below)	446	61
	88,821	72,789
(b) Non Housing Loans		
(i) Considered good	23,669	16,317
(ii) Considered doubtful	75	11
(iii) Retained interest under assignment transactions (Refer Note No 15.4 below)	796	—
	24,540	16,328
Less: Provision for Doubtful loans (Refer Note No 15.1 below)	75	11
	24,465	16,317
Total	1,13,286	89,106
Total - Loans and advances - Financing Activities	16,92,590	13,00,462

15.1 Housing and non-housing loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank are as follows:

(₹ in Lakh)

Category	Standard Assets		Sub-Standard Assets		Doubtful Assets		Loss Assets		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Housing Loan										
Gross Portfolio	1,378,333	1,050,390	6,443	4,772	2,956	2,371	1,850	894	1,389,582	1,058,427
Provision	6,595	4,989	1,980	722	1,956	1,189	1,850	894	12,381	7,794
Net Portfolio	1,371,738	1,045,401	4,463	4,050	1,000	1,182	—	—	1,377,201	1,050,633
Non Housing Loan										
Gross Portfolio	306,436	244,150	3,279	668	615	247	410	494	310,740	245,559
Provision	2,405	1,472	985	101	551	124	410	494	4,351	2,191
Net Portfolio	304,031	242,678	2,294	567	64	123	—	—	306,389	243,368
Total										
Gross Portfolio	1,684,769	1,294,540	9,722	5,440	3,571	2,618	2,260	1,388	1,700,322	1,303,986
Provision	9,000	6,461	2,965	823	2,507	1,313	2,260	1,388	16,732	9,985
Net Portfolio	1,675,769	1,288,079	6,757	4,617	1,064	1,305	—	—	1,683,590	1,294,001

15.2 Loans granted by the company are secured against hypothecation of mortgage of property.

15.3 The company has reported frauds aggregating ₹ NIL (Previous year: ₹ 36 lakh) based on management reporting to risk committee.

15.4 The Company has securitized / assigned pool of certain non housing loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the March 31, 2017 aggregates to ₹ 54,087 lakh (Previous Year ₹ Nil). These assets have been de-recognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said securitization/assignment agreements, the Company pays to buyer/investor on monthly basis the prorata collection amount as per individual agreement terms.

16. LONG-TERM LOANS AND ADVANCES - OTHERS (UNSECURED CONSIDERED GOOD) (₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Capital advances	1	6
(b) Loan To TCL Employee Welfare Trust	66	66
(c) Advance payment of Income tax [Net of Provision for Tax ₹ 15,757 Lakh, (as on March 2016 ₹ 9,161 Lakh)]	310	389
Total	377	461

17. OTHER NON-CURRENT ASSETS (₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Deferred revenue expenditure (to the extent not written off or adjusted) [Refer Note 21(a)]	508	470
(b) Unamortised loan sourcing costs	3,792	3,418
(c) Gratuity Asset (Net)	69	—
Total	4,369	3,888

18. TRADE RECEIVABLES (₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Over six months (from the date due for payment)		
(i) Secured, considered good	—	—
(ii) Unsecured, considered good	—	—
(iii) Doubtful	—	—
	—	—
Less: Provision for trade receivables	—	—
	—	—
(b) Others		
(i) Secured, considered good	—	—
(ii) Unsecured, considered good	5	115
(iii) Doubtful	—	—
	5	115
Less: Provision for trade receivables	—	—
	5	115
Total	5	115

19. CASH AND BANK BALANCES

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Cash on hand	67	92
(b) Cheques on hand	1,746	932
(c) Balances with banks – In current accounts (Refer Note No. 19.1 below)	6,490	2,107
Total	8,303	3,131

19.1 Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is ₹ 8,303 Lakh. (Previous year ₹ 3,131 Lakh)

19.2 The details of the Specific Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below (as per MCA Notification G.S.R. 307 (E) dated 30th March 2017) :

(₹ in Lakh)

PARTICULARS	SBN's	Other Denomination Notes	Total
Opening Cash on hand as on 08/11/2016	24	1	25
(+) Permitted receipts	–	175	175
(-) Permitted payments	–	–	–
(-) Amounts deposited in Banks (deposited before 11/11/2016)	24	164	188
Closing Cash on hand as on 30/12/2016	–	12	12

20. SHORT-TERM LOANS AND ADVANCES - OTHERS (UNSECURED CONSIDERED GOOD)

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Deposits	199	146
(b) Prepaid expenses	159	70
(c) Others	96	131
Total	454	347

21. OTHER CURRENT ASSETS

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Deferred Revenue Expenditure (to the extent not written off or adjusted) (Refer Note 21(a) below)	538	340
(b) Unamortised loan sourcing costs	2,328	2,024
(c) Other Receivables	10	24
Total	2,876	2,388

21(a) DEFERRED REVENUE EXPENDITURE (to the extent not written off or adjusted)

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Unamortised share issue expenses		
Opening balance	10	23
Add: expenses incurred during the year	–	26
Less: share issue expenses written off through securities premium account (Refer Note No 34)	10	–
Less: written off during the year through Statement of Profit and Loss	–	39
Closing balance	–	10

(₹ in Lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(b) Unamortised debenture issue expenses		
Opening balance	310	165
Add: expenses incurred during the year	827	373
Less: written off during the year	425	228
Closing balance	712	310
(c) Unamortised loan processing charges		
Opening balance	490	669
Add: expenses incurred during the year	34	22
Less: written off during the year	190	201
Closing balance	334	490
Total	1,046	810

(₹ in Lakh)

PARTICULARS	As at March 31, 2017		As at March 31, 2016	
	Current	Non-Current	Current	Non-Current
(a) Unamortised share issue expenses	—	—	8	2
(b) Unamortised debenture issue expenses	350	362	156	154
(c) Unamortised loan processing charges	188	146	176	314
Total	538	508	340	470
Grand Total		1,046		810

22. REVENUE FROM OPERATIONS

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(a) Interest Income	1,63,356	1,20,111
(b) Income from Financing activity (Refer note below)	7,340	5,219
Total	1,70,696	1,25,330

Note: Income from Financing activity includes loan processing fees and other charges**23. INVESTMENT INCOME**

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(a) Profit on sale of current investments	95	173
Total	95	173

24. OTHER INCOME

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(a) Miscellaneous Income	1,516	1,042
Total	1,516	1,042

25. FINANCE COST

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(a) Interest expense	91,696	75,511
(b) Discounting charges		
(i) On commercial paper	22,047	10,752
Total	1,13,743	86,263

26. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(a) Salaries, wages and bonus	9,569	6,770
(b) Contribution to provident fund and other funds (Refer Note No. 29)	556	357
(c) Staff welfare expenses	306	232
Total	10,431	7,359

27. OTHER OPERATING EXPENSES

(₹ in Lakh)

	PARTICULARS	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(a)	Advertisement and publicity	278	335
(b)	Brand equity and business promotion	539	322
(c)	Incentive commission & brokerage	2,710	2,227
(d)	Directors' Remuneration	54	26
(e)	Insurance	172	135
(f)	Information technology expenses	1,942	2,099
(g)	Legal and professional fees	1,086	735
(h)	Loan processing charges	1,989	1,667
(i)	Printing and stationery	149	124
(j)	Provision for doubtful loans	4,501	1,942
(k)	Write off - Loans and advances	294	244
	Less : Provision reversal on write off	(294)	(244)
(l)	Provision for standard assets - housing loan (Refer Note Nos. 27.1, 27.2 & 33 below)	1,606	1,418
(m)	Provision for standard assets - non housing loan (Refer Note Nos. 27.1, 27.2 & 33 below)	933	692
(n)	Rates and taxes	13	6
(o)	Rent	1,079	998
(p)	Repairs and maintenance expenses	73	21
(q)	Stamping charges	45	31
(r)	Service providers charges	1,244	905
(s)	Telephone, telex and leased line	138	102
(t)	Travelling and conveyance	442	506
(u)	Training & Recruitment	146	65
(v)	Corporate social responsibility (Refer Note No. 27.5 below)	286	178
(w)	Power and fuel	89	56
(x)	Others (Refer Note No. 27.3 below)	410	386
Total		19,924	14,976

- 27.1** The Company has made a standard asset provision of ₹ 2,539 Lakh (previous year ₹ 2,110 Lakh) being 0.40% / 0.75% / 1% of the Standard Housing / Non Housing loans as specified by the National Housing Bank circular No. NHB(ND)/DRS/DIR-3/CMD/2011 dated August 5,2011.
- 27.2** National Housing Bank (NHB) has issued circular No. NHB.HFC./CMD/2013 dated September 6, 2013 for provision on Standard Asset relating to Commercial Real Estate Loans. Accordingly the Company is required to make general provision (i) at the rate of 1% on Commercial Real Estate and (ii) at the rate of 0.75% on Commercial Real Estate-Residential. The Company has made provision of ₹ 836 Lakhs on all commercial real estate loans and ₹ 401 Lakhs on Commercial Real Estate - Residential.
- 27.3** Other expenses includes Audit Fee (excluding service tax) as below.

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(i) Statutory audit fees	35	35
(ii) Tax audit fees	5	5
(iii) Other services	6	3
Total	46	43

- 27.4** Expenditure in foreign currency

(₹ in Lakh)

PARTICULARS	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(i) Travelling, conveyance and accommodation	—	5
(ii) Legal and professional fees	45	—
Total	45	5

- 27.5** Corporate social responsibility expenses

- (a) Gross amount required to be spent by the company during the year was ₹ 286 Lakh.
- (b) Amount spent during the year on:

(₹ in Lakh)

PARTICULARS	Paid	Yet to be paid	Total
(i) Construction/acquisition of any asset	—	—	—
(ii) On purposes other than (i) above	286	—	286
Total	286	—	286

28. Contingent Liabilities and Commitments:

- (a) Contingent Liabilities ₹ Nil (Previous year ₹ Nil).
- (b) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for.
- Tangible: ₹ 348 Lakh (Previous year ₹ 844 Lakh)
 - Intangible: ₹ 311 Lakh (Previous year ₹ 382 Lakh)

29. Employee benefits

Defined Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund cover substantially all regular employees. While both, the employees and the Company pay predetermined contributions into the provident fund, contributions into the family pension fund are made by only the Company. The contributions are based on a certain proportion of the employee's salary. The Company recognised a charge of ₹ 342 Lakh (Previous year ₹ 253 Lakh) towards provident fund and family pension fund contribution and ₹ 15 Lakh (Previous year ₹ 15 Lakh) towards contribution to superannuation fund in the Statement of Profit and Loss during the current year. The provident fund set up as a Trust by the Holding Company, Tata Capital Limited, manages the contributions from the Company and other participating fellow subsidiaries. As of March 31, 2017, the accumulated members' corpus of the Company is ₹ 2,277 lakh whereas the total fair value of the assets of the fund and the total accumulated members' corpus is ₹ 16,858 lakh and ₹ 16,969 lakh respectively. In accordance with

an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.65% for the first year and 8.60% thereafter. The actuarial assumptions include discount rate of 7.50%.

Defined Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount), (Included as part of contribution to provided fund, superannuation fund and other funds as referred in Note 26 of Employee Benefit Expenses). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. On adoption of the Accounting Standard (AS 15) on "Employee Benefits", actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

Reconciliation of Benefit Obligations and Plan Assets

(₹ in Lakh)

PARTICULARS	2016-17	2015-16
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	328	238
Current Service Cost	77	54
Interest Cost	26	18
Acquisition Cost / Transfer in	41	15
Actuarial Losses / (Gain)	153	23
Benefits Paid	(28)	(20)
Closing Defined Benefit Obligation	597	328
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	257	232
Acquisition Cost / Transfer in	41	17
Expected Return on Plan Assets	33	19
Contributions by Employer	310	7
Actuarial Gains / (Losses)	25	(18)
Benefits paid	—	—
Closing Fair Value of Plan Assets	666	257
Reconciliation of present Value of the obligation and the Fair value of the plan Assets		
Fair Value of plan assets at the end of the year	666	257
Present value of the defined obligations at the end of the year	597	328
Funded status [Surplus / (Deficit)]	69	(71)
Net Asset /(Liability) recognised in the balance sheet	69	(71)
Net Gratuity cost for the year ended March 31, 2017		
Service Cost	77	54
Interest on Defined benefit Obligation	26	18
Expected return on plan assets	(33)	(19)
Net actuarial loss recognised in the year	129	36
Net Gratuity Cost	199	89

(₹ in Lakh)

PARTICULARS	2016-17	2015-16
Actual contribution and benefit payments for the year		
Actual benefit payments	28	20
Actual contributions	310	7
Categorisation of plan assets is as follows		
Investor Pattern	2016-17	2015-16
Government Bonds	33%	44%
Equity mutual funds	16%	23%
Bonds / Debentures	41%	24%
Others (Including assets under Schemes of Insurance)	10%	9%
	100%	100%
Assumptions		
Discount Rate	7.50%	8.20%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Salary Escalation Rate	7.50% p.a for first 5 years and 6% thereafter.	7.50% p.a for first 5 years and 5% thereafter.
Mortality table	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate
Withdrawal rate	0 – 2 years: 10%	0 – 2 years: 10%
	3 – 4 years: 5%	3 – 4 years: 5%
	5 – 9 years: 2.5%	5 – 9 years: 2.5%
	10 and more: 1%	10 and more: 1%

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

(₹ in Lakh)

EXPERIENCE ADJUSTMENT	2016-17	2015-16	2014-15	2013-14	2012-13
– On Plan Liabilities	(53)	(32)	(3)	(26)	0*
– On Plan Assets	25	(18)	7	1	0*
Present value of benefit obligation	597	328	238	153	118
Fair value of Plan Assets	666	257	232	134	103
Excess of (obligation over plan assets)	(69)	71	6	19	15

*less than ₹ 50,000/-

The Company expects to contribute approximately ₹ 135 Lakh to the gratuity fund for the FY 2017-18. (Previous Year ₹ 71 Lakh)

Long Term Service Awards :

Long Term Service award is an employee benefit in recognition for their loyalty and continuity of service for five years and above, the same is actuarially valued(Unfunded). The Long Term Service awards expense for financial year 2016-17 is ₹ 24 Lakh (Previous year ₹ 8 Lakh) and the provision as at March 31, 2017 is ₹ 47 Lakh (Previous year ₹ 23 Lakh).

30. Disclosure as required by Accounting Standard (AS) – 18 on “Related Party Disclosures” notified under Section 133 of the Companies Act 2013

A. List of related parties and relationship:

Ultimate holding Company	Tata Sons Limited
Holding Company	Tata Capital Limited
Fellow Subsidiaries (with which the company had transactions)	TC Travel and Services Limited Tata Securities Limited Tata Capital Financial Services Limited Tata Cleantech Capital Limited Tata Capital Plc Limited
Subsidiaries of ultimate holding company (with which the company had transactions)	Tata Consultancy Services Limited Tata Business Support Services Limited Tata AIA Life Insurance Company Limited Tata AIG General Insurance Company Limited Infiniti Retail Limited Tata Teleservices Maharashtra Limited Tata Teleservices Limited
Key Management Personnel	Mr. R. Vaithianathan (Managing Director)

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

(₹ in Lakh)

SR. NO.	PARTY NAME	NATURE OF TRANSACTION	2016-17	2015-16
1	Tata Sons Limited	a) Expenses – Brand equity contribution – Legal and professional fees – Training Expenses b) Balance payable	539 7 1 495	322 – – 327
2	Tata Capital Limited	a) Subscription of share capital – Preference shares b) ICD accepted / repaid during the year – ICDs accepted during the year – ICDs repaid during the year c) Interest expense on – ICDs – Debentures d) Reimbursement of expenses to TCL e) Service providers charges f) Dividend paid g) Balance Outstanding – Expenses Payable – Borrowings (ICD) – Borrowings (Subordinated Debenture)	16,500 3,37,357 3,48,577 1,629 77 9 713 6,613 127 10,000 –	24,500 3,53,190 3,31,970 1,437 340 1 464 7,531 59 21,220 3,300
3	Tata Capital Financial Services Limited	a) ‘Transfer from TCFSL – Fixed Assets* – Employee Loan – Salary b) Transfer to TCFSL – Fixed Assets – Security Deposit	15 – 2 1 –	0 1 1 2 14

(₹ in Lakh)

SR. NO.	PARTY NAME	NATURE OF TRANSACTION	2016-17	2015-16
		c) Expenses		
		– Reimbursement of expenses	195	130
		– Rent expenses	780	747
		– Guest house expenses	9	11
		– Loan sourcing fee	77	–
		d) Income		
		– Loan sourcing fee	6	–
		– Rent recovery	29	28
		– Guest House Recovery	6	8
		– Reimbursement of expenses	4	3
		e) NCD Issued	–	3,000
		f) Balance payable	235	104
4	Tata Business Support Services Limited	a) Expenses		
		– Loan processing charges	807	561
		– Service provided charges	307	321
		– Collection Expenses	223	185
		b) Balance payable	73	174
5	TC Travel and Services Limited	a) Expenses		
		– Travel related services	83	85
6	Tata Consultancy Services Limited	a) Expenses		
		– I.T. outsourcing charges	1,609	2,064
		b) Balance payable	1,178	1,240
7	Tata Securities Limited	a) Income		
		– Reimbursement *	–	0
		b) Expenses		
		– DMA Commission	–	1
		c) Asset Transfer from TSL		
		– Salary Advance*	0	–
8	Tata AIA Life Insurance Company Limited	a) Insurance premium paid on behalf of customer	2	338
		b) Insurance claim received on behalf of customer	187	168
		c) Insurance premium - Employee Group Life	8	7
9	Tata AIG General Insurance Company Limited	a) Insurance premium expenses	2	2
		b) Advertisement Income	275	465
		c) Insurance premium paid on behalf of customer	2,056	–
		d) Balance receivable	–	115
		e) Advance given	1	1
10	Infiniti Retail Limited	a) Fixed Asset purchased	1	0
		b) Gift Expenses	1	–
		c) Advance given *	0	0
11	Tata Cleantech Capital Limited	a) Reimbursement of Expenses	1	0
		b) Guest House Income*	0	–
		c) Outstanding Receivable*	0	–
12	Tata Teleservices Limited	a) Telephone, telex and leased line	11	–
13	Tata Teleservices Maharashtra Limited	a) Telephone, telex and leased line	9	–
14	Key Management Personnel	a) Remuneration	193	181
		b) Employee loan O/s *	–	0

* Less than ₹ 50,000/-

31. Earnings per Share (EPS):

PARTICULARS		2016-17	2015-16
Profit after tax	₹ in Lakh	17,817	11,261
Less: Preference dividend (including dividend distribution tax)	₹ in Lakh	7,959	5,539
Profit after tax for Basic EPS	₹ in Lakh	9,858	5,722
Weighted average number of Equity shares used in computing Basic EPS	Nos	25,33,33,332	25,33,33,332
Face value of equity shares	₹	10	10
Basic earnings per share	₹	3.89	2.26
Profit after tax for Basic EPS	₹ in Lakh	9,858	5,722
Add: Preference dividend (including dividend distribution tax)	₹ in Lakh	7,959	5,539
Profit after tax for Diluted EPS		17,817	11,261
Weighted average number of Equity shares used in computing Diluted earnings per share	Nos	43,61,56,702	39,34,19,416
Face value of equity shares	₹	10	10
Diluted earnings per share (Anti dilutive)	₹	4.09	2.86
Diluted earnings per share	₹	3.89	2.26

32. Lease Payments

The company avails time to time cancellable long term leases for office premises. The total of future minimum lease payment that the company is committed to make is:

(₹ in Lakh)

Lease Payments	2016-17	2015-16
– Within one year	–	–
– Later than one year and not later than five years	–	–
– Later than five years	–	–

The amount charged towards lease rental as part of Rent expenditure is ₹ 1,079 Lakh (Previous year ₹ 998 Lakh)

33. Movement in provisions against standard assets during the year is as under:

(₹ in Lakh)

PARTICULARS	2016-17	2015-16
Opening Balance	6,461	4,351
Additions during the year	2,539	2,110
Utilised during the year	–	–
Closing Balance	9,000	6,461

34. During the year, the Company changed its accounting policy with respect to amortization of deferred revenue expenditure for share issue expenses. The Company now charges off the share issue expenses against amount standing to the credit of the Securities Premium Account. Prior to this change, the Company amortized the said share issue expenses over a period of 36 months from the month in which the expenses were incurred. The change in accounting policy is in accordance with the provisions of Section 52 of the Companies Act 2013, and it would result in a more appropriate presentation of financial statements of the Company.

On account of the change in the accounting policy, the profit before tax of the company is higher by ₹ 12 lakh (net of taxes, as applicable) for the year ended on March 31, 2017 and deferred revenue expenditure is lower by ₹ 15 lakh (net of taxes, as applicable) as on March 31, 2017.

35. Disclosure of details as required under notification issued by NHB dated February 09, 2017, NHB.HFC.CG-DIR.1/MD&CEO/2016.

35.1 Capital

(₹ in Lakh)

PARTICULARS	2016-17	2015-16
(i) CRAR (%)	16.01%	16.17%
(ii) CRAR – Tier I Capital (%)	10.19%	10.72%
(iii) CRAR – Tier II Capital (%)	5.82%	5.45%
(iv) Amount of subordinated debt raised as Tier- II Capital	20,000	20,000
(v) Amount raised by issue of Perpetual Debt Instruments	–	–

35.2 Derivative transaction entered by company is ₹ Nil (Previous Year ₹ Nil).**35.3** The Company has not done any Securitisation during the financial year. (Previous Year: Nil)**35.4** Details of Assignment transactions undertaken by HFCs:

(₹ In Lakh)

PARTICULARS	2016-17	2015-16
(i) No. of accounts	2,270	–
(ii) Aggregate value (net of provisions) of accounts sold *	57,424	–
(iii) Aggregate consideration	57,424	–
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	–
(v) Aggregate gain / loss over net book value	Nil	–

* Total value of the Loans sold under direct assignment route is ₹ 63,804 Lakh. Company has retained 10% interest in the Loans sold.

35.5 Asset Liability Management

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

For the year 2016-17

(₹ in Lakh)

PARTICULARS	LIABILITIES			ASSETS		
	BOR-ROWINGS FROM BANKS	MARKET BORROW-INGS	FOREIGN CURREN-CY LIA-BILITIES	ADVANC-ES	INVEST-MENTS	FOREIGN CUR-RENCY ASSETS
1 day to 30/31 days (One month)	40,365	1,52,105	–	18,880	–	–
Over One month to 2 months	7,000	1,28,861	–	7,714	–	–
Over 2 months unto 3 months	14,944	64,396	–	7,662	–	–
Over 3 months to 6 months	19,944	72,011	–	24,695	–	–
Over 6 months to 1 year	74,887	1,11,899	–	53,769	–	–
Over 1 year to 3 years	2,39,364	1,74,962	–	2,72,685	–	–
Over 3 years to 5 years	59,524	88,820	–	1,95,963	–	–
Over 5 to 7 years	52,711	28,550	–	2,03,882	–	–
Over 7 to 10 years	67,404	90,550	–	3,06,783	–	–
Over 10 years	63,952	–	–	6,00,557	–	–
Total	6,40,095	9,12,155	–	16,92,590	–	–

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

For the year 2015-16

(₹ in Lakh)

PARTICULARS	LIABILITIES			ASSETS		
	BOR-ROWINGS FROM BANKS	MARKET BORROW-INGS	FOREIGN CURREN-CY LIA-BILITIES	ADVANC-ES	INVEST-MENTS	FOREIGN CUR-RENCY ASSETS
1 day to 30/31 days (One month)	85,417	42,130	—	14,741	—	—
Over One month to 2 months	—	66,218	—	6,436	—	—
Over 2 months puts 3 months	7,362	75,031	—	6,198	—	—
Over 3 months to 6 months	7,362	38,764	—	19,149	—	—
Over 6 months to 1 year	17,224	57,760	—	42,357	—	—
Over 1 year to 3 years	2,90,293	2,16,108	—	1,94,918	—	—
Over 3 years to 5 years	60,138	38,200	—	1,46,965	—	—
Over 5 to 7 years	24,670	29,950	—	1,58,516	—	—
Over 7 to 10 years	32,059	74,670	—	2,44,353	—	—
Over 10 years	24,338	—	—	4,66,828	—	—
Total	5,48,863	6,38,831	—	13,00,461	—	—

35.6 Exposure

35.6.1 Exposure to Real Estate Sector

(₹ In Lakh)

CATEGORY	2016-17	2015-16
a) Direct Exposure		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
(i) Individual housing loans up to ₹ 15 Lakh	2,55,089	1,73,662
(ii) Other housing loans	13,43,594	10,45,294
(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.	95,461	78,804
(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	16,94,144	12,97,760

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

35.6.2 Exposure to Capital Market

(₹ In Lakh)

PARTICULARS		2016-17	2015-16
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	–	–
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	–	–
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	–	–
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	–	–
(vii)	Bridge loans to companies against expected equity flows / issues;	–	–
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	–	–
Total Exposure to Capital Market		–	–

35.6.3 No Parent Company Products are financed during the year (Previous Year Nil).**35.6.4** The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the NHB prudential norms applicable to HFC.**35.6.5** The Exposure to Unsecured Advances is ₹ Nil Lakh (Previous Year ₹ Nil Lakh)**35.7 Miscellaneous****35.7.1** The Company has following Registrations effective as on March 31, 2017:

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
National Housing Bank	04.0073.09	04-Apr-09	–	Housing finance institution without permission to accept public deposits.

35.7.2 No penalties has been imposed on the Company during the year.**35.7.3** Ratings assigned by credit rating agencies and migration of ratings during the year.

(i)	Rating Assigned to	Short Term Debt, Long Term Debt, Tier II Debt
(ii)	Date of Rating	ICRA- 25th January 2017, CRISIL- 29th March, 2017
(iii)	Rating Valid up to	Till the Date of reaffirmation
(iv)	Name of the Rating Agency	ICRA Limited (ICRA), CRISIL Limited (CRISIL),
(v)	Rating of products	
	(a) Commercial Paper	CRISIL A1+
	(b) Debentures	Secured/Unsecured Non Convertible Debentures ICRA AA+, CRISIL AA+
		Tier II Debentures ICRA AA+, CRISIL AA+
	(c) Others	Long Term Bank Loans : CRISIL AA+

35.8 Additional Disclosures

35.8.1 Provisions and Contingencies

(₹ in Lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		2016-17	2015-16
(i)	Provisions for depreciation on Investment	–	–
(ii)	Provision made towards Income tax	9,505	6,042
(iii)	Provision towards NPA	4,501	1,942
(iv)	Provision for Standard Assets (Refer Note No. 27.2)	2,539	2,110
(v)	Provision for depreciation on Fixed Assets	272	176
(vi)	Provision for Gratuity	199	89
(vii)	Provision for Leave Encashment	176	91
(viii)	Provision for long term service benefit	24	9

35.8.2 Company has not made any drawdown of reserves during the year (Previous year : Nil).

35.8.3 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.

35.8.4 Concentration of Loans & Advances

(₹ in Lakh)

PARTICULARS	2016-17	2015-16
Total Loans & Advances to twenty largest borrowers*	66,998	58,513
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	3.95%	4.51%

Includes Loans & Advances.

35.8.5 Concentration of all Exposure (including off-balance sheet exposure)

(₹ in Lakh)

PARTICULARS	2016-17	2015-16
Total Exposure to twenty largest borrowers / customers*	86,106	77,708
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	4.55%	5.38%

Includes Loans, Advances & investment in Mutual Funds.

35.8.6 Concentration of NPAs

(₹ in Lakh)

PARTICULARS	2016-17	2015-16
Total Exposure to top ten NPA accounts	4,359	4,189

35.8.7 Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing	0.81%
	1. Individuals	0.82%
	2. Builders/Project	0.62%
	3. Corporates	1.68%
	4. Others (specify)	0.00%
B.	Non-Housing	1.39%
	1. Individuals	1.25%
	2. Builders/Project	0.00%
	3. Corporates	3.56%
	4. Others (specify)	0.00%

35.8.8 Movement of NPAs

(₹ in Lakh)

PARTICULARS		2016-17	2015-16
(I)	Net NPAs to Net Advances (%)	0.46%	0.46%
(II)	Movement of NPAs (Gross)		
a)	Opening balance	9,446	5,564
b)	Additions during the year	9,888	5,348
c)	Reductions during the year	(3,781)	(1,466)
d)	Closing balance	15,553	9,446
(III)	Movement of Net NPAs		
a)	Opening balance	5,922	3,749
b)	Additions during the year	4,185	3,283
c)	Reductions during the year	(2,286)	(1,110)
d)	Closing balance	7,821	5,922
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
a)	Opening balance	3,524	1,815
b)	Additions during the year	5,703	2,065
c)	Reductions during the year	(1,495)	(356)
d)	Closing balance	7,732	3,524

35.8.9 The company does not have overseas asset as on March 31st 2017.**35.8.10** The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable**35.9 Customers Complaints**

PARTICULARS		2016-17	2015-16
a)	No. of complaints pending at the beginning of the year	30	19
b)	No. of complaints received during the year	2380	1363
c)	No. of complaints redressed during the year	2265	1352
d)	No. of complaints pending at the end of the year	145	30

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

For and on behalf of the Board of Directors

Praveen P. Kadle
(Chairman)**Janki Ballabh**
(Director)**Anuradha E. Thakur**
(Director)**G. Sankaranarayanan**
(Director)**S. H. Rajadhyaksha**
(Director)**R. Vaithianathan**
(Managing Director)**S. Balakrishna Kamath**
(Chief Financial Officer & Company Secretary)Mumbai,
Date : April 28, 2017